



# Comprehensive Annual Financial Report

For the Fiscal Years Ended  
August 31, 2018 and 2017

Dallas County, Texas



Dallas County  
Community College District

Higher Education That  
*Actually* Gets You Hired

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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, 2018 AND 2017

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# INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

BOARD OF TRUSTEES

OFFICERS

Diana Flores	Chair
Wesley Jameson	Vice Chair
Joe D. May	Secretary

MEMBERS

TRUSTEE	CITY, STATE	TERM EXPIRES
Diana Flores	Dallas, Texas	2020
Wesley Jameson	Duncanville, Texas	2020
Phillip J. Ritter	Duncanville, Texas	2022
Dorothy Zimmermann	Garland, Texas	2022
Monica Lira Bravo	Dallas, Texas	2022
JL Sonny Williams	Dallas, Texas	2024
Charletta Rogers Compton	Dallas, Texas	2024

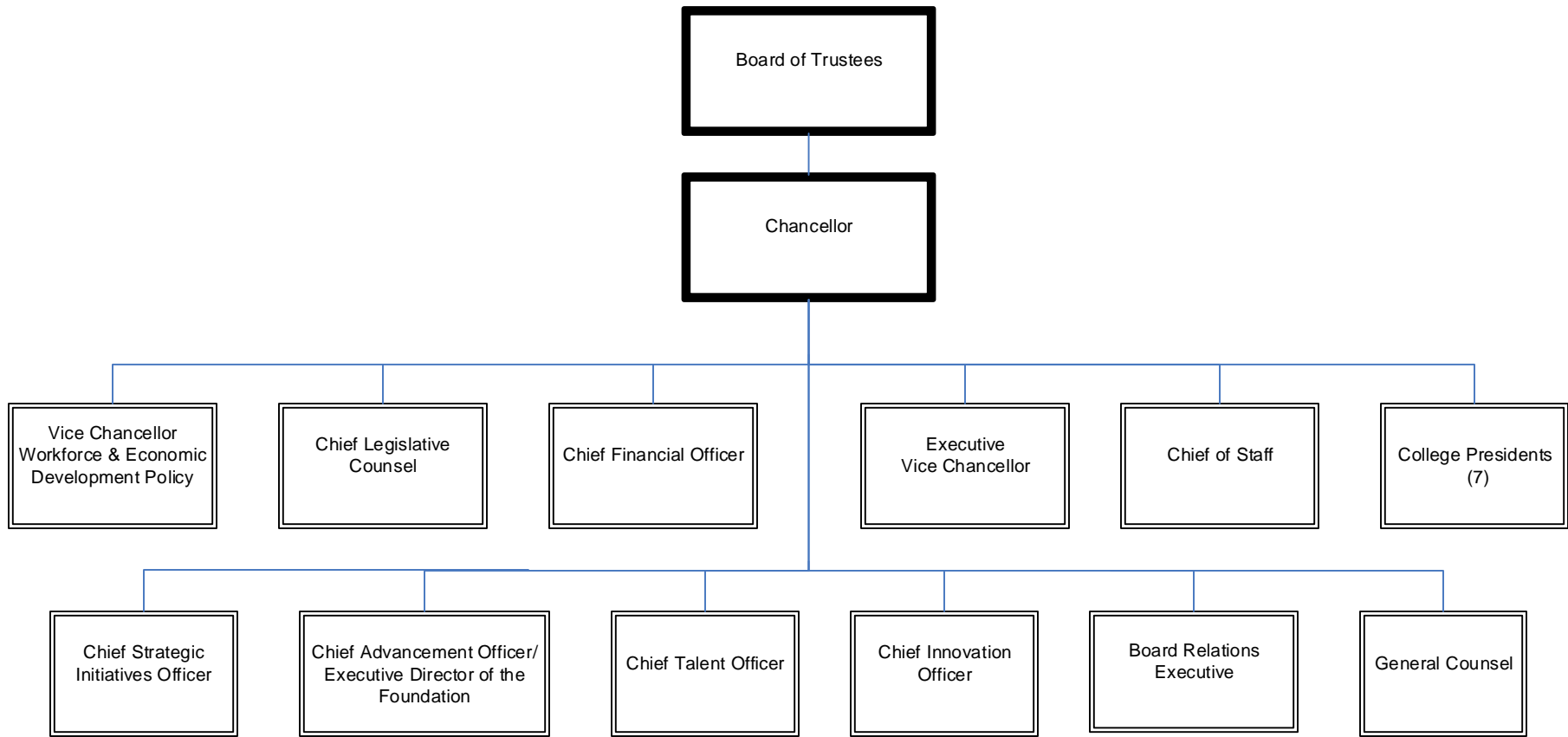
DISTRICT ADMINISTRATIVE OFFICERS

Joe D. May	Chancellor
Mary Brumbach	Chief Strategic Initiatives Officer
Vacant	Chief Talent Officer
Isaac Faz	Chief Legislative Counsel
Iris Freeman	Chief of Staff
Mark Hays	Vice Chancellor, Workforce & Economic Development Policy
Justin Lonon	Executive Vice Chancellor/Chief of Staff
Tim Marshall	Chief Innovation Officer
Perla Molina	Board Relations Executive
John Robertson	Chief Financial Officer
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 Garcia	Mountain View College
Joseph Seabrooks	Cedar Valley College
Christa Slejko	North Lake College

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
ORGANIZATIONAL CHART  
2017-2018**





**Dallas County  
Community College District**

December 4, 2018



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, 2018 and 2017.

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 23 Early College High Schools (ECHS), including 18 new P-TECH programs. This significant program will enable more than 2,300 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 ECHS and collegiate academies.
- Our dual credit and ECHS programs 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 \$19,000, a 38 percent increase saving taxpayers approximately \$1.9 million. Again, in September 2018, this exemption was increased by \$6,000, an 8.7% increase and is expected to save taxpayers over \$800,000 in 2019.
- The Dallas County Promise program saw its first class of over 2,000 students for the first time in the fall, 2018 semester. This “last-dollar” program provides free tuition to



## A Letter from the Chancellor

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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 County Promise program is open to high school seniors from the 31 early college high schools. The number of high schools will expand as the program grows.

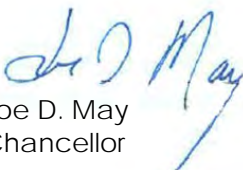
- The District has completed facility master plans and currently is developing an integrated network master plan based on an education plan that drives the facility needs. Due to enrollment growth and aging facilities, this will necessitate the need for general obligation bonds in the near future.

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 4, 2018

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, 2018 and 2017. 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 \$20.1 million due to the taxable assessed value increasing by 5.6%. The maintenance and operations tax rate remained unchanged.
- Tuition and Fees – increased by \$1.1 million due to a moderate increase in enrollments.
- State Appropriations – remained flat with increase in instructional funding offset by decreases in benefit funding.

Taxable property values increased by 5.6% in fiscal year 2018 driven primarily by commercial and business personal property increases, especially in the central business district of Dallas.

In fiscal year 2018, credit student headcount increased by approximately 3.3%. DCCCD expects that enrollments will increase in fiscal year 2019 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 2018-2019 biennium and overall Texas Community Colleges had a slight increase of 0.05% in the amount of funding for instructional expenses but a net decrease in state benefit funding.

Operating expenses increased \$32.3 million in fiscal year 2018 due largely to the addition of new full-time positions specifically in student service 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.

### 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 finalized their facility master plans and presented to the Board of Trustees during fiscal year 2018. The District is now consolidating those facility plans into an integrated network master plan driven by a district-wide education plan.

### 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 seven colleges have completed their facility master plans. Currently, these plans are being integrated into a district-wide capital program for fiscal 2019.
- A new repair and restoration project list is currently under way and will be finalized for fiscal 2019 with a start date with the 2020 budget.

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, 2017, for the sixth 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, 2018 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, 2017**

*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://linkd.in/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 year ended August 31, 2018 and 2017, 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 audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2018 and 2017 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**

### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the District adopted new accounting and reporting guidance in 2018 for other post-employment benefits. Our opinion is not modified with respect to this matter.

### ***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 111 through 118, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary information***

Our audit was conducted for the purpose of forming 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, 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 158 through 168, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 121 through 124, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other information***

The introductory section and statistical section on pages 4 through 10 and on pages 126 through 151, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 11, 2018, 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 solely 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 the District's 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 11, 2018

## DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(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 "2018", "2017" and "2016" refer to fiscal years ended August 31, 2018, August 31, 2017, and August 31, 2016, respectively.

#### FINANCIAL HIGHLIGHTS FOR 2018

- Total assets for 2018 were \$1,098.2 million, increasing by \$28.6 million from 2017 due to increases in long-term investments and grant receivables. Total liabilities increased \$178.6 million during 2018 as a result of the \$204.3 million increase attributable to the adoption of GASB Statement No. 75 ("GASB 75"); an increase in net pension liability of \$9.3 million offset by a reduction in bonds payable of \$40.2 million. Deferred outflows were \$50.5 million and deferred inflows were \$77.3 million.
- Net position at August 31, 2018 was \$440.3 million, of which, \$33.0 million (after adoption of GASB 75) was unrestricted and may be used to meet DCCCD's ongoing obligations.
- Operating revenues were \$113.1 million, up \$3.4 million and operating expenses were \$529.4 million, up \$32.3 million primarily due to compensation increases and increases in student services headcount. Net non-operating revenues were \$473.2 million, for an increase of \$32.6 million primarily attributed to increases in ad valorem tax revenue, investment income and federal grants.
- Total bond payments for 2018 increased by \$6.7 million. General Obligation Refunding bond payments increased by \$8.4 million for 2018 while payments for General Obligation bond payments decreased \$1.7 million reflecting the advance refundings in 2017 and 2016. Total bonds payable decreased by \$40.2 million.

#### OVERVIEW OF FINANCIAL STATEMENTS

The Financial Statements are reported as a unit. DCCCD is comprised of seven separately accredited colleges offering higher education and workforce training to Dallas County, Texas and surrounding communities in North Texas. The colleges of DCCCD are:

- 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)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

DCCCD qualifies as a special-purpose government engaged in business-type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, and the financial statements are prepared on that basis. The resulting financial statement format focuses on DCCCD as a whole. The basic financial statements are designed to emulate the corporate presentation model whereby DCCCD's fiscal activities are consolidated into one column total. Comparative data 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, 2018 and 2017 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, 2018 AND 2017

(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, 2016 through 2018 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2018	2017	2016	2018 to 2017	2017 to 2016
ASSETS					
Current Assets	\$ 239.0	\$ 227.7	\$ 180.4	\$ 11.3	\$ 47.3
Capital Assets, net of depreciation	631.4	631.7	637.4	(0.3)	(5.7)
Other Non-current Assets	227.8	210.2	232.8	17.6	(22.6)
Total Assets	1,098.2	1,069.6	1,050.6	28.6	19.0
DEFERRED OUTFLOWS OF RESOURCES	50.5	29.0	32.8	21.5	(3.8)
LIABILITIES					
Current Liabilities	152.7	144.6	136.1	8.1	8.5
Non-current Liabilities	478.4	307.9	358.6	170.5	(50.7)
Total Liabilities	631.1	452.5	494.7	178.6	(42.2)
DEFERRED INFLOWS OF RESOURCES	77.3	24.2	20.0	53.1	4.2
NET POSITION					
Net investment in Capital Assets	402.5	368.5	343.3	34.0	25.2
Restricted	4.8	1.8	2.3	3.0	(0.5)
Unrestricted	33.0	251.6	223.1	(218.6)	28.5
Total Net Position	\$ 440.3	\$ 621.9	\$ 568.7	\$ (181.6)	\$ 53.2

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

Changes in Assets

Current assets increased by \$11.3 million in 2018 compared to 2017 as a result of a \$13.8 million increase in accounts receivable due to a \$12.7 million increase in grant receivables due to timing differences in drawing down funds in 2018 as compared to 2017. Cash decreased by \$18.8 million in 2018 as available return rates on short-term and long-term investments increased during the year. Short-term investments increased \$16.9 million and long-term investments increased \$17.4 million from 2017.

Change in Deferred Outflows

Deferred outflows increased by \$21.5 million in 2018. The other post-employment benefits (implementation of GASB 75) increased deferred outflows by \$5.9 million while deferred outflows related to pensions increased \$17.5 million in 2018. Deferred loss on bond refunding decreased \$1.9 million for 2018 as scheduled amortization of losses from prior advanced refundings continue.

Changes in Liabilities

Current liabilities increased by \$8.1 million in 2018 due to an increase in current bonds payable as a result of the advanced refundings of 2017 and 2016, and a \$4.0 million increase in accounts payable and accrued liabilities related to an increase in purchases of supplies and services.

Non-current liabilities increased by \$170.5 million in 2018 with the \$203.3 million implementation of GASB 75 and the \$9.3 million increase in net pension liability offset by the long-term bonds decrease of \$43.1 million. Long-term bonds continue principal reductions attributable to the advance refundings in 2017 and 2016.

Changes in Deferred Inflows

Deferred Inflows in 2018 increased \$45.2 million due to implementation of GASB 75 and an increase in deferred inflows related to pensions of \$7.9 million.

Changes in Net Position

At August 31, 2018, the difference in assets and liabilities was \$440.3 million. While at August 31, 2017, the difference was \$621.9 million, a decrease of \$181.6 million. The beginning Net Position for 2018 was restated as DCCCD implemented GASB Statement No. 75.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

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).

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

	2018	2017	2016	2018 to 2017	2017 to 2016
Operating Revenues					
Tuition and Fees (Net)	\$ 76.2	\$ 75.1	\$ 71.0	\$ 1.1	\$ 4.1
Grants and Contracts	32.2	30.2	31.0	2.0	(0.8)
Auxiliary Enterprises	2.0	2.1	2.1	(0.1)	0.0
Other Operating Revenues	2.7	2.3	2.5	0.4	(0.2)
Total Operating Revenues	113.1	109.7	106.6	3.4	3.1
Operating Expenses	529.4	497.1	480.0	32.3	17.1
Operating Loss	(416.3)	(387.4)	(373.4)	(28.9)	(14.0)
Non-Operating Revenues and (Expenses)					
State Appropriations	118.6	118.6	116.1	0.0	2.5
Ad Valorem Taxes	282.2	262.1	240.9	20.1	21.2
Federal Revenue	75.0	70.9	73.1	4.1	(2.2)
Investment Income	5.8	3.4	3.6	2.4	(0.2)
Interest on Capital-Related Debt	(7.9)	(8.4)	(11.6)	0.5	3.2
Other Non-Operating Revenue (Expense)	(0.5)	(6.0)	0.9	5.5	(6.9)
Net Non-Operating Revenues	473.2	440.6	423.0	32.6	17.6
Increase in Net Position	56.9	53.2	49.6	3.7	3.6
Net Position - Beginning of Year	621.9	568.7	519.1	53.2	49.6
Cumulative effect of GASB Statement No. 75	(238.5)	-	-	(238.5)	-
Net Position - End of Year	\$ 440.3	\$ 621.9	\$ 568.7	\$ (181.6)	\$ 53.2



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(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 \$1.1 million in 2018 due to slightly increased enrollments. Grants and contracts provided 28.5% of operating revenue for 2018, which is a 1.0% increase compared to 2017. Auxiliary revenues, bookstore commissions, vending and food service providers, were flat in 2018. In 2018, the District continued its efforts begun in 2017 to reduce textbook costs to students.

Non-Operating Revenues

State appropriations remained flat in 2018 when compared to 2017. Instructional related state funding and special items increased \$2.0 million while funding for health care and retirement benefits decreased \$2.0 million during the same period.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2018 by \$20.1 million as the taxable assessed value increased 5.6% 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. The investment income increase of \$2.4 million in 2018 over 2017 was attributable to higher average short and long-term investment balances and increased return rates available in 2018.

Federal revenue was \$75.0 million, an increase of \$4.1 million from 2017 as the effect of changes to year-round entitlements in Title IV grants (Pell) was realized in 2018.

In 2018, DCCCD transferred \$0.7 million of unrestricted funds to the Foundation for scholarships to students. DCCCD transferred \$0.2 million and \$6.2 million of the endowment balance and related revenue for a Quasi-endowment fund to the Foundation in 2018 and 2017, respectively. The total amounts transferred are 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, 2018 AND 2017

(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

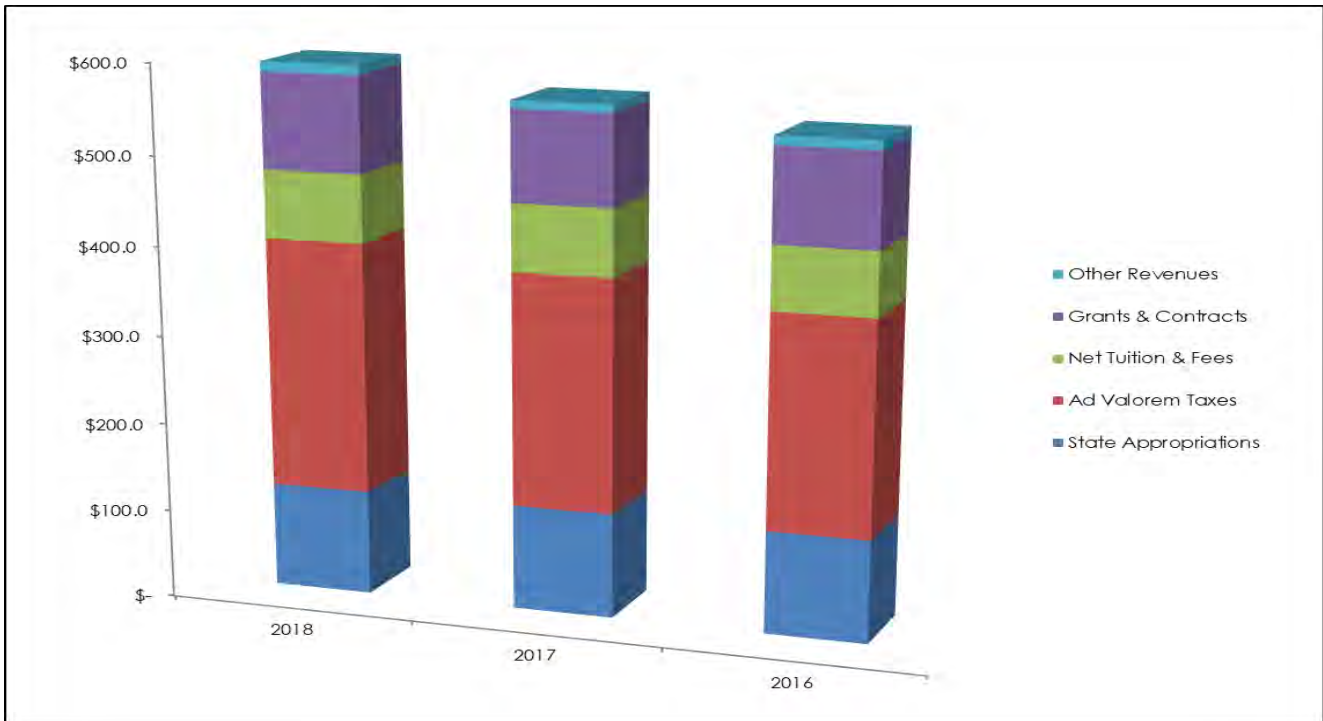
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

TABLE 3: REVENUE BY SOURCE  
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2018	2017	2016	2018 to 2017	2017 to 2016
State Appropriations	\$ 118.6	\$ 118.6	\$ 116.1	\$ -	\$ 2.5
Ad Valorem Taxes	282.2	262.1	240.9	20.1	21.2
Net Tuition & Fees	76.2	75.1	71.0	1.1	4.1
Grants and Contracts	107.2	101.1	104.2	6.1	(3.1)
Investments	5.7	3.4	3.6	2.3	(0.2)
Auxiliary Enterprises	2.0	2.1	2.1	(0.1)	0.0
Other Revenues	3.3	3.4	4.5	(0.1)	(1.1)
<b>Total Revenues</b>	<b>\$ 595.2</b>	<b>\$ 565.8</b>	<b>\$ 542.4</b>	<b>\$ 29.4</b>	<b>\$ 23.4</b>

REVENUE BY SOURCE  
Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

Operating Expenses

Total Operating Expenses were \$529.4 million in 2018 and \$497.1 million in 2017 for an increase of \$32.3 million due largely to employees' salary increases of approximately 3%; a \$2.5 million increase in Scholarships as year round PELL Title IV grants was implemented in 2018 and an increase in Institutional Support and Student Services due to increased central services and district-wide student 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 2018, salary expense increased as the Board of Trustees approved employee salary and staffing increases. Salaries increased \$14.5 million over 2017. Benefits increased in 2017 due to the effect of the salary increases on variable benefits, an increase in the rates of health benefits and the increase in pension and other post-employment obligations costs (GASB 75). As a percentage of salary expenses, benefits were 24.5% in 2018, 23.4% in 2017, and 24.0% in 2016. 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 \$8.7 million in 2018 as compared to 2017 with the salary increases. The same is true for the other functional classifications as employee expense is the largest single type of expense. Institutional support increased \$11.6 million due to continuing safety and security initiatives approved by the Board and the impact of the adoption of GASB 75 on benefit costs. Depreciation remained flat for 2018 as compared to 2017 as more of our buildings continue to age past 50 years of service. See Table 5 and Figure 3.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

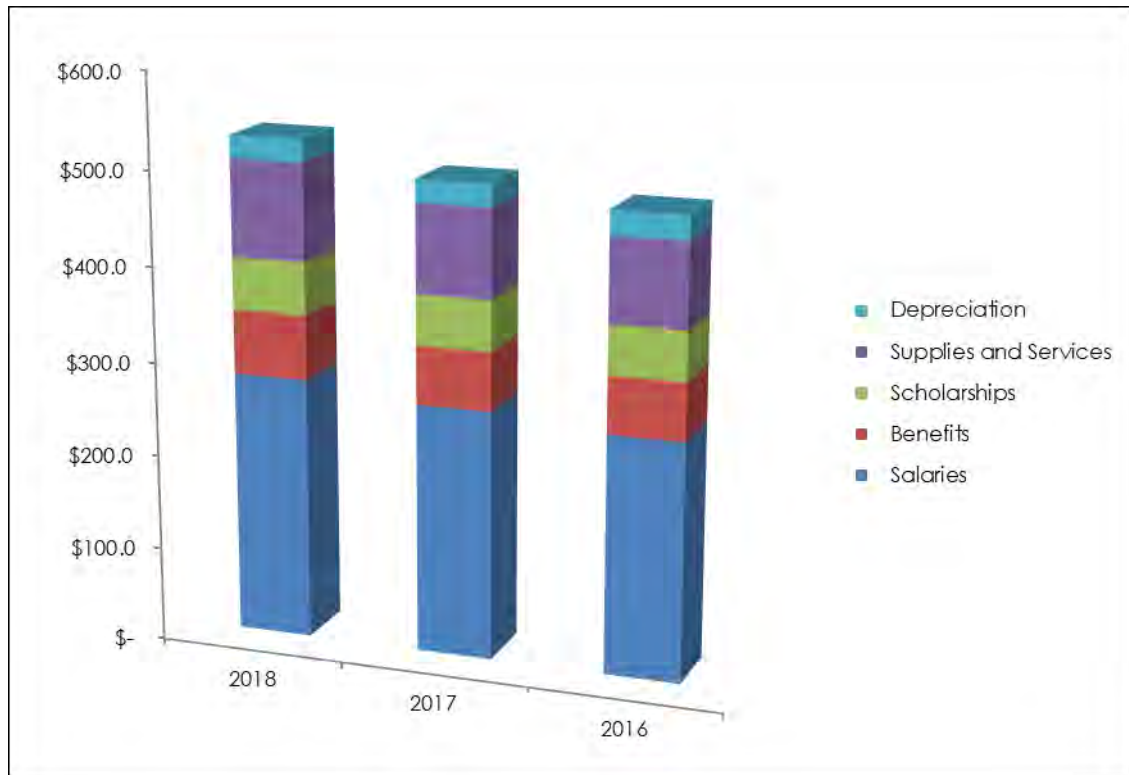
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2018	2017	2016	2018 to 2017	2017 to 2016
Salaries	\$ 278.9	\$ 264.4	\$ 252.9	\$ 14.5	\$ 11.5
Benefits	68.3	61.9	60.6	6.4	1.3
Scholarships	56.0	53.5	52.3	2.5	1.2
Supplies and Services	102.6	93.3	88.3	9.3	5.0
Depreciation	23.6	24.0	25.9	(0.4)	(1.9)
Total Operating Expenses	\$ 529.4	\$ 497.1	\$ 480.0	\$ 32.3	\$ 17.1

OPERATING EXPENSES – NATURAL CLASSIFICATION  
Figure 2



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

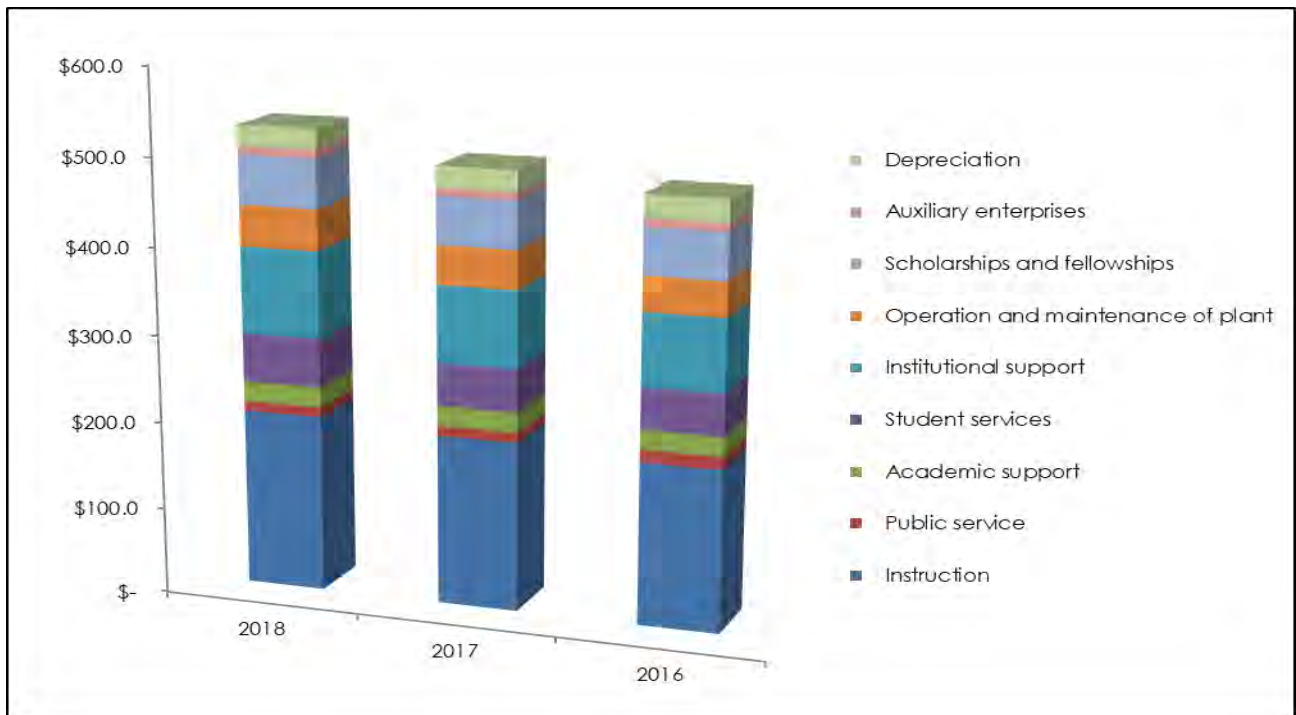
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2018	2017	2016	2018 to 2017	2017 to 2016
Instruction	\$ 203.7	\$ 195.0	\$ 186.1	\$ 8.7	\$ 8.9
Public service	11.2	11.4	14.3	(0.2)	(2.9)
Academic support	23.3	23.1	22.5	0.2	0.6
Student services	55.7	48.8	47.8	6.9	1.0
Institutional support	99.3	87.7	82.3	11.6	5.4
Operation and maintenance of plant	47.0	44.3	39.5	2.7	4.8
Scholarships and fellowships	56.1	53.5	52.4	2.6	1.1
Auxiliary enterprises	9.5	9.3	9.2	0.2	0.1
Depreciation	23.6	24.0	25.9	(0.4)	(1.9)
<b>Total Operating Expenses</b>	<b>\$ 529.4</b>	<b>\$ 497.1</b>	<b>\$ 480.0</b>	<b>\$ 32.3</b>	<b>\$ 17.1</b>

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION  
Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

The Foundation

For the fiscal year ended August 31, 2018, the Foundation's net assets were \$56.5 million. The Foundation's net assets were \$52.7 million at August 31, 2017. 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 \$33.0 million and \$32.8 million for the fiscal years ended August 31, 2018 and 2017, 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 \$42.9 million primarily attributable to decreases in the drawdown of funds from grant activities and increases in payments to vendors and employees. Cash Flows from Non-Capital Financing Activities increased \$24.0 million due mainly to the increase in ad valorem taxes. Cash Flows from Capital and Related Financing Activities decreased \$6.9 million due to increases in debt service attributable to refinancing activities in fiscal 2017. Cash Flows from Investing Activities decreased \$74.2 million as a result of additional purchases of investments because of increased return rates available during the year.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2018, net capital assets decreased by \$0.2 million. Since 2013, DCCCD has dedicated at least \$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 6-9 for Long-Term Debt activity.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(UNAUDITED)

TABLE 6: NET CAPITAL ASSETS  
(In Millions)

	Fiscal Year			Change	
	2018	2017	2016	2018 to 2017	2017 to 2016
<b>CAPITAL ASSETS:</b>					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	893.4	891.5	871.7	1.9	19.8
Land Improvements	38.7	33.6	33.9	5.1	(0.3)
Equipment, Furniture, and Software	87.9	84.4	82.8	3.5	1.6
Library Books	8.0	7.7	8.0	0.3	(0.3)
Construction In Progress	27.0	16.0	24.1	11.0	(8.1)
<b>Total</b>	<b>1,093.9</b>	<b>1,072.1</b>	<b>1,059.4</b>	<b>21.8</b>	<b>12.7</b>
Less Accumulated Depreciation	(462.5)	(440.4)	(422.1)	(22.1)	(18.3)
<b>Net Capital Assets</b>	<b>\$ 631.4</b>	<b>\$ 631.7</b>	<b>\$ 637.3</b>	<b>\$ (0.3)</b>	<b>\$ (5.6)</b>

In July, 2017, DCCCD advance 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	
	2018	2017	2016	2018 to 2017	2017 to 2016
Revenue Bonds	\$ -	\$ -	\$ 15.5	\$ -	\$ (15.5)
GO Bonds	18.5	20.2	27.0	(1.7)	(6.8)
GO Refunding Bonds	27.5	19.1	6.4	8.4	12.7
<b>Total</b>	<b>\$ 46.0</b>	<b>\$ 39.3</b>	<b>\$ 48.9</b>	<b>\$ 6.7</b>	<b>\$ (9.6)</b>



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

(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	
	2018	2017	2016	2018 to 2017	2017 to 2016
GO Bonds	\$ 40.0	\$ 56.9	\$ 140.6	\$ (16.9)	\$ (83.7)
GO Refunding Bonds	209.0	232.3	179.5	(23.3)	52.8
Totals	\$ 249.0	\$ 289.2	\$ 320.1	\$ (40.2)	\$ (30.9)

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 2019 by 9.6% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate decreased to \$0.02000 per \$100 valuation due to increased tax assessed value and an advance refunding planned for fiscal year 2019.

In fiscal year 2018, DCCCD started planning for improvements to Information Technology infrastructure and Public Safety and Security at all locations. The new Construction Technology building at North Lake College continues under design. In addition, the DCCCD management held a series of facility master planning sessions during the year. These capital improvements may require the issuance of revenue bonded debt in the following three fiscal years with the first debt issuance occurring in November 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, 2018 AND 2017  
EXHIBIT 1

ASSETS	2018	2017
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 148,733,898	\$ 167,583,002
Short-term investments	26,906,477	9,972,723
Accounts receivable (net of allowance for uncollectible accounts)	20,987,257	8,335,398
Tuition and fees receivable (net of allowance for uncollectible accounts)	17,350,186	16,067,419
Taxes receivable (net allowance for uncollectible accounts)	1,763,662	1,872,015
Accrued charges, net	20,028,372	21,199,364
Inventories	228,882	223,770
Prepaid expenses	3,026,351	2,384,284
Total current assets	239,025,085	227,637,975
<b>NON-CURRENT AND RESTRICTED ASSETS</b>		
Restricted cash and cash equivalents	15,903,013	15,786,848
Long-term investments	211,874,789	194,439,388
Capital assets, net		
Not subject to depreciation	65,894,714	54,975,555
Subject to depreciation	565,562,943	576,762,575
Total non-current and restricted assets	859,235,459	841,964,366
<b>TOTAL ASSETS</b>	<b>1,098,260,544</b>	<b>1,069,602,341</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	7,320,285	9,210,844
Deferred outflows related to pensions	37,323,962	19,801,712
Deferred outflows related to other post employment benefits	5,846,957	-
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	12,910,988	11,557,479
Accrued liabilities	9,507,627	6,883,719
Accrued interest	462,430	536,530
Accrued compensable absences-current portion	9,138,228	8,688,468
Funds held for others	1,596,826	1,690,114
Unearned revenues	74,873,847	75,020,709
Net OPEB liability-current portion	1,036,866	-
Bonds payable-current portion	43,124,898	40,236,289
Capital lease payable-current portion	96,853	-
Total current liabilities	152,748,563	144,613,308
<b>NON-CURRENT LIABILITIES</b>		
Accrued compensable absences	4,825,074	4,202,494
Net pension liability	64,010,885	54,672,053
Net other post employment benefits liability	203,307,847	-
Bonds payable	205,893,643	249,018,541
Capital lease payable	425,140	-
Total non-current liabilities	478,462,589	307,893,088
<b>TOTAL LIABILITIES</b>	<b>631,211,152</b>	<b>452,506,396</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	32,085,000	24,206,031
Deferred inflows related to other post employment benefits	45,181,596	-
<b>NET POSITION</b>		
Net investment in capital assets	402,522,068	368,475,383
Restricted for:		
Debt service	4,742,179	1,836,882
Unrestricted	33,009,753	251,590,205
<b>TOTAL NET POSITION (Schedule D)</b>	<b>\$ 440,274,000</b>	<b>\$ 621,902,470</b>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION  
 AUGUST 31, 2018 AND 2017  
 EXHIBIT 1A

ASSETS		
	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 8,847,601	\$12,471,414
Accrued interest and dividends receivable	150,026	81,752
Contributions receivable, net	195,148	295,148
Other assets	6,700	6,700
Prepaid Expense	3,203	-
Investments	<u>48,926,326</u>	<u>40,052,622</u>
Total assets	<u>\$58,129,004</u>	<u>\$52,907,636</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to affiliate	\$ 1,609,099	\$ 155,859
Accounts payable	<u>34,183</u>	<u>42,711</u>
Total liabilities	<u>1,643,282</u>	<u>198,570</u>
Net assets:		
Unrestricted	4,868,613	2,734,334
Temporarily restricted	18,596,531	17,185,427
Permanently restricted	<u>33,020,578</u>	<u>32,789,305</u>
Total net assets	<u>56,485,722</u>	<u>52,709,066</u>
Total liabilities and net assets	<u>\$58,129,004</u>	<u>\$52,907,636</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, 2018 AND 2017  
EXHIBIT 2

	2018	2017
OPERATING REVENUES		
Tuition and charges (net of discounts of \$56,827,578 and \$51,841,643, respectively)	\$ 76,150,038	\$ 75,077,821
Federal grants and contracts	18,209,482	17,088,766
State grants and contracts	12,081,882	9,158,045
Non-governmental grants and contracts	1,962,931	3,960,045
Sales and services of educational activities	572,175	635,148
Auxiliary enterprises	2,035,561	2,102,432
General operating revenues	2,096,579	1,699,354
Total operating revenues (Schedule A)	<u>113,108,648</u>	<u>109,721,611</u>
OPERATING EXPENSES		
Instruction	203,691,621	194,995,779
Public service	11,185,849	11,432,445
Academic support	23,314,808	23,073,312
Student services	55,694,043	48,806,852
Institutional support	99,268,138	87,716,566
Operation and maintenance of plant	47,073,154	44,236,545
Scholarships and fellowships	56,038,132	53,530,988
Auxiliary enterprises	9,544,000	9,280,727
Depreciation	23,575,310	23,993,210
Total operating expenses (Schedule B)	<u>529,385,055</u>	<u>497,066,424</u>
OPERATING LOSS	(416,276,407)	(387,344,813)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	118,624,053	118,601,634
Ad Valorem (net of bad debt and fees of \$3,011,173 and \$3,053,514, respectively)	282,181,833	262,106,888
Federal revenue, non-operating	74,999,089	70,883,073
Gifts	106,238	94,853
Investment income	5,752,448	3,436,563
Interest on capital related debt	(7,920,169)	(8,385,189)
Gain (loss) on disposal of fixed assets & easement rights	(184,604)	230,319
Other non-operating revenue	560,356	600,414
Other non-operating expense	(941,225)	(7,026,090)
Net non-operating revenues (Schedule C)	<u>473,178,019</u>	<u>440,542,465</u>
INCREASE IN NET POSITION	56,901,612	53,197,652
NET POSITION		
Net Position—Beginning of Year	621,902,470	568,704,818
Effect of adoption of GASB Statement No. 75	(238,530,082)	-
Net Position—Beginning of Year, as restated	<u>383,372,388</u>	<u>568,704,818</u>
Net Position—End of Year	<u>\$ 440,274,000</u>	<u>\$ 621,902,470</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES  
 YEAR ENDED AUGUST 31, 2018  
 EXHIBIT 2A

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
<b>REVENUES</b>				
Contributions	\$ 255,317	\$ 2,610,675	\$ 147,486	\$ 3,013,478
Interest and dividend income	673,772	921,647	-	1,595,419
Contributed salaries	1,202,765	-	-	1,202,765
Net realized and unrealized gains on investments	1,700,322	1,826,538		3,526,860
Net assets released from restrictions	<u>3,963,480</u>	<u>(3,963,480)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,795,656</u>	<u>1,395,380</u>	<u>147,486</u>	<u>9,338,522</u>
<b>EXPENSES</b>				
Program services:				
Scholarship awards	2,084,385	-	-	2,084,385
Grants	<u>1,923,467</u>	<u>-</u>	<u>-</u>	<u>1,923,467</u>
Total program services	<u>4,007,852</u>	<u>-</u>	<u>-</u>	<u>4,007,852</u>
Non-program services:				
Management and general	843,606	-	-	843,606
Fundraising	<u>710,408</u>	<u>-</u>	<u>-</u>	<u>710,408</u>
Total non-program services	<u>1,554,014</u>	<u>-</u>	<u>-</u>	<u>1,554,014</u>
Total expenses	<u>5,561,866</u>	<u>-</u>	<u>-</u>	<u>5,561,866</u>
Transfers between funds, based on donor instructions	<u>(99,511)</u>	<u>15,724</u>	<u>83,787</u>	<u>-</u>
Change in net assets	2,134,279	1,411,104	231,273	3,776,656
Net assets, beginning of year	<u>2,734,334</u>	<u>17,185,427</u>	<u>32,789,305</u>	<u>52,709,066</u>
Net assets, end of year	<u>\$4,868,613</u>	<u>\$18,596,531</u>	<u>\$33,020,578</u>	<u>\$56,485,722</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2017

EXHIBIT 2A  
(CONTINUED)

	<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

STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017  
EXHIBIT 3

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 77,747,961	\$ 79,166,231
Receipts from grants and contracts	19,309,804	44,844,762
Payments to suppliers for goods and services	(99,843,452)	(99,485,213)
Payments to or on behalf of employees	(318,566,925)	(304,070,893)
Payments for scholarships and fellowships	(55,395,742)	(53,918,976)
Collection of loans to students	(987)	4,730
Other receipts	2,096,579	1,695,091
Net cash used by operating activities	<u>(374,652,762)</u>	<u>(331,764,268)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	285,301,360	264,921,600
Payments for collection of taxes	(2,942,506)	(2,849,961)
Receipts from state appropriations	96,697,916	101,981,429
Receipts from federal grants for non-operating activities	75,050,920	70,868,170
Receipts from federal student direct loan program	40,726,735	44,067,121
Payments of federal direct loans to students	(40,778,566)	(44,052,218)
Receipts from student organizations and other agency transactions	1,764,109	1,692,463
Payments to student organizations and other agency transactions	(1,857,397)	(1,806,451)
Receipt of insurance proceeds for building damages	490,832	600,414
Transfer of funds to related party for scholarships	(938,245)	(6,211,879)
Net cash provided by non-capital financing activities	<u>453,515,158</u>	<u>429,210,688</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds from the sale of capital assets	47	-
Purchases of capital assets	(22,945,329)	(19,948,499)
Payments on capital debt - refunding	-	(1,290,002)
Payments on capital debt - principal	(34,829,690)	(27,470,000)
Payments on capital debt - interest	(11,551,991)	(13,671,494)
Net cash used by capital and related financing activities	<u>(69,326,963)</u>	<u>(62,379,995)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	129,305,000	104,000,000
Proceeds from interest on investments	6,510,848	3,884,253
Purchases of investments	(164,084,220)	(61,916,471)
Net cash provided (used) by investing activities	<u>(28,268,372)</u>	<u>45,967,782</u>
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	(18,732,939)	81,034,207
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>183,369,850</u>	<u>102,335,643</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u>\$ 164,636,911</u>	<u>\$ 183,369,850</u>

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, 2018 AND 2017  
EXHIBIT 3  
(CONTINUED)

	<u>2018</u>	<u>2017</u>
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (416,276,407)	\$ (387,344,813)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	23,575,310	23,993,210
Bad debt expense	1,255,200	1,856,000
Pension and OPEB expense	(3,955,612)	4,532,233
Payments made directly by State for benefits	23,720,272	16,620,205
Change in fair value of investments		
Changes in assets and liabilities:		
Receivables (net)	(15,133,613)	13,434,195
Accrued charges	1,170,992	(1,089,505)
Inventories	(5,112)	13,008
Notes receivable	-	467
Prepaid expenses	(642,067)	(623,892)
Accounts payable	1,353,509	(1,865,363)
Accrued liabilities	2,623,908	1,015,348
Compensable absences	1,072,340	777,909
Pension liability	9,338,832	(11,748,449)
Other Post Employment Benefits Liability	(39,803,767)	-
Deferred outflows - pension	(17,522,250)	4,725,887
Deferred outflows - other post employment benefits	(228,559)	-
Deferred outflows - debt	1,890,559	(932,379)
Deferred inflows - pension	7,878,969	4,193,235
Deferred inflows - other post employment benefits	45,181,596	-
Unearned revenue	(146,862)	678,436
Net cash used by operating activities	<u>\$ (374,652,762)</u>	<u>\$ (331,764,268)</u>
Non-cash investing, capital and financing activities:		
Loss on refunding, net of amortization	\$ 1,890,559	\$ (932,379)
Change in fair value of investments	979,550	668,843
Gifts of depreciable and non-depreciable assets	106,238	94,853
Capital lease of equipment	521,993	-
Amortization of premium on bonds	5,446,288	7,607,726
Net non-cash investing, capital and financing activities	<u>\$ 8,944,628</u>	<u>\$ 7,439,043</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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. 34*. 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.

The District is comprised of seven separately accredited colleges offering higher education and workforce training to Dallas County, Texas and surrounding communities in North Texas. The colleges of DCCCD are:

- 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)

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, 2018 AND 2017

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, 2018 and 2017. 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 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 amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

*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. If the amount is dispersed directly to the student, college records the amount as a scholarship expense.

*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 values are 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 expense as consumed.

*Accrued Charges*—Current accrued charges of \$20,028,372 and \$21,199,364 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2018 and 2017, 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. At August 31, 2018 and 2017, respectively, the District had no deferred production costs.

*Capital Assets*—Capital assets are stated at cost as of the date of acquisition. Donated capital assets are stated at acquisition value in accordance with GASB 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 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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

*Other Post Employment Benefits (OPEB)*—The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) 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 OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

*Pension*—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 \$44,605,380 and \$43,975,272 and federal, state and local grants of \$30,268,467 and \$31,045,437 have been reported by the District as unearned revenues at August 31, 2018 and 2017, 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 a future period(s) and so 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 2018 and 2017, the deferred loss on bond refunding and the future

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

expense related to pension and OPEB (2018 only) are presented as Deferred Outflows of Resources.

*Deferred Inflows of Resources*—The Statements of Net Position also include a section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by GASB. For 2018 and 2017, the Deferred Inflows of Resources were due to future revenues related to the pension and OPEB (2018 only).

*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, the District is aware that 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. The District reports as a BTA and as a single, proprietary fund. 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 District makes a prior year restatement, as necessary, in accordance with APB 20.

*Restatement to Beginning Net Position*—Effective fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits*

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

*Other Than Pensions* ("OPEB"). Accordingly, a restatement to beginning net position was required for the recording of the beginning net OPEB liability and for the recording of deferred outflows of resources related to OPEB for contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

Because audited beginning balances could not be obtained for all of the deferred outflows of resources and deferred inflows of resources related to OPEB, the District determined it was impractical to restate its fiscal year 2017 financial statements. As such, the District recorded a restatement to beginning net position in the fiscal year 2018 financial statements as a cumulative effect of a change in accounting principle.

Beginning net position as of September 1, 2017 has been restated as follows for the implementation of GASB Statement No 75:

	2018	2017
Increase in net position	\$ 56,901,612	\$ 53,197,652
NET POSITION:		
Net Position--Beginning of Year	621,902,470	568,704,818
Cumulative effect of change in accounting principle for:		
Other post employment benefits liability	(244,148,480)	-
Deferred outflows of resources	5,618,398	-
Total cumulative effect of change	(238,530,082)	-
Net Position--Beginning of Year, as restated	383,372,388	568,704,818
Net Position--End of Year	\$ 440,274,000	\$ 621,902,470

*GASB Pronouncements*—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 implemented 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*

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

GASB Statement No. 85, Omnibus 2017  
GASB Statement No. 86, Certain Debt Extinguishment Issues

The District is still evaluating the financial impact of GASB statements not yet implemented. Effective with fiscal year 2019, the District will implement the following:

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

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

GASB Statement No. 84, Fiduciary Activities

Effective with fiscal year 2021, the District will implement the following:

GASB Statement No. 87, Leases



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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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

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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, 2018 was \$6,184,072, and the bank balance was \$10,092,741. 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. At August 31, 2018 and 2017, 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. During the year ended August 31, 2018, the District closed its imprest funds accounts.

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

	<u>2018</u>	<u>2017</u>
Bank deposits		
Local funds - demand	\$ 6,155,682	\$ 7,699,300
Imprest funds	<u>-</u>	<u>8,600</u>
Total deposits	6,155,682	7,707,900
Cash on hand	28,390	28,313
Cash equivalents		
Investment in TexPool	267,033	263,179
Investment in TexSTAR	8,756,788	8,630,109
Investment in LOGIC	49,679,084	49,192,058
Investment in Lone Star	42,293,602	50,829,253
Investment in Texas CLASS	29,176,687	33,162,707
Investment in Texas Term	<u>28,279,645</u>	<u>33,556,331</u>
Total cash equivalents	<u>158,452,839</u>	<u>175,633,637</u>
Total cash and cash equivalents	<u>\$ 164,636,911</u>	<u>\$ 183,369,850</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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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, 2018 and 2017, 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. Investment pool are carried at net asset value.

At August 31, 2018, 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	\$ 218,823,381	\$ 6,948,592	\$ 29,910,204	\$ 41,744,426	\$ 82,602,727	\$ 33,185,957	\$ 24,431,475
Commercial paper	19,957,885	19,957,885	-	-	-	-	-
Investment Pools:							
TexPool	267,033	267,033	-	-	-	-	-
TexSTAR	8,756,788	8,756,788	-	-	-	-	-
LOGIC	49,679,084	49,679,084	-	-	-	-	-
Lone Star	42,293,602	42,293,602	-	-	-	-	-
Texas CLASS	29,176,687	29,176,687	-	-	-	-	-
Texas Term	28,279,645	28,279,645	-	-	-	-	-
Total cash equivalents and investments	\$ 397,234,105	\$ 185,359,316	\$ 29,910,204	\$ 41,744,426	\$ 82,602,727	\$ 33,185,957	\$ 24,431,475

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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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>

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 48.4% of the District's total portfolio at August 31, 2018 and meets the District's guideline of no more than 85% of the portfolio being U.S. Agency Securities.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	Fair Market Value <u>August 31, 2018</u>	Fair Market Value <u>August 31, 2017</u>
Total cash and cash equivalents	\$ 164,636,911	\$ 183,369,850
Total investments	<u>238,781,266</u>	<u>204,412,111</u>
 Total	 <u>\$ 403,418,177</u>	 <u>\$ 387,781,961</u>
 Cash and cash equivalents (Exhibit 1)	 \$ 148,733,898	 \$ 167,583,002
Restricted cash and cash equivalents (Exhibit 1)	15,903,013	15,786,848
Short-term investments (Exhibit 1)	26,906,477	9,972,723
Long-term investments (Exhibit 1)	<u>211,874,789</u>	<u>194,439,388</u>
 Total	 <u>\$ 403,418,177</u>	 <u>\$ 387,781,961</u>

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2018 or 2017.

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.

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

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.

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. Investments in Texas Term are included within cash and cash equivalents in the accompanying Statements of Net Position.

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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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- 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.

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 US 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. Since the investment pools are recorded at net asset value, they are not subject to "leveling".

Fair Value Hierarchy of investments at August 31, 2018 and 2017 are:

	Fiscal Year 2018			Fiscal Year
	Level 1	Level 2	Level 3	2017
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Government Agencies	\$ 218,823,381	\$ -	\$ -	\$ 218,823,381
Commercial Paper	-	19,957,885	-	19,957,885
Total fair value	<u>\$ 218,823,381</u>	<u>\$ 19,957,885</u>	<u>\$ -</u>	<u>\$ 238,781,266</u>
				<u>\$ 204,412,111</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2018
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	<u>16,056,493</u>	<u>17,748,723</u>	<u>(6,829,564)</u>	<u>26,975,652</u>
Total not depreciated	54,975,555	17,748,723	(6,829,564)	65,894,714
Capital assets subject to depreciation:				
Buildings and building improvements	891,466,633	1,978,880	-	893,445,513
Land improvements	33,628,319	5,133,683	-	38,762,002
Furniture, machinery, vehicles, and other equipment	84,349,019	5,201,322	(1,634,035)	87,916,306
Library books	<u>7,726,991</u>	<u>246,445</u>	<u>-</u>	<u>7,973,436</u>
Total depreciated	1,017,170,962	12,560,330	(1,634,035)	1,028,097,257
Accumulated depreciation:				
Buildings and building improvements	(349,132,739)	(17,644,367)	(79,788)	(366,856,894)
Land improvements	(21,359,552)	(633,064)	79,788	(21,912,828)
Furniture, machinery, vehicles, and other equipment	(64,924,881)	(4,889,618)	1,449,383	(68,365,116)
Library books	<u>(4,991,215)</u>	<u>(408,261)</u>	<u>-</u>	<u>(5,399,476)</u>
Total accumulated depreciation	<u>(440,408,387)</u>	<u>(23,575,310)</u>	<u>1,449,383</u>	<u>(462,534,314)</u>
Net capital assets subject to depreciation	576,762,575			565,562,943
Net capital assets	<u>\$ 631,738,130</u>	<u>\$ 6,733,743</u>	<u>\$ (7,014,216)</u>	<u>\$ 631,457,657</u>



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

	Balance September 1, 2016	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2017
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, 2018 AND 2017

6. NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Additions	Reductions	Balance August 31, 2018	Current Portion
Series 2008 General Obligation Bonds	\$ 9,890,000	\$ -	\$ (9,890,000)	\$ -	\$ -
Series 2009 General Obligation Bonds	9,475,000	-	(4,630,000)	4,845,000	4,845,000
Series 2010 General Obligation Bonds	35,765,000	-	(2,035,000)	33,730,000	2,130,000
Series 2010 General Obligation Refunding Bonds	33,240,000	-	(3,520,000)	29,720,000	3,670,000
Series 2016 General Obligation Refunding Bonds	114,105,000	-	(10,115,000)	103,990,000	15,300,000
Series 2017 General Obligation Refunding Bonds	60,665,000	-	(4,600,000)	56,065,000	12,600,000
Unamortized bond premium	<u>26,114,830</u>	-	<u>(5,446,289)</u>	<u>20,668,541</u>	<u>4,579,898</u>
Subtotal bonds	289,254,830	-	(40,236,289)	249,018,541	43,124,898
Accrued interest	536,530	462,430	(536,530)	462,430	462,430
Capital lease payable	-	561,683	(39,690)	521,993	96,853
Compensable absences	12,890,962	10,499,892	(9,427,552)	13,963,302	9,138,228
Net pension liability	54,672,053	15,899,985	(6,561,153)	64,010,885	-
Net OPEB liability	-	<u>266,357,608</u>	<u>(62,012,895)</u>	<u>204,344,713</u>	<u>1,036,866</u>
Total	<u>\$ 357,354,375</u>	<u>\$ 293,781,598</u>	<u>\$ (118,814,109)</u>	<u>\$ 532,321,864</u>	<u>\$ 53,859,275</u>

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 Bond	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	<u>26,071,166</u>	<u>7,651,390</u>	<u>(7,607,726)</u>	<u>26,114,830</u>	<u>5,446,289</u>
Subtotal bonds	320,121,166	68,316,390	(99,182,726)	289,254,830	40,236,289
Accrued interest	598,673	536,530	(598,673)	536,530	536,530
Compensable absences	12,113,053	9,626,813	(8,848,904)	12,890,962	8,688,468
Net pension liability	<u>66,420,502</u>	-	<u>(11,748,449)</u>	<u>54,672,053</u>	-
Total	<u>\$ 399,253,394</u>	<u>\$ 78,479,733</u>	<u>\$ (120,378,752)</u>	<u>\$ 357,354,375</u>	<u>\$ 49,461,287</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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.

In fiscal 2018, the District entered into a capital lease agreement for equipment and software to process payments for student printing services. The lease requires monthly payments with a \$1 purchase price payable at the end of the lease. The equipment and software (recorded as Capital Assets subject to depreciation) and the capital lease payable were recorded at the present value of the lease payments of \$561,683. The capital lease debt was reduced by \$39,690 in principal and \$52,742 was recorded as interest on debt under the effective interest method representing payments made on the capital lease during the year.

The following table shows the debt service for the GO bonds and for the capital lease for the next five years and thereafter:

	General Obligation Bonds		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ended August 31:						
2019	\$ 38,545,000	\$ 9,716,306	\$ 96,853	\$ 49,015	\$ 38,641,853	\$ 9,765,321
2020	36,890,000	7,884,082	105,948	39,921	36,995,948	7,924,003
2021	18,205,000	6,516,307	115,897	29,972	18,320,897	6,546,279
2022	17,175,000	5,631,806	126,779	19,089	17,301,779	5,650,895
2023	17,955,000	4,753,556	46,252	7,185	18,001,252	4,760,741
2024 - 2028	88,625,000	11,123,356	-	-	88,625,000	11,123,356
2029 - 2030	10,955,000	349,572	-	-	10,955,000	349,572
Total	<u>\$ 228,350,000</u>	<u>\$ 45,974,985</u>	<u>\$ 491,729</u>	<u>\$ 145,182</u>	<u>\$ 228,841,729</u>	<u>\$ 46,120,167</u>

Included in operating expenses is \$2,976,686 and \$1,997,121 of rent paid during fiscal years 2018 and 2017, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2018 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2019	\$ 2,789,647
2020	2,701,161
2021	2,009,391
2022	1,655,168
2023	<u>137,787</u>
Total	<u>\$ 9,293,154</u>

There are currently no lease obligations beyond the year ending August 31, 2023.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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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.

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In 2018, the District incurred \$7,867,427 in interest cost, of which \$7,867,427 was expensed. In 2017, the District incurred \$8,385,189 in interest cost, of which \$8,385,189 was expensed.

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9. ADVANCE REFUNDING BONDS

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.

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.

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Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
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, 2018, the District had \$64,105,000 defeased General Obligation bonds outstanding. As of August 31, 2017, the District had \$195,685,000 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\\_2017.pdf](http://www.trs.texas.gov/TRS%20Documents/cafr_2017.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.

Contribution Rates	2018	2017
Member rates	7.70%	7.70%
Non-employer contributing entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
Fiscal Year 2017 Member contributions	\$6,491,365	
Fiscal Year 2017 State of Texas on-behalf contributions	\$4,710,072	
Fiscal Year 2017 District Contributions	\$6,561,153	

The District's contributions to the TRS pension plan Fiscal 2017 were \$4,538,008 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 \$5,885,818.

- 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.

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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, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2017
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 2017 to 2116 projection period (100 years)	2116
Inflation	2.50%
Salary increases	3.5% to 9.5% including inflation
Ad hoc post-employment benefit changes	None

- \* If a municipal bond rate was to be used, the rate would be 3.42% as of August 2017 (i.e. the rate closest to but not later than the Measurement Date). The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA index."

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. 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

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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*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. developed	13.0%	5.1%	0.8%
Emerging markets	9.0%	5.9%	0.7%
Directional hedge funds	4.0%	3.2%	0.1%
Private equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute return	0.0%	1.8%	0.0%
Stable value hedge funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global inflation linked bonds	3.0%	0.9%	0.0%
Real assets	16.0%	5.1%	1.1%
Energy and natural resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation expectation			2.2%
Alfa			1.0%
Total	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 2017 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 2017 Net Pension Liability. Note: The rate to be used in measuring the 2018 net pension liability which will be included in the District's fiscal 2019 financial statements will be 7.25%. See Note 27 for additional information.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 107,909,705	\$ 64,010,885	\$ 27,457,993

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2018, the District reported liability of \$64,010,885 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 64,010,885
State's proportionate share that is associated with District	<u>43,126,165</u>
Total	<u><u>\$107,137,050</u></u>

The net pension liability was measured as of August 31, 2017, 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, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net pension liability was 0.2001928395%, which was an increase of 0.0555138117% from its proportion measured as of August 31, 2016 (0.1446790%).

For the fiscal year ended August 31, 2018, the District recognized pension expense of \$4,710,072 and revenue of \$4,710,072 for support provided by the State. Refer to the fiscal year 2017 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements No. 67 and 68.

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 936,508	\$ 3,452,023
Changes in actuarial assumptions	2,915,797	1,669,226
Difference between projected and actual investment earnings	9,844,131	14,509,104
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	16,534,835	12,454,647
Contributions paid to TRS subsequent to the measurement date (calculated by the District)	<u>7,092,691</u>	<u>-</u>
Total	<u>\$ 37,323,962</u>	<u>\$ 32,085,000</u>

\$7,092,691 reported as deferred outflows of resources related to pensions resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2019. Other amounts of the employer's balances of deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended August 31</u>	<u>Pension Expense Amount</u>
2019	\$ 1,987,941
2020	1,993,735
2021	(2,406,235)
2022	(3,377,239)
2023	5,546
Thereafter	<u>(57,477)</u>
Total	<u>\$ (1,853,729)</u>

*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.

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*Funding Policy* - Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. Benefits fully vest after one year plus one day of employment. 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 and the District have 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.

Because these are individual annuity contracts, the State has no additional or unfunded liability for this program.

Optional Retirement Plan Contribution Rates	2018*	2017**
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%
Participants Enrolled After September 1, 1995	0.00%	0.00%

\*State Contribution is 50% of eligible employees based on headcount maximum and no adjustments for enrollment growth.

\*\*State Contribution is 50% of eligible employees based on headcount maximum and a negative 2.0% adjustment for enrollment growth.

The total ORP expense to the state for the District was \$1,794,134 and \$1,774,088 for fiscal years 2018 and 2017, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the college.

Year Ended August 31	Total Payroll for All District Employees	District's Payroll Covered by TRS	District's Payroll Covered by ORP	State's Contribution for ORP
2018	\$ 278,783,440	\$ 181,268,624	\$ 56,192,643	\$ 1,794,134
2017	264,705,503	164,785,196	56,970,394	1,774,088



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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, 2018 and 2017, 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.

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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.

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2018	2017
Balance as of September 1,	\$ 12,890,962	\$ 12,113,053
Leave Accruals/Adjustments	10,499,893	9,626,813
Leave Used	(8,480,853)	(7,729,252)
Accrued Leave Paid Terminated Employees	(946,700)	(1,119,652)
Balance as of August 31,	<u>\$ 13,963,302</u>	<u>\$ 12,890,962</u>
Current Liability	\$ 9,138,228	\$ 8,688,468
Non-Current Liability	\$ 4,825,074	\$ 4,202,494

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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)		
	2018 State/Employer Contribution	2018 Annualized Contribution
<u>HealthSelect of Texas Plan</u>		
Member Only	\$ 621.90	\$ 7,462.80
Member & Spouse	978.22	11,738.64
Member & Child(ren)	860.48	10,325.76
Member & Family	1,216.80	14,601.60
	2017 State/Employer Contribution	2017 Annualized Contribution
<u>HealthSelect of Texas Plan</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

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

<u>Cost of Providing Health Care Insurance</u>	2018	2017
Number of Retirees	1,315	1,272
Cost of Health Benefits for Retirees	\$ 11,220,884	\$ 10,812,824
Number of Active Full-Time Employees	3,620	3,496
Cost of Health Benefits for Active Full-Time	\$ 31,080,279	\$ 29,816,889
State Appropriation for Health Insurance-Retirees	\$ 5,434,427	\$ 5,182,432
State Appropriation for Health Insurance-Active	\$ 13,213,685	\$ 11,437,773
Net Cost to DCCCD	\$ 23,653,050	\$ 24,009,508

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15. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

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

The District is dependent upon information provided by the ERS Plan for recognizing the OPEB liability, deferred inflows of resources, deferred outflows of resources and expense information. The ERS Plan information provided to the District used retiree data for the restatement in fiscal year 2018. Contributions made subsequent to the measurement date by the District for retirees have been recorded as a deferred outflow of resources as of August 31, 2018 and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2018. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

*Funding Policy*—Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the plan for the fiscal years ended August 31, 2018 was \$5,618,398, which equaled the required contributions year under the pay-as-you go policy set by the State of Texas. The pay-as-you go policy does not fully fund actuarial determined required contributions to the plan.

*Plan Description*—The District participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are

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also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position—Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

Benefits Provided—Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions—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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution  
Retiree Health and Basic Life Premium  
Fiscal Year 2017

Retiree only	\$	617.30
Retiree & spouse		970.98
Retiree & children		854.10
Retiree & family		1,207.78

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Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table:

Premium Contributions by Source  
Group Benefits Program Plan  
For the years Ended August 31, 2018 and 2017

Contribution Rates	2018	2017
Member contributions	\$1,174,398	n/a
State of Texas on-behalf contributions	\$5,200,073	n/a
District Contributions	\$5,618,398	n/a

Actuarial Assumptions—The total OPEB liability was determined by an actuarial valuation as of August 31, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions  
ERS Group Benefits Program Plan

Valuation date	August 31, 2017
Actuarial cost method	Entry Age
Amortization Method	Level Percent of Pay, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable
Actuarial assumptions:	
Discount rate	3.51%
Projected annual salary increase	2.50% to 9.50%
Annual healthcare trend rate	8.50% for FY2019, decreasing 0.5% per year to 4.5% for FY2027 and later years
Inflation assumption rate	2.50%
Ad hoc post-employment benefit changes	None

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period (ex. September 1, 2010 to August 31, 2014) for higher education members.

Investment Policy—The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

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Discount Rate—Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 5.50%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to a decrease of 1.99 %. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return applicable is zero years.

Discount Rate Sensitivity Analysis—The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used ( 3.51%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
District's proportionate share of the net OPEB liability	\$ 243,928,000	\$204,344,713	\$ 173,684,000

Healthcare Trend Rate Sensitivity Analysis—The initial healthcare trend rate is 8.5% and the ultimate rate is 4.5%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (8.50% decreasing to 4.5%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (7.50% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (8.50% decreasing to 4.50%)	1% Increase in Healthcare Cost Trend Rates (9.50% decreasing to 5.50%)
District's proportionate share of the net OPEB liability	\$ 171,786,000	\$204,344,713	\$ 246,591,000

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—At August 31, 2018, the District reported liability of \$204,344,713 for its proportionate share of the ERS's net OPEB Liability. This liability reflects a reduction for State support provided to the district for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the State support and the total portion of the net OPEB liability that was associated with the District were as follows:

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District's proportionate share of the collective net OPEB liability	\$204,344,713
State's proportionate share that is associated with District	<u>189,046,665</u>
Total	<u>\$393,391,378</u>

The net OPEB liability was measured as of August 31, 2017 and the total OPEB liability was used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2017.

At the measurement date of August 31, 2017, the employer's proportion of the collective net OPEB liability was 0.599726%, which was the same proportion measured as of August 31, 2016.

For the year ended August 31, 2018, the District recognized OPEB expense of \$5,200,073 and revenue of \$5,200,073 for support provided by the State.

Changes Since the Prior Actuarial Valuation—Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience;
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes of Benefit Terms Since Prior Measurement Date—The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copy reduction for Airrosti and for out-of-state participants;
- Elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.



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At August 31, 2018, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 2,455,568
Changes in actuarial assumptions	-	42,726,028
Difference between projected and actual investment earnings	60,500	-
Contributions paid to ERS subsequent to the measurement date (calculated by the District)	<u>5,786,457</u>	<u>-</u>
Total	<u>\$ 5,846,957</u>	<u>\$ 45,181,596</u>

\$5,786,457 reported as deferred outflows of resources related to OPEB resulting from District contributions paid subsequent to the measurement date will be recognized as a reductions of the net OPEB liability in the year ended August 31, 2019. Other amounts of the employer's balances of deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2019	\$ (8,293,340)
2020	(8,293,340)
2021	(8,293,340)
2022	(8,293,340)
2023	(8,293,340)
Thereafter	<u>(3,654,396)</u>
Total	<u>\$ (45,121,096)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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, 2018 are \$8,433,700.

Pending Lawsuits and Claims—On August 31, 2018, various claims and lawsuits involving the District are pending. In the opinion of District administration, the potential loss on all claims and lawsuits, to the extent not provided for by insurance or otherwise, will not be significant to the financial statements of the District.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

*Receivables*—Receivables for the fiscal years ended August 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Ad valorem taxes	\$ 9,044,051	\$ 9,083,735
Student tuition and charges	19,512,160	18,723,790
Accounts Receivable		
Federal grants	17,418,282	6,119,862
State grants	641,506	872,604
Local grants	1,442,865	342,667
Interest on investments	645,054	453,770
Other receivables	<u>871,158</u>	<u>565,752</u>
Total receivables	49,575,076	36,162,180
Less allowances for uncollectible amounts		
Ad valorem taxes	(7,280,389)	(7,211,720)
Student tuition and charges	(2,161,974)	(2,656,371)
Other receivables	<u>(31,608)</u>	<u>(19,257)</u>
Total allowances	<u>(9,473,971)</u>	<u>(9,887,348)</u>
Total receivables, net of allowances	<u>\$ 40,101,105</u>	<u>\$ 26,274,832</u>

*Payables*—Accounts Payable for the fiscal years ended August 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Vendors payable	\$ 10,065,587	\$ 8,187,088
Salaries and benefits payable	60,157	54,906
Students payable	<u>2,785,244</u>	<u>3,315,485</u>
Total accounts payable	<u>\$ 12,910,988</u>	<u>\$ 11,557,479</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

18. FUNDS HELD IN TRUST BY OTHERS

The District holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amounts of \$1,596,826 and \$1,690,114 for 2018 and 2017, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed or funds awarded during fiscal years 2018 and 2017 for which monies have not been received nor funds expended totaled \$41,475,177 and \$55,168,643, respectively.

These amounts are comprised of the following:

Contracts and Grant Awards	2018	2017
Federal	\$ 33,806,346	\$ 41,138,251
State	7,237,487	13,623,087
Local	431,344	407,305
Total Contracts and Grant Awards	\$ 41,475,177	\$ 55,168,643

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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 has assessed its risks and selected a combination of insurance coverages and self-insurance to mitigate losses in these areas.

The District after deductibles fully insures its buildings, structures, contents, and equipment with the purchase of commercial property insurance and also procures general and excess liability insurance coverages for operating errors and omissions. Settlements with claimants for torts, property thefts and damage, and errors and omissions during the fiscal years ended August 31, 2018, 2017 and 2016 did not exceed insurance coverages after deductibles.

The District self-insures for injuries to employees (workers' compensation) and autos. At August 31, 2018 and 2017, the District accrued against losses of \$3,514 for auto claims.

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 employee injury claims. The District returned to a self-insured plan effective September 1, 2002 and is backed with excess workers' compensation coverage. The accrued liability balance is based upon third party actuarial information for expected future payments on incurred claims. Future payments for the incurred claims will be paid from the accrued liability. Settlements of workers' compensation claims during the fiscal years ended August 31, 2018, 2017 and 2016 did not exceed minimum dollar amounts required to invoke excess workers' compensation coverages.

Self-insurance activity for the workers' compensation plan prior to 1998 for the fiscal years ended August 31, 2018 and 2017 was as follows:

Accrued Claim Liability for the Fiscal Year Ended August 31	Balance September 1	Additions	Reductions in Liability/ Claims Paid	Balance August 31
2018	\$ 244,361	\$ -	\$ -	\$ 244,361
2017	244,361	-	-	244,361

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Self-insurance activity for the current workers' compensation plan for the fiscal years ended August 31, 2018 and 2017 was as follows:

Accrued Claim Liability for the Fiscal Year Ended August 31	Balance September 1	Additions	Reductions in Liability/ Claims Paid	Balance August 31
2018	\$ 350,000	\$ 536,404	\$ (436,404)	\$ 450,000
2017	350,000	355,148	(355,148)	350,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
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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, 2018 and 2017 were \$284,665,380 and \$266,592,759, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2018 and 2017 are as follows:

	2018		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$ 0.50000	\$ 0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$ 0.02024	\$ 0.12424

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

At August 31, 2018 and 2017 certified valuation for property taxed by the District was as follows:

	2018	2017
Assessed valuation of DCCCD	\$ 289,539,455,090	\$ 271,612,210,010
Less exempt property	26,440,233,100	24,971,705,980
Less exemptions and Capped Loss	34,350,617,726	30,112,527,039
Net assessed valuation of DCCCD	\$ 228,748,604,264	\$ 216,527,976,991

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.

Gross taxes collected for fiscal year 2018:



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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<u>Gross Taxes Collected - 2018</u>	<u>Maintenance &amp; Operations</u>	<u>Interest &amp; Sinking</u>	<u>2018 Total</u>
Current	\$ 235,306,011	\$ 46,269,585	\$ 281,575,596
Delinquent	1,847,889	62,521	1,910,410
Penalties and interest	1,707,000	-	1,707,000
Total Gross Collections	<u>\$ 238,860,900</u>	<u>\$ 46,332,106</u>	<u>\$ 285,193,006</u>
Less:			
Appraisal & Collection Fees	2,590,060	352,444	2,942,504
Bad Debt Expense	(6,602)	75,271	68,669
Total Net Collections	<u>\$ 236,277,442</u>	<u>\$ 45,904,391</u>	<u>\$ 282,181,833</u>

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>

Tax collections for the fiscal years ended August 31, 2018 and 2017 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  
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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:

TIF Title	Percentage of Incremental Tax Committed	Expiration Date	Taxes Forgone in 2018	Taxes Forgone in 2017
City of Grand Prairie #1	100%	2020	\$ 292,639	\$ 217,117
City of Garland #1	100%	2024	42,876	31,197
City of Irving	100%	2014	(1,266)	-
Total taxes forgone			\$ 334,249	\$ 248,314

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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, 2018 or 2017.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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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, 2018 and 2017.

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

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

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FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

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

General

The 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”), its students, faculty, and staff of the District’s seven colleges, and the 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.

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.

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). 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

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

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, 2018 and 2017.

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. Thus, no provision for income taxes is included in the accompanying combined financial statements.

The Foundation follows the accounting guidance for accounting for uncertainty in income taxes. The Foundation recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Foundation applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open and determined there were no material unrecognized tax benefits as of that date. The Foundation does not believe there is any uncertainty with respect to its tax position which would result in a material change to the financial statements.

The Foundation is subject to federal and state income taxes to the extent it has unrelated business income. In accordance with the guidance for uncertainty in income taxes, management has evaluated their material tax positions and determined that there are no income tax effects with respect to its financial statements. The Foundation is no longer subject to examination by federal authorities for years prior to August 31, 2015. For state authorities, the statute of limitations is generally three or four years; however, the statute of limitations will remain open for any state returns not filed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

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

On December 22, 2017, the United States enacted tax reform legislation commonly known as the Tax Cuts and Jobs Act of 2017 (the “Act”), resulting in significant modifications to existing tax law. There were no material effects on the Foundation’s financial statements as a result of the Act. Foundation management is evaluating the ongoing impact of the Act on the Foundation.

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:

	2018		2017	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 3,134,632	\$ 5,282,206	\$ 3,146,445	\$ 5,349,709
Equity investments	4,520,662	6,225,719	5,788,020	7,133,150
Mutual funds	32,068,109	36,421,993	21,408,303	25,574,108
Certificates of Deposit	500,000	499,978	1,500,000	1,498,305
U.S. Treasury Bills	492,485	496,430	495,995	497,350
Total Investments	\$40,715,888	\$48,926,326	\$32,338,763	\$40,052,622

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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**NOTE B – INVESTMENTS - Continued**

For the years ended August 31, 2018 and 2017, the components of investment earnings are:

	2018	2017
Interest and dividend income	\$1,595,419	\$ 729,036
Net gain on investments carried at fair value	<u>3,526,860</u>	<u>3,339,006</u>
Total return on investments	<u>\$5,122,279</u>	<u>\$4,068,042</u>

**NOTE C - CONTRIBUTIONS RECEIVABLE**

Contributions receivable consist of the following unconditional promises to give:

	August 31,	
	2018	2017
Contributions receivable	\$200,000	\$300,000
Less unamortized discount of .49% at August 31, 2018 and 2017	<u>(4,852)</u>	<u>(4,852)</u>
	<u>\$195,148</u>	<u>\$295,148</u>

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

	2018	2017
Maturing in less than one year	\$100,000	\$100,000
Maturing between one and five years	<u>95,148</u>	<u>195,148</u>
Total contributions receivable	<u>\$195,148</u>	<u>\$295,148</u>

**NOTE D - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	August 31,	
	2018	2017
Student scholarships for tuition and books	\$ 8,817,360	\$ 7,212,082
Professional development, student related activities, and program support	<u>9,779,171</u>	<u>9,973,345</u>
Total temporarily restricted net assets	<u>\$18,596,531</u>	<u>\$17,185,427</u>



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**NOTE E - PERMANENTLY RESTRICTED NET ASSETS**

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

	August 31,	
	2018	2017
Student scholarships for tuition and books	\$31,294,674	\$31,035,296
Professional development, student related activities, and program support	1,725,904	1,754,009
Total permanently restricted net assets	\$33,020,578	\$32,789,305

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 \$3,963,480 and \$2,533,996 for the years ended August 31, 2018 and 2017, 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 \$726,428 as of August 31, 2018, 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 \$1,438,008 and \$1,889,064 for fiscal years 2018 and 2017, respectively. At August 31, 2018 and 2017, the Foundation recorded a total of \$1,609,099 and \$155,859, 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 \$1,202,765 and \$1,080,191 for fiscal years 2018 and 2017, 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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**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  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**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, 2018	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$6,225,719	\$ -	\$ -	\$ 6,225,719
Certificates of Deposit	-	499,978	-	499,978
U.S. Treasury Bills	-	496,430	-	496,430
	<u>\$6,225,719</u>	<u>\$996,408</u>	<u>\$ -</u>	<u>\$ 7,222,127</u>
Investments measured at NAV	-	-	-	41,704,199
Investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$48,926,326</u>
August 31, 2017				
	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
	<u>\$7,133,150</u>	<u>\$1,995,655</u>	<u>\$ -</u>	<u>\$ 9,128,805</u>
Investments measured at NAV				30,923,817
Investments at fair value				<u>\$40,052,622</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**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  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**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, 2018:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$12,744,074	\$33,020,578	\$45,764,652
Total	\$ -	\$12,744,074	\$33,020,578	\$45,764,652
Endowment net assets, beginning of year	\$ -	\$11,559,535	\$32,789,305	\$44,348,840
Contributions	-	71,695	147,486	219,181
Investment income:				
Dividends and interest	-	920,229	-	-
investments	-	1,823,761	-	1,823,761
Net transfers	-	(1,076,790)	83,787	(993,003)
Amount appropriated for expenditures	-	(554,356)	-	(554,356)
Endowment net assets, end of year	\$ -	\$12,744,074	\$33,020,578	\$45,764,652

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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

NOTES TO FINANCIAL STATEMENTS

August 31, 2018 and 2017

**NOTE J - ENDOWMENTS - Continued**

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

**NOTE K - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 4, 2018, 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, 2018 AND 2017

**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, 2018 and 2017 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2018.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017  
EXHIBIT 1

DATA CONTROL CODES	ASSETS	2018	2017
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 3,499,958	\$ 2,821,978
1120	Short-term investments	-	-
1240	Accounts receivable (net) - governments	-	29,729
1290	Accounts receivable (net) - others	-	-
	Total current assets	3,499,958	2,851,707
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	40,585	34,901
1910	Investments	-	-
1900	Total non-current assets	40,585	34,901
1000	TOTAL ASSETS	3,540,543	2,886,608
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	-	38,347
2123	Funds held for others	1,430	518
2501	Due to District (parent organization)	-	29,729
	Total current liabilities	1,430	68,594
2000	TOTAL LIABILITIES	1,430	68,594
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Net investment in Capital Assets	32,586	34,901
3600	Unrestricted	3,506,528	2,783,112
3000	TOTAL NET POSITION	\$ 3,539,114	\$ 2,818,013



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017  
EXHIBIT 2

District Presentation		
	2018	2017
OPERATING REVENUES:		
Federal grants and contracts	\$ -	\$ 29,729
Total operating revenues	-	29,729
OPERATING EXPENSES:		
Instruction	2,073,427	2,362,858
Public Service	444,280	315,743
Academic support	367,213	213,663
Student services	477,207	531,641
Institutional support	987,338	854,513
Plant Maintenance and operation	28,632	79,475
Depreciation	2,315	1,299
Total operating expenses	4,380,412	4,359,192
OPERATING LOSS	(4,380,412)	(4,329,463)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	5,046,263	4,720,077
Investment income	55,250	32,325
Net non-operating revenues	5,101,513	4,752,402
INCREASE IN NET POSITION	721,101	422,939
NET POSITION:		
Net Position—Beginning of Year	2,818,013	2,395,074
Net Position—End of Year	\$ 3,539,114	\$ 2,818,013

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

EXHIBIT 2  
(CONTINUED)

		TEA Classifications	
Data Control Codes		2018	2017
	OPERATING REVENUES:		
5929	Federal grants revenue distributed by TEA	\$ -	\$ 29,729
5929	Total operating revenues	-	29,729
	OPERATING EXPENSES:		
0011	Instruction	2,517,707	2,678,602
0012	Instructional resources and media services	71,233	39,418
0013	Curriculum development & instructional	212,114	134,330
0023	School leadership	539,747	470,115
0031	Guidance, counseling and evaluation services	429,295	481,800
0033	Health services	32,712	22,698
0034	Student transportation	-	15,680
0035	Food service	16,499	12,761
0036	Co-Curricular/Extra-curricular	-	-
0041	General administration	335,557	306,400
0051	Plant maintenance and operation	29,648	53,559
0052	Security and monitoring services	112,034	77,998
0053	Data processing services	83,866	65,831
6000	Total operating expenses	4,380,412	4,359,192
1100	OPERATING LOSS	(4,380,412)	(4,329,463)
	NON-OPERATING REVENUES (EXPENSES):		
5800	State appropriations	5,046,263	4,720,077
5742	Investment income	55,250	32,325
	Net non-operating revenues	5,101,513	4,752,402
1200	INCREASE IN NET POSITION	721,101	422,939
	NET POSITION:		
0100	Net Position—Beginning of Year	2,818,013	2,395,074
3000	Net Position—End of Year	\$ 3,539,114	\$ 2,818,013

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017  
EXHIBIT 3

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ -	\$ 17,034
Payments to suppliers for goods and services	<u>(4,415,535)</u>	<u>(4,310,190)</u>
Net cash used in operating activities	(4,415,535)	(4,293,156)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	<u>5,046,263</u>	<u>4,720,077</u>
Net cash provided by non-capital financing activities	5,046,263	4,720,077
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	<u>(7,998)</u>	<u>(9,433)</u>
Net cash used by capital and related financing activities	(7,998)	(9,433)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	55,250	32,325
Purchase of investments	-	-
Sale of investments	<u>-</u>	<u>2,019,747</u>
Net cash provided by investing activities	<u>55,250</u>	<u>2,052,072</u>
Increase in cash and cash equivalents	677,980	2,469,560
Cash and cash equivalents - September 1	<u>2,821,978</u>	<u>352,418</u>
Cash and cash equivalents - August 31	<u>\$ 3,499,958</u>	<u>\$ 2,821,978</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (4,380,412)	\$ (4,329,463)
Depreciation	2,315	1,299
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	29,729	290
Due to District	(29,729)	-
Accounts payable	<u>(37,438)</u>	<u>34,718</u>
Net cash used in operating activities	<u>\$ (4,415,535)</u>	<u>\$ (4,293,156)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 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>
REVENUES						
Local Support						
5740	Local and intermediate sources	\$ 25,000	\$ 25,000	\$ 55,250	\$ 30,250	121.00% <sup>a</sup>
State program revenues:						
5800	Foundation School Program Act Revenues	<u>4,828,438</u>	<u>5,046,261</u>	<u>5,046,263</u>	<u>2</u>	0.00%
Total revenues		<u>4,853,438</u>	<u>5,071,261</u>	<u>5,101,513</u>	<u>30,252</u>	0.60%
EXPENDITURES						
State program expenditures						
0011	11 Instruction <sup>1</sup>	2,808,488	3,043,761	2,517,707	(526,054)	-17.28% <sup>b,c</sup>
0012	12 Instructional resources and media services	75,500	79,000	71,233	(7,767)	-9.83%
0013	13 Curriculum and staff development <sup>1</sup>	195,000	214,000	212,114	(1,886)	-0.88%
0023	23 School leadership	625,000	588,000	539,747	(48,253)	-8.21%
0031	31 Guidance, counseling, and evaluation services	538,000	485,500	429,295	(56,205)	-11.58% <sup>b</sup>
0033	33 Health services	46,500	32,000	32,712	712	2.23%
0035	35 Food service	16,550	17,000	16,499	(501)	-2.95%
0041	41 General administration	355,000	360,000	335,557	(24,443)	-6.79%
0051	51 Facilities maintenance and operations	40,000	40,000	29,648	(10,352)	-25.88% <sup>b</sup>
0052	52 Security and monitoring services	85,400	122,000	112,034	(9,966)	-8.17%
0053	53 Data processing services	<u>68,000</u>	<u>90,000</u>	<u>83,866</u>	<u>(6,134)</u>	-6.82%
Total expenditures		<u>4,853,438</u>	<u>5,071,261</u>	<u>4,380,412</u>	<u>(690,849)</u>	-13.62%
1200	Net change in fund balances	-	-	721,101	721,101	n/a
0100	Fund balances--beginning	2,818,013	2,818,013	2,818,013	-	0.00%
3600	Decrease/use of fund balance	-	-	-	-	n/a
3000	Fund balances--ending	<u>\$2,818,013</u>	<u>\$ 2,818,013</u>	<u>\$3,539,114</u>	<u>\$ 721,101</u>	25.59%

Variance Explanations

- <sup>a</sup> Reflects unrealized market gains
- <sup>b</sup> Anticipated expenses were not realized
- <sup>c</sup> Some expenses were deferred to 2018-19

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
SCHEDULE OF EXPENSES  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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Expenses Object	2018	2017
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	3,737,437	3,488,995
6300 Supplies/Material	612,175	854,127
6400 Other Operating	30,799	16,069
	<u>\$ 4,380,412</u>	<u>\$ 4,359,192</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

RICHLAND COLLEGIATE HIGH SCHOOL  
 SCHEDULE OF CAPITAL ASSETS  
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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Asset Object	Local Ownership Interest	
	2018	2017
1531 Vehicles	\$ 8,627	\$ -
1539 Furniture and Equipment	31,958	10,284
	\$ 40,585	\$ 10,284

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 AND 2017

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 \$1,438,008 and \$1,889,064 for fiscal years 2018 and 2017, respectively. At August 31, 2018 and 2017, the Foundation recorded a total of \$1,609,099 and \$155,859 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 \$1,202,765 and \$1,080,191 for fiscal years 2018 and 2017, 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 2018, the District elected to transfer \$200,000 funds held in its quasi-endowment fund and \$738,245 of unrestricted funds to the Foundation for student scholarships. In fiscal year 2017, the District elected to transfer \$6,211,880 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, 2018 AND 2017

27. SUBSEQUENT EVENTS

In July 2018, the Texas Retirement System Board of Trustees elected to lower the investment return assumption rate on the Defined Benefit Plan (pension). The change in the assumed investment return rate will decrease 0.75% from 8.00% to 7.25% effective in the plan valuation which will be included in the District's FY 2019 financial statements. As a result of this change, the District expects its portion of the pension liability to increase in FY 2019. Note 11 of these financial statements includes a discussion of discount rate and the effects on the plan should rates increase or decrease by 1%.

On November 29, 2018, the District completed a private placement of \$27.280 million par value general obligation refunding bonds, series 2018 with an average interest rate of 3.2% and an average life of 4.1 years. The refunding proceeds paid off \$31.6 million of the District's 2010 general obligation bonds with an average interest rate of 4.58% and an average life of 6.7 years. Present value of savings by the issuance of the refunding debt is approximately \$2.2 million of principal and interest costs.

Management has evaluated subsequent events through December 11, 2018. 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, 2018  
 SCHEDULE G

Fiscal Year Ending August 31*,	2018**	2017	2016	2015
District's proportional share of collective net pension liability (%)	0.2001928395%	0.14467900%	0.18790100%	0.20021710%
District's proportional share of collective net pension liability (\$)	\$ 64,010,885	\$ 54,672,053	\$ 66,420,502	\$ 53,480,756
State's proportional share of net pension liability associated with District	43,126,165	36,957,144	35,699,280	39,533,837
Total	\$ 107,137,050	\$ 91,629,197	\$ 102,119,782	\$ 93,014,593
District's covered payroll amount	\$ 153,203,688	\$ 153,203,688	\$ 139,925,162	\$ 128,344,611
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	41.78%	35.69%	47.47%	41.67%
TRS net position as percentage of total pension liability	82.17%	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 2018  
 SCHEDULE H

Fiscal Year Ending August 31*,	2018**	2017**	2016	2015	2014
Legally required contributions	\$ 12,326,266	\$ 11,204,991	\$ 10,423,826	\$ 9,515,262	\$ 8,725,830
Actual contributions	12,326,266	11,204,991	10,423,826	9,515,262	8,725,830
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll amount	\$ 181,268,624	\$ 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%	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, 2018

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, Schedule 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 2018 will be measured as of August 31, 2019 and recognized in the Fiscal 2019 financial statements.

Changes in Benefit Terms include:

There were no changes in benefit terms for the fiscal year ended August 31, 2018.

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, 2018.

Changes of Assumptions:

There were no changes of assumptions for the fiscal year ended August 31, 2018.

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.

Fiscal Year	Covered Payroll Amount	Change	% Change	Legally Required Contributions	Change	% Change
2018	\$ 181,268,624	\$ 16,483,428	10.0%	\$ 12,326,266	\$ 1,121,275	10.0%
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

REQUIRED SCHEDULES FOR  
NET OTHER POST EMPLOYMENT  
BENEFITS LIABILITY

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 SCHEDULE OF **DISTRICT'S SHARE OF** NET OTHER POST  
 EMPLOYMENT BENEFITS LIABILITY  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2018  
 SCHEDULE I

Fiscal Year Ending August 31*,	2018**	2017	2016
District's proportional share of collective net OPEB liability (%)	0.59972600%	n/a	n/a
District's proportional share of collective net OPEB liability (\$)	\$ 204,344,713	n/a	n/a
State's proportional share of net OPEB liability associated with District	189,046,665	n/a	n/a
Total	<u>\$ 393,391,378</u>	<u>n/a</u>	<u>n/a</u>
District's covered payroll amount	\$ 237,461,267	\$ 221,755,590	\$ 210,417,154
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	86.05%	n/a	n/a
ERS net position as percentage of total OPEB liability	2.04%	n/a	n/a

\* 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** TO OTHER POST  
EMPLOYMENT BENEFITS LIABILITY  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 THROUGH 2018  
SCHEDULE J

Fiscal Year Ending August 31*,	2018**	2017	2016
Actuarially determined contributions	\$ 16,282,310	n/a	n/a
Actual contributions	10,818,471	n/a	n/a
Contributions deficiency (excess)	\$ 5,463,839	n/a	n/a
District's covered payroll amount	\$ 237,461,267	\$ 221,755,590	\$ 210,417,154
Ratio of actual contributions/ER covered payroll amount	6.86%	n/a	n/a

\* 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 REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES FOR OTHER POST  
EMPLOYMENT BENEFITS LIABILITY**

FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

Change in Benefit Terms – Under Q/A #4.107 of GASB's *Implementation Guide No. 2017-2, Financial Reporting for Post-Employment Benefit Plans other than Pension Plans*, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2017, since these changes were communicated to plan members in advance of the preparation of the latest valuation report. The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

- an increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- elimination of the copayment for virtual visits;
- a reduction in the copayment for Airrosti; and
- for out-of-state participants, (i) elimination of the deductible for in-network services and (ii) application of a copayment to certain services like primary care and specialist office visits.

These minor benefit changes are provided for the FY 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Changes in Assumptions –

Demographic Assumptions. Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for selected classes of State Agency Employees), assumed aggregate payroll increases and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by ERS Trustees. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees covering dependent children.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.

Economic Assumptions. The assumed rate of general inflation has been updated since the previous valuation to remain consistent with the ERS retirement plan assumption previously adopted by the ERS Trustees.

Assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost, Retiree Contribution and Expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations and the revised assumed rate of general inflation.

The discount rate was lowered as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher.

Minor benefit changes have been reflected in the FY2018 Assumed Per Capita Health Benefit Costs.

## 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, 2018  
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2017)  
 SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2018	2017
<b>Tuition:</b>						
State funded credit courses:						
In-district resident tuition	\$ 62,176,080	\$ -	\$ 62,176,080	\$ -	\$ 62,176,080	\$ 62,635,365
Out-of-district resident tuition	20,517,238	-	20,517,238	-	20,517,238	19,616,937
Non-resident tuition	27,856,169	-	27,856,169	-	27,856,169	23,697,185
TPEG - credit (set aside) *	5,479,006	-	5,479,006	-	5,479,006	5,299,926
State-funded continuing education	10,080,608	-	10,080,608	-	10,080,608	8,775,759
TPEG - non-credit (set aside) *	1,119,663	-	1,119,663	-	1,119,663	976,323
Non-state funded educational programs	4,859,512	-	4,859,512	-	4,859,512	4,995,372
Total Tuition	<u>132,088,276</u>	<u>-</u>	<u>132,088,276</u>	<u>-</u>	<u>132,088,276</u>	<u>125,996,867</u>
<b>Fees:</b>						
Installment plan fees	888,980	-	888,980	-	888,980	922,525
Prior year tuition and fees	360	-	360	-	360	72
Total fees	<u>889,340</u>	<u>-</u>	<u>889,340</u>	<u>-</u>	<u>889,340</u>	<u>922,597</u>
<b>Scholarship allowances and discounts:</b>						
Bad debt allowance	(1,191,100)	-	(1,191,100)	-	(1,191,100)	(1,860,900)
Remissions and exemptions - state	(1,889,880)	-	(1,889,880)	-	(1,889,880)	(1,960,284)
Remissions and exemptions - local	(16,459,877)	-	(16,459,877)	-	(16,459,877)	(14,345,544)
Title IV federal grants	(25,393,112)	-	(25,393,112)	-	(25,393,112)	(23,770,013)
Other federal grants	(3,087,300)	-	(3,087,300)	-	(3,087,300)	(3,092,894)
State grants	(6,271,860)	-	(6,271,860)	-	(6,271,860)	(3,845,613)
TPEG awards	(2,361,497)	-	(2,361,497)	-	(2,361,497)	(2,744,686)
Rising Star program	(173,057)	-	(173,057)	-	(173,057)	(197,723)
Other local grants	105	-	105	-	105	(23,986)
Total scholarship allowances	<u>(56,827,578)</u>	<u>-</u>	<u>(56,827,578)</u>	<u>-</u>	<u>(56,827,578)</u>	<u>(51,841,643)</u>
Total net tuition and fees	<u>76,150,038</u>	<u>-</u>	<u>76,150,038</u>	<u>-</u>	<u>76,150,038</u>	<u>75,077,821</u>
<b>Additional operating revenues:</b>						
Federal grants and contracts	1,146,693	16,975,722	18,122,415	87,067	18,209,482	17,088,766
State grants and contracts	9,837	12,072,045	12,081,882	-	12,081,882	9,158,045
Non-governmental grants and contracts	2,763	1,960,168	1,962,931	-	1,962,931	3,960,045
Sales and services of educational activities	572,175	-	572,175	-	572,175	635,148
Other operating revenues	2,096,579	-	2,096,579	-	2,096,579	1,699,354
Total additional operating revenues	<u>3,828,047</u>	<u>31,007,935</u>	<u>34,835,982</u>	<u>87,067</u>	<u>34,923,049</u>	<u>32,541,358</u>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	359,387	359,387	371,624
Food Service	-	-	-	633,255	633,255	633,587
Center for Educational Telecommunications	-	-	-	413,818	413,818	543,131
Business Incubation Center	-	-	-	82,262	82,262	73,280
Student Programs	-	-	-	546,839	546,839	480,810
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,035,561</u>	<u>2,035,561</u>	<u>2,102,432</u>
Total Operating Revenues	<u>\$ 79,978,085</u>	<u>\$ 31,007,935</u>	<u>\$ 110,986,020</u>	<u>\$ 2,122,628</u>	<u>\$ 113,108,648</u>	<u>\$ 109,721,611</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$6,598,669 and \$6,276,249 for the fiscal years August 31, 2018 and 2017, 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, 2018  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)  
 SCHEDULE B

	Operating Expenses					Total 2018	Total 2017
	Salaries and Wages	Benefits		Other Expenses			
		State	Local				
UNRESTRICTED - Educational Activities							
Instruction	\$ 141,811,540	\$ -	\$ 16,264,075	\$ 24,176,473	\$ 182,252,088	\$ 173,142,640	
Public Service	3,320,223	-	615,300	739,662	4,675,185	4,686,453	
Academic Support	15,085,145	-	2,472,940	4,107,898	21,665,983	21,271,798	
Student Services	34,626,548	-	6,434,641	8,239,637	49,300,826	42,284,940	
Institutional Support	57,680,295	-	12,267,053	20,424,902	90,372,250	78,477,820	
Operation and Maintenance of Plant	10,406,533	-	3,394,326	33,272,295	47,073,154	44,236,545	
Total unrestricted educational activities	262,930,284	-	41,448,335	90,960,867	395,339,486	364,100,196	
RESTRICTED - Educational Activities							
Instruction	5,107,662	13,498,237	894,920	1,938,714	21,439,533	21,853,139	
Public Service	1,280,971	-	253,995	4,975,698	6,510,664	6,745,992	
Academic Support	181,502	1,435,869	34,243	(2,789)	1,648,825	1,801,514	
Student Services	2,273,025	3,295,905	430,425	393,862	6,393,217	6,521,912	
Institutional Support	2,320,101	5,490,260	487,866	597,661	8,895,888	9,238,746	
Scholarships and Fellowships	-	-	-	56,038,132	56,038,132	53,530,988	
Total restricted educational activities	11,163,261	23,720,271	2,101,449	63,941,278	100,926,259	99,692,291	
TOTAL EDUCATIONAL ACTIVITIES	274,093,545	23,720,271	43,549,784	154,902,145	496,265,745	463,792,487	
AUXILIARY ENTERPRISES	4,829,407	-	989,989	3,724,604	9,544,000	9,280,727	
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	18,277,431	18,277,431	18,605,512	
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,297,879	5,297,879	5,387,698	
TOTAL OPERATING EXPENSES	\$ 278,922,952	\$ 23,720,271	\$ 44,539,773	\$ 182,202,059	\$ 529,385,055 (Exhibit 2)	\$ 497,066,424 (Exhibit 2)	

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2018  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)  
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Enterprises</u>	<u>2018</u>	<u>2017</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 87,754,224	\$ -	\$ -	\$ 87,754,224	\$ 85,796,380
State group insurance	-	18,648,112	-	18,648,112	16,620,205
State retirement matching	-	5,072,159	-	5,072,159	9,135,647
SBDC state match	-	1,763,829	-	1,763,829	1,944,718
Starlink	-	293,426	-	293,426	346,619
Hazlwood state reimbursement	46,040	-	-	46,040	37,988
Foundation school program	5,046,263	-	-	5,046,263	4,720,077
Total state appropriations	<u>92,846,527</u>	<u>25,777,526</u>	<u>-</u>	<u>118,624,053</u>	<u>118,601,634</u>
Ad valorem taxes	236,277,442	45,904,391	-	282,181,833	262,106,888
Federal revenue, non-operating	-	74,999,089	-	74,999,089	70,883,073
Gifts	106,238	-	-	106,238	94,853
Investment income	5,004,350	333,016	415,082	5,752,448	3,436,563
Gain on disposal of capital assets	-	-	-	-	230,319
Other non-operating revenue	560,356	-	-	560,356	600,414
Total non-operating revenues	<u>334,794,913</u>	<u>147,014,022</u>	<u>415,082</u>	<u>482,224,017</u>	<u>455,953,744</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	7,920,169	-	-	7,920,169	8,385,189
Loss on disposal of capital assets	184,604	-	-	184,604	-
Other non-operating expense	941,225	-	-	941,225	7,026,090
Total non-operating expenses	<u>9,045,998</u>	<u>-</u>	<u>-</u>	<u>9,045,998</u>	<u>15,411,279</u>
NET NON-OPERATING REVENUES	<u>\$ 325,748,915</u>	<u>\$ 147,014,022</u>	<u>\$ 415,082</u>	<u>\$ 473,178,019</u> (Exhibit 2)	<u>\$ 440,542,465</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2018  
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2017)  
 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	\$ (73,476,546)	\$ -	\$ -	\$ -	\$ (73,476,546)	\$ (73,476,546)	\$ -
Auxiliary enterprises	20,963,124	-	-	-	20,963,124	20,963,124	-
Loan	137,923	-	-	-	137,923	-	137,923
Endowment:							
Quasi:							
Unrestricted	166,667	-	-	-	166,667	-	166,667
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	85,218,585	-	-	-	85,218,585	-	85,218,585
Debt Service	-	4,742,179	-	-	4,742,179	-	4,742,179
Investment in Plant	-	-	-	402,522,068	402,522,068	-	402,522,068
TOTAL NET POSITION-- August 31, 2018	33,009,753	4,742,179	-	402,522,068	440,274,000 (Exhibit 1)	(52,513,422)	492,787,422
TOTAL NET POSITION-- August 31, 2017	251,590,205	1,836,882	-	368,475,383	621,902,470 (Exhibit 1)	173,173,076	448,729,394
NET INCREASE (DECREASE) IN NET POSITION	\$ (218,580,452)	\$ 2,905,297	\$ -	\$ 34,046,685	\$ (181,628,470) (Exhibit 2)	\$ (225,686,498)	\$ 44,058,028



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, Contact Hour and Student Success Points  
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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Investment in Capital Assets	\$ 402,522	\$ 368,475	\$ 343,315	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511
Restricted - expendable	4,742	1,837	2,319	8,596	3,422	2,145	1,166	5,828	11,902	11,708
Unrestricted	33,010	251,590	223,071	207,813	237,805	201,861	182,047	169,237	182,738	186,261
Total net position	<u>\$ 440,274</u>	<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>

Notes: GASB Statement No. 65 applied to the 2013 beginning Net Position.  
 GASB Statement No. 68 applied to the 2015 beginning Net Position.  
 GASB Statement No. 75 applied to the 2018 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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and charges (net of discounts)	\$ 76,150	\$ 75,078	\$ 70,969	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918
Federal grants and contracts	18,209	17,089	18,071	16,376	14,937	15,671	15,696	20,307	21,647	18,842
State grants and contracts	12,082	9,158	10,587	12,343	9,663	8,578	7,914	6,681	7,733	7,237
Non-governmental grants and contracts	1,963	3,960	2,358	2,511	1,673	1,839	1,356	4,547	2,860	2,318
Sales and services of educational activities	572	635	591	551	453	607	474	527	627	509
Auxiliary enterprises	2,036	2,103	2,066	3,417	4,467	4,521	5,072	5,163	5,409	5,576
General operating revenues	2,097	1,699	1,910	1,626	1,498	1,502	1,858	1,902	2,240	1,643
Total Operating Revenues	113,109	109,722	106,552	101,739	92,641	91,054	88,854	98,262	101,196	96,043
State appropriations	118,624	118,602	116,142	116,564	111,242	109,030	109,268	119,373	123,304	119,415
Maintenance ad valorem taxes	282,182	262,107	240,887	224,008	209,829	190,553	156,741	158,309	159,137	153,057
Federal revenue, non-operating	74,999	70,883	73,159	86,497	86,929	90,602	90,499	87,927	74,419	40,458
Gifts	106	95	138	112	73	115	499	149	83	779
Investment income	5,752	3,436	3,564	4,040	5,821	(4,052)	1,921	3,943	7,385	8,343
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	560	600	1,998	187	1,232	1,049	218	1,363	1,571	50
Total Non-operating Revenues	482,223	455,953	435,888	431,408	415,231	387,599	359,196	371,071	365,899	322,330
Total Revenues	\$ 595,332	\$ 565,675	\$ 542,440	\$ 533,147	\$ 507,872	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095	\$ 418,373

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Tuition and charges (net of discounts)	12.79%	13.27%	13.08%	12.18%	11.80%	12.19%	12.61%	12.60%	12.99%	14.32%
Federal grants and contracts	3.06%	3.02%	3.33%	3.07%	2.94%	3.27%	3.50%	4.33%	4.63%	4.50%
State grants and contracts	2.03%	1.62%	1.95%	2.32%	1.90%	1.79%	1.77%	1.42%	1.67%	1.73%
Non-governmental grants and contracts	0.33%	0.70%	0.43%	0.47%	0.33%	0.38%	0.30%	0.97%	0.61%	0.55%
Sales and services of educational activities	0.10%	0.11%	0.11%	0.10%	0.09%	0.13%	0.11%	0.11%	0.13%	0.12%
Auxiliary enterprises	0.34%	0.37%	0.38%	0.64%	0.89%	0.94%	1.13%	1.10%	1.16%	1.33%
General operating revenues	0.35%	0.30%	0.35%	0.31%	0.29%	0.31%	0.41%	0.41%	0.48%	0.39%
Total Operating Revenues	19.00%	19.39%	19.63%	19.09%	18.24%	19.01%	19.83%	20.94%	21.67%	22.94%
State appropriations	19.92%	20.97%	21.41%	21.86%	21.90%	22.78%	24.40%	25.43%	26.40%	28.54%
Maintenance ad valorem taxes	47.40%	46.34%	44.41%	42.02%	41.32%	39.81%	34.98%	33.73%	34.08%	36.58%
Federal revenue, non-operating	12.60%	12.53%	13.49%	16.22%	17.12%	18.93%	20.20%	18.73%	15.93%	9.67%
Gifts	0.02%	0.02%	0.03%	0.02%	0.01%	0.02%	0.11%	0.03%	0.02%	0.19%
Investment income	0.97%	0.61%	0.66%	0.76%	1.15%	-0.85%	0.43%	0.84%	1.58%	1.99%
Gain on sale of investment	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%
Contributions in aid of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.02%
Gain on disposal of capital assets & easements	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
Other non-operating revenue	0.09%	0.11%	0.37%	0.04%	0.24%	0.22%	0.05%	0.29%	0.34%	0.01%
Total Non-operating Revenues	81.00%	80.62%	80.37%	80.92%	81.76%	80.97%	80.18%	79.05%	78.35%	77.04%
Total Revenues	100.00%	100.01%	100.00%	100.01%	100.00%	99.98%	100.01%	99.99%	100.02%	99.98%

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	\$ 203,692	\$ 194,996	\$ 186,114	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414
Public service	11,186	11,432	14,325	11,920	12,601	12,393	11,123	12,191	13,503	13,954
Academic support	23,315	23,073	22,517	20,384	18,972	18,154	16,480	19,988	20,065	19,363
Student services	55,694	48,807	47,798	44,666	40,649	37,960	35,092	37,616	38,354	35,151
Institutional support	99,268	87,717	82,314	77,177	68,431	67,357	61,815	69,320	72,466	67,196
Operation and maintenance of plant	47,073	44,236	39,480	35,296	32,454	33,201	33,105	38,844	38,718	33,000
Scholarships and fellowships	56,038	53,531	52,338	65,101	66,243	68,820	71,174	72,415	61,104	33,144
Auxiliary enterprises	9,544	9,281	9,226	9,585	9,547	8,400	8,771	9,439	10,389	9,539
Depreciation	23,575	23,993	25,878	27,815	27,842	29,338	26,167	25,982	22,986	18,530
Total Operating Expenses	529,385	497,066	479,990	472,035	446,131	439,627	417,437	454,124	439,354	380,291
Interest on capital debt	7,920	8,385	11,574	15,098	15,809	16,124	16,862	18,094	16,508	13,907
Loss on disposal of capital assets	185	-	596	857	173	58	-	35	1,041	270
Other non-operating expense	941	7,026	668	317	4	1,167	741	415	419	376
Total Non-operating Expenses	9,046	15,411	12,838	16,272	15,986	17,349	17,603	18,544	17,968	14,553
Total Expenses	\$ 538,431	\$ 512,477	\$ 492,828	\$ 488,307	\$ 462,117	\$ 456,976	\$ 435,040	\$ 472,668	\$ 457,322	\$ 394,844

For the Fiscal Year Ended August 31,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	37.83%	38.05%	37.76%	36.87%	36.66%	35.89%	35.33%	35.61%	35.38%	38.08%
Public service	2.08%	2.23%	2.91%	2.44%	2.73%	2.71%	2.56%	2.58%	2.95%	3.53%
Academic support	4.33%	4.50%	4.57%	4.17%	4.11%	3.97%	3.79%	4.23%	4.39%	4.90%
Student services	10.34%	9.52%	9.70%	9.15%	8.80%	8.31%	8.07%	7.96%	8.39%	8.90%
Institutional support	18.44%	17.12%	16.70%	15.81%	14.81%	14.74%	14.20%	14.66%	15.85%	17.02%
Operation and maintenance of plant	8.74%	8.63%	8.01%	7.23%	7.01%	7.27%	7.61%	8.22%	8.47%	8.36%
Scholarships and fellowships	10.41%	10.45%	10.62%	13.33%	14.33%	15.06%	16.36%	15.32%	13.36%	8.39%
Auxiliary enterprises	1.77%	1.81%	1.87%	1.96%	2.07%	1.83%	2.02%	2.00%	2.27%	2.42%
Depreciation	4.38%	4.68%	5.25%	5.70%	6.02%	6.42%	6.01%	5.50%	5.03%	4.69%
Total Operating Expenses	98.32%	96.99%	97.39%	96.66%	96.54%	96.20%	95.95%	96.08%	96.09%	96.29%
Interest on capital debt	1.47%	1.64%	2.35%	3.09%	3.42%	3.53%	3.87%	3.83%	3.61%	3.52%
Loss on disposal of capital assets	0.03%	0.00%	0.12%	0.18%	0.04%	0.01%	0.00%	0.01%	0.23%	0.08%
Other non-operating expense	0.18%	1.37%	0.14%	0.06%	0.00%	0.26%	0.17%	0.09%	0.09%	0.10%
Total Non-operating Expenses	1.68%	3.01%	2.61%	3.33%	3.46%	3.80%	4.04%	3.93%	3.93%	3.70%
Total Expenses	100.00%	100.00%	100.00%	99.99%	100.00%	100.00%	99.99%	100.01%	100.02%	99.99%

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

Resident  
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2017-18	\$ 59	\$ 111	\$ 708	\$ 1,332	0.00%	0.00%
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%

Non-Resident  
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2017-18	\$ 174	\$ 174	\$ 2,088	\$ 2,088	0.00%	0.00%
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%

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
2017-18	\$289,539,455	\$(26,440,233)	\$(29,440,088)	\$(4,910,530)	\$ 228,748,604	79.00%	\$ 0.10400	\$ 0.02024	\$ 0.12424
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

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 6A  
 GENERAL APPROPRIATIONS ACT BEFORE CONTACT HOUR ADJUSTMENTS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	Fiscal Year				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Appropriation Funding Elements					
State Appropriation Contact Hour Funding (CH)	\$ 78,979,053	\$ 77,308,120	\$ 77,308,906	\$ 78,753,201	\$ 78,753,201
State Appropriation Student Success Points (SSP)	8,063,145	7,419,486	7,419,486	7,892,826	7,892,826
State Appropriation Core Operations (CO)	680,406	500,000	500,000	500,000	500,000
State Appropriation Non-Formula Items	<u>1,928,323</u>	<u>2,138,298</u>	<u>2,138,299</u>	<u>2,138,299</u>	<u>2,138,298</u>
Total	<u>\$89,650,927</u>	<u>\$87,365,904</u>	<u>\$87,366,691</u>	<u>\$89,284,326</u>	<u>\$89,284,325</u>



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 6B  
 STATE APPROPRIATION PER FTSE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)  
 (AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>State Appropriation (Unrestricted)</u>	<u>FTSE</u>	<u>State Appropriation per FTSE</u>
2017-18	\$ 85,796	52,933	\$ 1,621
2016-17	85,796	52,569	1,632
2015-16	85,655	50,978	1,680
2014-15	87,146	49,535	1,759
2013-14	87,146	49,867	1,748
2012-13	88,830	51,522	1,724
2011-12	89,931	52,321	1,719
2010-11	89,478	53,360	1,677
2009-10	93,099	53,474	1,741
2008-09	89,498	47,374	1,889

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 6C  
 STATE APPROPRIATION PER FUNDED CONTACT HOUR  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>CH - State Appropriation (Unrestricted)</u>	<u>Academic Contact Hours</u>	<u>Technical Contact Hours</u>	<u>Continuing Education Contact Hours</u>	<u>Total Funded Contact Hours</u>	<u>CH - State Appropriation per Funded Contact Hour</u>
2017-18	\$ 78,979,053	21,680	6,215	2,076	29,971	\$ 2.86
2016-17	77,308,120	21,145	5,946	2,894	29,985	2.86
2015-16	77,308,906	20,918	5,533	3,010	29,461	2.91
2014-15	78,753,201	20,709	5,779	3,185	29,673	2.94
2013-14	78,753,201	20,729	5,957	2,907	29,593	2.94

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 6D  
 STATE APPROPRIATION PER STUDENT SUCCESS POINT - ANNUALIZED  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Fiscal Year</u>	<u>SSP - State Appropriation (Unrestricted)</u>	<u>Year Average Student Success Points</u>	<u>Appropriation per Success Point</u>
2017-18	\$ 8,063,145	N/A	N/A
2016-17	7,419,486	102,395	72
2015-16	7,419,486	96,360	77
2014-15	7,892,826	96,762	82
2013-14	7,892,826	88,875	89

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 6E  
 STATE APPROPRIATION PER STUDENT SUCCESS POINTS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

	Fiscal Year				
	2018	2017	2016	2015	2014
Success Point Elements					
Math Readiness	n/a	3,023	3,052	1,836	1,175
Read Readiness	n/a	1,612	1,469	1,136	1,320
Write Readiness	n/a	1,428	1,375	1,120	1,377
Students Who Pass FCL Math Course	n/a	12,091	11,024	11,597	11,145
Students Who Pass FCL Read Course	n/a	11,024	10,065	9,927	9,697
Students Who Pass FCL Write Course	n/a	8,588	8,205	8,555	6,555
Students Who Complete 15 SCH	n/a	18,685	16,721	17,899	16,932
Students Who Complete 30 SCH	n/a	11,243	10,489	10,727	9,898
Student Transfers to a 4-Yr Inst	n/a	10,672	10,716	10,276	9,790
Degrees, CCCs, or Certs (Undup)	n/a	19,871	19,889	19,898	17,400
Degrees or Certs in Critical Fields	n/a	4,156	3,355	3,791	3,586
Annual Success Points - Total	n/a	102,393	96,360	96,762	88,875

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)									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Oncor Electric Delivery	Electric Utility	\$ 1,508,284	\$ 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
Aviall Inc	Aviation	1,260,763	1,331,756	1,391,864	880,195	970,872	975,394	789,342	720,147	592,642	-
ATT/Southwestern Bell/Cingular	Telephone Utility	939,772	1,102,603	980,206	955,497	999,684	947,533	1,281,252	1,226,067	1,337,588	1,578,863
Wal-Mart	Retail	812,274	844,098	868,287	760,546	684,169	652,358	536,260	453,385	545,857	533,885
Texas Instruments	Manufacturing	708,168	667,341	649,076	654,639	697,164	746,887	812,802	859,002	1,075,514	1,469,996
Northpark Land Partners	Real Estate Development	675,069	667,810	643,717	624,382	602,355	578,775	645,301	530,065	545,522	590,682
Southwest Airlines	Airline	633,988	584,260	575,936	604,995	612,739	492,901	605,196	519,000	532,463	552,440
FM Village Fixed Rate LLC	Real Estate Development	495,502	471,339	-	-	-	-	-	-	-	-
Post Apartment Homes LP/	Real Estate Development	484,850	601,337	556,464	581,770	367,828	-	-	-	-	-
Atmos Energy	Natural Gas Distributor	416,898	397,625	-	-	-	-	-	-	-	-
Verizon/GTE	Telephone Utility	-	-	490,628	457,225	452,837	303,252	480,121	429,566	508,920	550,663
Crescent Real Estate	Real Estate Development	-	-	661,172	756,101	658,123	693,300	459,455	353,769	703,343	567,651
SP Millenium Center, LP	Real Estate Development	-	-	-	-	-	440,259	-	-	-	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	-	-	-	385,595	337,437	-	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	-	-	-	-	-	398,458	-
Teachers Insurance	Insurance	-	-	-	-	-	-	-	-	-	488,333
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	-	418,988
Totals		<u>\$ 7,935,568</u>	<u>\$ 8,110,465</u>	<u>\$ 8,222,487</u>	<u>\$ 7,698,270</u>	<u>\$ 7,389,675</u>	<u>\$ 7,101,818</u>	<u>\$ 7,239,500</u>	<u>\$ 6,653,902</u>	<u>\$ 7,466,439</u>	<u>\$ 8,136,174</u>
Total Taxable Assessed Value		<u>\$228,748,604</u>	<u>\$216,527,977</u>	<u>\$197,279,331</u>	<u>\$182,822,509</u>	<u>\$171,740,620</u>	<u>\$ 164,907,539</u>	<u>\$161,422,824</u>	<u>\$163,239,236</u>	<u>\$162,239,236</u>	<u>\$172,675,679</u>

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									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Oncor Electric Delivery	Electric Utility	0.66%	0.67%	0.71%	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%	0.80%
Aviall Inc	Aviation	0.55%	0.62%	0.71%	0.48%	0.57%	0.59%	0.49%	0.44%	0.37%	0.00%
ATT/Southwestern Bell/Cingular	Telephone Utility	0.41%	0.51%	0.50%	0.52%	0.58%	0.57%	0.79%	0.75%	0.82%	0.91%
Wal-Mart	Retail	0.36%	0.39%	0.44%	0.42%	0.40%	0.40%	0.33%	0.28%	0.34%	0.31%
Northpark Land Partners	Real Estate Development	0.31%	0.31%	0.33%	0.36%	0.41%	0.45%	0.50%	0.53%	0.66%	0.85%
Texas Instruments	Manufacturing	0.30%	0.31%	0.33%	0.34%	0.35%	0.35%	0.40%	0.32%	0.34%	0.34%
Post Apartment Homes LP/	Real Estate Development	0.28%	0.27%	0.29%	0.33%	0.36%	0.30%	0.37%	0.32%	0.33%	0.32%
Southwest Airlines	Airline	0.22%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FM Village Fixed Rate LLC	Real Estate Development	0.21%	0.28%	0.28%	0.32%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%
Atmos Energy	Natural Gas Distributor	0.18%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.00%	0.00%	0.25%	0.25%	0.26%	0.18%	0.30%	0.26%	0.31%	0.32%
Crescent Real Estate	Real Estate Development	0.00%	0.00%	0.34%	0.41%	0.38%	0.42%	0.28%	0.22%	0.43%	0.33%
SP Millenium Center, LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	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%	0.00%	0.24%	0.21%	0.00%	0.00%
Gulfstream Aerospace	Aerospace Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.00%
Teachers Insurance	Insurance	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%
Galleria Mall Inv LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%
	Totals	3.47%	3.75%	4.17%	4.21%	4.30%	4.31%	4.48%	4.08%	4.60%	4.71%

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)

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Coll of Prior Levies (d)	Current Coll of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections c Adjusted Lev
2018	\$ 284,665	\$ (131)	\$ 284,534	\$ 281,796	99.04%	\$ -	\$ -	\$ 281,796	99.04%
2017	266,593	(3,839)	262,754	261,343	99.46%	-	(16)	261,327	99.46%
2016	244,303	(2,407)	241,896	240,051	99.24%	463	367	240,881	99.58%
2015	228,474	(2,903)	225,571	223,940	99.28%	604	207	224,751	99.64%
2014	214,468	(2,342)	212,126	210,443	99.21%	808	178	211,429	99.67%
2013	196,940	(1,686)	195,254	193,737	99.22%	915	132	194,784	99.76%
2012	161,589	(1,127)	160,462	159,000	99.09%	1,065	45	160,110	99.78%
2011	163,181	(1,604)	161,577	159,858	98.94%	1,350	35	161,243	99.79%
2010	163,869	(2,054)	161,815	159,806	98.76%	1,689	31	161,526	99.82%
2009	158,943	(2,813)	156,130	154,096	98.70%	1,761	25	155,882	99.84%

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Bonded Debt										
General obligation bonds	\$ 228,350	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 228,350	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140
Other Debt										
Revenue bonds	\$ -	\$ -	\$ -	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560
Tax notes	-	-	-	-	-	-	2,170	8,460	14,435	20,120
Notes	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	\$ 228,350	\$ 263,140	\$ 294,050	\$ 336,670	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820
General Bonded Debt Ratios										
Per Capita	\$ 87.22	\$ 102.19	\$ 115.16	\$ 127.63	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47
Per FTSE	4,314	5,006	5,768	6,491	6,799	6,892	7,112	7,265	7,510	7,750
As a percentage of Taxable Assessed Valu	0.10%	0.12%	0.15%	0.18%	0.20%	0.22%	0.23%	0.24%	0.23%	0.21%
Total Outstanding Debt Ratios										
Per Capita	\$ 87.22	\$ 102.19	\$ 115.16	\$ 133.65	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30
Per FTSE	4,314	5,006	5,768	6,797	7,146	7,284	7,563	7,904	8,334	8,883
As a percentage of Taxable Assessed Valu	0.10%	0.12%	0.15%	0.18%	0.21%	0.23%	0.25%	0.26%	0.26%	0.24%

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)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Taxable Assessed Value	\$ 228,748,604	\$ 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
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 1,143,743	\$ 1,082,640	\$ 986,397	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	1,143,743	1,082,640	986,397	914,113	858,703	824,538	807,114	816,196	863,378	889,516
Current Year Debt Service Requirements	46,278	40,685	36,441	33,562	33,560	33,557	33,563	33,556	27,516	22,997
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,097,465	\$ 1,041,955	\$ 949,956	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519
Net Current Requirements as a % of Statutory Limit	4.05%	3.76%	3.69%	3.67%	3.91%	4.07%	4.16%	4.11%	3.19%	2.59%

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	
2018	\$ 43,973	\$ 889	\$ 958	\$ 400	\$ 4,628	\$ 50,848	\$ -	\$ -	\$ -	0.00
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

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)

Calendar Year	Population	Personal Income (In Thousands)	Personal Income per Capita	Unemployment Rate
2018	2,618,148	N/A	N/A	3.7%
2017	2,574,984	N/A	N/A	4.19%
2016	2,553,385	\$ 134,777,874	\$ 52,784	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%

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 2009 THROUGH 2018  
 (UNAUDITED)

Employer	Number of Employees									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Wal-Mart Stores, Inc.	34,000	34,000	25,534	22,700	21,100	19,230	24,189	18,672	17,485	17,203
AMR Corporation	27,000	27,000	25,000	23,700	20,000	20,000	20,000	20,000	-	-
Texas Health Resources	22,296	22,296	19,131	16,205	16,850	17,097	17,097	19,677	18,000	16,000
Dallas Independent School District	19,740	19,740	20,000	20,793	19,219	24,700	24,888	20,684	21,935	25,952
Baylor Health Resources	16,500	16,500	16,860	22,000	19,800	18,314	18,868	20,554	20,387	21,289
Lockheed Martin Aeronautics Co.	14,350	13,750	13,700	12,600	12,100	13,122	13,053	-	-	-
Bank of America	13,500	13,500	14,465	15,400	16,000	14,126	15,000	14,902	14,100	14,250
City of Dallas	13,350	13,336	13,000	13,000	13,000	12,836	13,369	13,427	14,613	13,946
UT Southwestern Medical Center	13,048	13,018	(a)	(a)	(a)	15,800	17,500	17,482	14,400	16,600
Texas Instruments Inc.	13,000	13,000	13,000	13,000	14,500	13,500	13,500	13,000	10,000	-
JP Morgan Chase	(a)	(a)	12,600	13,000	14,000	-	-	-	-	-
AT&T/SBC Communications Inc.	-	-	-	-	-	-	-	34,698	37,100	35,700
Verizon Communications Inc.	-	-	-	-	-	-	-	-	14,000	14,000
US Postal Service	-	-	-	-	-	-	-	-	-	12,993
<b>Total Top Ten</b>	<b>186,784</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>

Employer	Percentage of Total Employment									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Wal-Mart Stores, Inc.	0.91%	0.94%	0.72%	0.67%	0.66%	0.61%	0.78%	0.62%	0.58%	0.59%
AMR Corporation	0.73%	0.75%	0.71%	0.70%	0.62%	0.64%	0.64%	0.66%	0.00%	0.00%
Texas Health Resources	0.60%	0.62%	0.54%	0.48%	0.53%	0.55%	0.55%	0.65%	0.60%	0.54%
Dallas Independent School District	0.53%	0.55%	0.57%	0.62%	0.60%	0.79%	0.80%	0.68%	0.73%	0.88%
Baylor Health Resources	0.44%	0.46%	0.48%	0.65%	0.62%	0.58%	0.61%	0.68%	0.68%	0.72%
Lockheed Martin Aeronautics Co.	0.39%	0.38%	0.39%	0.37%	0.38%	0.42%	0.42%	0.00%	0.00%	0.00%
Bank of America	0.36%	0.37%	0.41%	0.46%	0.50%	0.45%	0.48%	0.49%	0.47%	0.48%
City of Dallas	0.36%	0.37%	0.37%	0.39%	0.41%	0.41%	0.43%	0.44%	0.49%	0.47%
UT Southwestern Medical Center	0.35%	0.36%	0.00%	0.00%	0.00%	0.50%	0.56%	0.58%	0.48%	0.56%
Texas Instruments Inc.	0.35%	0.36%	0.37%	0.39%	0.45%	0.43%	0.43%	0.43%	0.33%	0.00%
JP Morgan Chase	0.00%	0.00%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AT&T/SBC Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	1.24%	1.21%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.48%
US Postal Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
<b>Total Top Ten</b>	<b>5.03%</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>Total Employment</b>	<b>3,716,000</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>

(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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty										
Full-Time	883	868	873	845	866	842	792	765	763	765
Part-Time	2,434	2,447	2,374	2,260	2,390	2,425	2,349	2,413	2,440	2,335
Total	3,317	3,315	3,247	3,105	3,256	3,267	3,141	3,178	3,203	3,100
Percent										
Full-Time	26.6%	26.2%	26.9%	27.2%	26.6%	25.8%	25.2%	24.1%	23.8%	24.7%
Part-Time	73.4%	73.8%	73.1%	72.8%	73.4%	74.2%	74.8%	75.9%	76.2%	75.3%
Staff and Administrators										
Full-Time	2,670	2,569	2,515	2,448	2,343	2,290	2,235	2,196	2,472	2,426
Part-Time	1,322	1,459	1,442	1,587	1,527	1,507	1,582	1,373	1,555	1,655
Total	3,992	4,028	3,957	4,035	3,870	3,797	3,817	3,569	4,027	4,081
Percent										
Full-Time	66.9%	63.8%	63.6%	60.7%	60.5%	60.3%	58.6%	61.5%	61.4%	59.4%
Part-Time	33.1%	36.2%	36.4%	39.3%	39.5%	39.7%	41.4%	38.5%	38.6%	40.6%
Total Employees										
Full-Time	3,553	3,437	3,388	3,293	3,209	3,132	3,027	2,961	3,235	3,191
Part-Time	3,756	3,906	3,816	3,847	3,917	3,932	3,931	3,786	3,995	3,990
Total	7,309	7,343	7,204	7,140	7,126	7,064	6,958	6,747	7,230	7,181
Percent										
Full-Time	48.6%	46.8%	47.0%	46.1%	45.0%	44.3%	43.5%	43.9%	44.7%	44.4%
Part-Time	51.4%	53.2%	53.0%	53.9%	55.0%	55.7%	56.5%	56.1%	55.3%	55.6%
FTSE per Full-Time Faculty	59.9	60.6	58.4	58.6	57.6	61.2	66.1	69.9	70.1	61.9
FTSE per Full-Time Staff Member	19.8	20.5	20.3	20.2	21.3	22.5	23.4	24.4	21.6	19.5
Average Annual Faculty Salary	\$ 91,059	\$ 89,846	\$ 85,678	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532

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)

Cost of Providing Health Care Insurance	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of Retirees	1,315	1,272	1,229	1,200	1,157	1,136	1,135	930	860	839
Cost of Health Benefits for Retirees	\$11,220,884	\$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
Cost per Retiree	\$ 8,533	\$ 8,501	\$ 7,997	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103	\$ 5,465	\$ 5,321	\$ 4,989
Number of Active Full-Time Employees	3,620	3,496	3,396	3,334	3,242	3,142	3,060	3,302	3,399	3,248
Cost of Health Benefits for Active Full-Time Employees	\$31,080,279	\$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
Cost per Active Employee	\$ 8,586	\$ 8,529	\$ 8,034	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073	\$ 5,925	\$ 5,346	\$ 4,900
State Appropriation for Health Insurance	\$18,648,112	\$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
Net Cost to DCCCD	\$23,653,051	\$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
DCCCD % of total premium	55.9%	59.1%	58.3%	56.4%	55.4%	65.2%	63.7%	39.0%	31.6%	20.8%
Total employees	4,935	4,768	4,625	4,534	4,399	4,278	4,195	4,232	4,259	4,087
State funding per total employee	\$ 3,779	\$ 3,486	\$ 3,346	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207	\$ 3,554	\$ 3,652	\$ 3,898
DCCCD cost per total employee	\$ 4,793	\$ 5,036	\$ 4,678	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874	\$ 2,270	\$ 1,689	\$ 1,021
Cost of Providing Retirement Benefits	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actual Cost of TRS and ORP Benefits	\$16,438,431	\$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
DCCCD's Contribution	\$9,410,721	\$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
State's Contribution	\$7,027,710	\$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
Cost of Providing All Benefits	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
DCCCD's Contribution	\$33,063,772	\$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
State's Contribution	25,675,822	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
Total	\$58,739,594	\$56,034,263	\$51,780,102	\$47,456,170	\$43,690,264	\$40,106,460	\$36,110,667	\$37,044,736	\$35,166,631	\$32,225,902
Cost of Providing All Benefits Percentage Share	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
DCCCD	56.3%	58.8%	55.3%	56.8%	56.1%	61.3%	59.1%	32.1%	27.0%	20.1%
State	43.7%	41.2%	44.7%	43.2%	43.9%	38.7%	40.9%	67.9%	73.0%	79.9%

Note:  
Amounts shown are before Pension and OPEB adjusting entries.

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

Student Classification	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	25,206	36.48%	32,149	42.50%	29,031	40.32%	27,511	38.51%	26,173	36.46%
31-60 hours	27,625	39.99%	27,837	36.80%	26,133	36.29%	26,597	37.23%	27,958	38.95%
>60 hours	16,258	23.53%	15,658	20.70%	16,840	23.39%	17,325	24.26%	17,651	24.59%
Total	<u>69,089</u>	<u>100.00%</u>	<u>75,644</u>	<u>100.00%</u>	<u>72,004</u>	<u>100.00%</u>	<u>71,433</u>	<u>100.00%</u>	<u>71,782</u>	<u>100.00%</u>

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	1,351	1.95%	1,513	2.00%	1,498	2.08%	1,466	2.05%	1,464	2.04%
3-5 semester hours	27,207	39.38%	30,636	40.50%	28,386	39.42%	27,115	37.96%	26,427	36.81%
6-8 semester hours	18,555	26.86%	20,348	26.90%	19,382	26.92%	18,843	26.38%	18,544	25.83%
9-11 semester hours	11,981	17.34%	12,557	16.60%	12,321	17.11%	12,549	17.57%	12,545	17.48%
12-14 semester hours	8,497	12.30%	8,850	11.70%	8,805	12.23%	9,764	13.67%	10,953	15.26%
15-17 semester hours	1,188	1.72%	1,210	1.60%	1,181	1.64%	1,281	1.79%	1,450	2.02%
18 and over	310	0.45%	530	0.70%	431	0.60%	415	0.58%	399	0.56%
Total	<u>69,089</u>	<u>100.00%</u>	<u>75,644</u>	<u>100.00%</u>	<u>72,004</u>	<u>100.00%</u>	<u>71,433</u>	<u>100.00%</u>	<u>71,782</u>	<u>100.00%</u>

Average course load                      7.0                      7.0                      7.0                      7.0                      7.0

Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	49,321	71.39%	61,326	81.07%	58,780	81.63%	58,946	82.52%	58,733	81.88%
Texas Resident (out-of-district)	13,233	19.15%	7,813	10.33%	8,274	11.49%	8,741	12.24%	7,657	10.67%
Non-Resident Tuition	6,535	9.46%	6,505	8.60%	4,950	6.88%	3,746	5.24%	5,342	7.45%
Total	<u>69,089</u>	<u>100.00%</u>	<u>75,644</u>	<u>100.00%</u>	<u>72,004</u>	<u>100.00%</u>	<u>71,433</u>	<u>100.00%</u>	<u>71,732</u>	<u>100.00%</u>

Source: District Office of Business Affairs

Note: This table includes credit students only, as continuing education units are not tracked by semester hour and students are not tracked by residency. In Fall 2017, the District began offering credit courses in eight-week sessions within the semester. Courses in the second eight-week session were reported in the Spring 2018 semester.

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

	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Gender</b>										
Female	43,587	55.02%	47,534	54.00%	47,550	53.58%	47,289	54.57%	47,139	54.51%
Male	35,632	44.98%	40,488	46.00%	41,189	46.42%	39,376	45.43%	39,339	45.49%
<b>Total</b>	<b>79,219</b>	<b>100.00%</b>	<b>88,022</b>	<b>100.00%</b>	<b>88,739</b>	<b>100.00%</b>	<b>86,665</b>	<b>100.00%</b>	<b>86,478</b>	<b>100.00%</b>
<b>Ethnic Origin</b>										
White	15,057	19.01%	18,021	20.47%	19,562	22.04%	20,386	23.52%	21,652	25.04%
Hispanic	30,602	38.63%	33,686	38.27%	32,361	36.47%	29,813	34.40%	29,766	34.42%
African American	15,708	19.83%	17,548	19.94%	17,669	19.91%	19,058	21.99%	19,535	22.59%
Asian	5,031	6.35%	5,651	6.42%	5,658	6.38%	5,524	6.38%	5,397	6.24%
Foreign	7,921	10.00%	7,869	8.94%	6,230	7.02%	4,976	5.74%	3,915	4.53%
Native American	325	0.41%	265	0.30%	292	0.33%	287	0.33%	318	0.37%
Other	4,575	5.77%	4,982	5.66%	6,967	7.85%	6,621	7.64%	5,895	6.81%
<b>Total</b>	<b>79,219</b>	<b>100.00%</b>	<b>88,022</b>	<b>100.00%</b>	<b>88,739</b>	<b>100.00%</b>	<b>86,665</b>	<b>100.00%</b>	<b>86,478</b>	<b>100.00%</b>
<b>Age</b>										
Under 18	8,294	10.47%	13,005	14.77%	10,464	11.79%	8,359	9.64%	7,365	8.52%
18-21	28,527	36.01%	30,143	34.25%	28,489	32.11%	27,778	32.05%	27,746	32.08%
22-24	11,597	14.64%	11,672	13.26%	12,031	13.56%	11,659	13.45%	11,653	13.48%
25-30	11,056	13.96%	11,335	12.88%	12,188	13.73%	12,018	13.87%	12,152	14.05%
31-35	6,595	8.33%	6,955	7.90%	7,873	8.87%	7,997	9.23%	8,333	9.64%
36-50	9,922	12.52%	11,100	12.61%	12,879	14.51%	14,125	16.30%	13,996	16.18%
51 and over	3,228	4.07%	3,812	4.33%	4,815	5.43%	4,729	5.46%	5,233	6.05%
<b>Total</b>	<b>79,219</b>	<b>100.00%</b>	<b>88,022</b>	<b>100.00%</b>	<b>88,739</b>	<b>100.00%</b>	<b>86,665</b>	<b>100.00%</b>	<b>86,478</b>	<b>100.00%</b>
<b>Average Age</b>	24		24		25		26		26	

Source: District Office of Business Affairs

Note: Includes both credit and non-credit students. In Fall 2017, the District began offering credit courses in eight-week sessions within the semester. Courses in the second eight-week session were reported in the Spring 2018 semester.



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 18  
 TRANSFERS TO SENIOR INSTITUTIONS  
 2016 FALL STUDENTS AS OF FALL 2017  
 (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	3,116	684	3,800	16.73%
University of Texas - Dallas	2,931	443	3,374	14.85%
University of North Texas	2,533	426	2,959	13.03%
University of Texas - Austin	2,086	302	2,388	10.51%
Texas A&M University - College Station	1,624	234	1,858	8.18%
Texas Woman's University	1,465	261	1,726	7.60%
University of North Texas - Dallas	1,080	257	1,337	5.89%
Texas Tech University	945	103	1,048	4.61%
Texas A&M University - Commerce	830	168	998	4.39%
Texas State University	501	62	563	2.48%
Stephen F. Austin State University	310	45	355	1.56%
Tarleton State University	262	58	320	1.41%
Sam Houston State University	203	39	242	1.07%
University of Houston	184	28	212	0.93%
Midwestern State University	172	29	201	0.89%
Prairie View A&M University	143	21	164	0.72%
University of Texas - Tyler	137	20	157	0.69%
Texas Tech University Health Science Center	82	49	131	0.58%
University of Texas - San Antonio	109	8	117	0.52%
Texas Southern University	78	26	104	0.46%
Texas A&M University - Corpus Christi	63	12	75	0.33%
Lamar University Institute of Technology	53	14	67	0.30%
University of Texas - Permian Basin	44	11	55	0.24%
West Texas A&M University	38	17	55	0.24%
Texas A&M University System Health Science Center	44	9	53	0.23%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
 STATISTICAL SUPPLEMENT 18  
 TRANSFERS TO SENIOR INSTITUTIONS  
 2016 FALL STUDENTS AS OF FALL 2017  
 (CONTINUED)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of DCCCD Transfer Students	% of DCCCD Transfer Students
Angelo State University	37	6	43	0.19%
University of North Texas Health Science Center - Fort Worth	38	3	41	0.18%
Texas A&M University - Galveston	32	5	37	0.16%
University of Texas Medical Branch Galveston	20	5	25	0.11%
University of Houston - Downtown	19	4	23	0.10%
University of Texas - El Paso	21	2	23	0.10%
University of Texas Southwestern Medical Center - Dallas	19	3	22	0.10%
University of Houston - Victoria	20	1	21	0.09%
Texas Tech University Health Science Center - El Paso	5	13	18	0.08%
University of Texas Health Science Center - San Antonio	14	3	17	0.08%
Texas A&M University -Texarkana	15	1	16	0.07%
Texas A&M University - Kingsville	12	1	13	0.06%
University of Texas Health Science Center - Houston	8	5	13	0.06%
University of Texas -Rio Grande Valley	11	1	12	0.05%
Texas A&M University - San Antonio	6	2	8	0.04%
Sul Ross State University	7	0	7	0.03%
Texas A&M University - Central Texas	5	2	7	0.03%
University of Houston - Clear Lake	5	0	5	0.02%
Baylor College of Medicine	1	1	2	0.01%
Texas A&M International University	1	0	1	0.00%
University of Texas - Austin Dell Medical School	1	0	1	0.00%
University of Texas Health Science Center - Tyler	0	1	1	0.00%
University of Texas M.D Anderson Cancer Center	0	1	1	0.00%
	19,330	3,386	22,716	100.00%

Source: THECB Students Pursuing Additional Education report for Academic Year 2016-17

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
STATISTICAL SUPPLEMENT 19  
CAPITAL ASSET INFORMATION  
FISCAL YEARS 2009 THROUGH 2018  
(UNAUDITED)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academic buildings	89	89	89	89	89	89	89	89	89	84
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	3,847,370	3,426,142
Libraries										
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	420,505	432,076	433,212	438,488
Administrative and support buildings	8	8	8	8	8	8	8	8	8	8
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215
Dining Facilities										
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
Athletic Facilities	6	6	6	6	6	6	6	6	6	6
Square footage	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050
Athletic fields	43	43	43	43	43	43	43	43	43	43
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	22	36
Plant facilities	3	3	3	3	3	3	3	3	3	3
Square footage	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
Transportation										
Cars / SUV's	29	75	56	36	36	36	36	39	39	28
Light trucks/vans	93	94	94	79	79	79	79	88	88	84
Buses	8	6	8	8	8	8	8	10	10	9
<b>Total Square Footage</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,293,573</b>

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.

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 statement of financial position as of August 31, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2018.

**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 opinion 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 an instance of noncompliance or other matters, described in the accompanying schedule of findings and questioned costs as item 2018-001, that is required to be reported under *Government Auditing Standards*.

**District's response to finding**

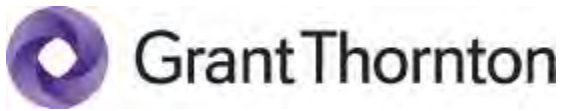
The District's response to our finding, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the District's response.

**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 11, 2018



**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**

Board of Trustees  
Dallas County Community College District

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**Report on compliance for each major federal and state program**

We have audited the compliance of Dallas County Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB 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, 2018. 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 the 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 qualified and unmodified opinions on compliance for major federal and state programs. However, our audit does not provide a legal determination of the District’s compliance.

**Basis for qualified opinion on Post-9/11 Veterans Educational Assistance**

As described in the accompanying schedule of findings and questioned costs, the District did not comply with the requirements regarding CFDA 64.027 Post-9/11 Veterans Educational Assistance as described in finding number 2018-001 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

**Qualified opinion on Post-9/11 Veterans Educational Assistance**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion on Post-9/11 Veterans Educational Assistance paragraph above, 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 the Post-9/11 Veterans Educational Assistance program for the year ended August 31, 2018.

**Unmodified opinion on each of the other major federal and state programs**

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 other major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2018.

The District's response to the noncompliance finding identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

**Report on internal control over compliance**

Management of the District is responsible for 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2018-001, that we consider to be a material weakness in the District's internal control over compliance.

The District's response to the finding on internal control over compliance identified in our audit, which is described in the accompanying schedule of findings and questioned costs, was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the District's response.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the UGMS. Accordingly, this report is not suitable for any other purpose.

GRANT THORNTON LLP

Dallas, Texas  
December 11, 2018

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

**SCHEDULE E**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
U.S. Department of Education				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant	84.007A (1)		\$ 1,011,398	
Federal Work-Study Program	84.033A (1)		902,027	
Federal Work-Study Program	84.033A (1)		55,063	
Federal PELL Grant Program	84.063P (1)		69,684,300	
Federal Direct Student Loans	84.268 (1)		<u>40,778,566</u>	
Total Student Financial Aid Cluster			112,431,354	
TRIO Cluster				
TRIO_Student Support Services	84.042A (2)	P042A1-51162/50487/ 50721/61469	1,197,785	
TRIO_Talent Search	84.044A (2)	P044A160665	222,070	
TRIO_Upward Bound	84.047A (2)	P047A12- 0553/0112/0815/0819/1612	785,008	
TRIO_Veterans Upward Bound	84.047V (2)	P047A17- 1489/0826/0908 P047V170229	<u>55,016</u>	
Total TRIO Cluster			2,259,879	
Other Direct Programs				
Overseas Programs-Group Projects Abroad	84.021A	P021A170031	91,099	
Higher Education_Institutional Aid	84.031A	P031A140139	436,103	
Higher Education_Institutional Aid	84.031C	P031C1-10083/10086/ 60035/60113	1,104,684	30,951
Higher Education_Institutional Aid	84.031L	P031L150024	323,453	
Higher Education_Institutional Aid	84.031S	P031S- 150018/170019	639,587	
Fund for the Improvement of Postsecondary Education	84.116G	P116G150121	168,400	
Strengthening Minority -Serving Institutions	84.382A	P382A150037	<u>631,274</u>	
Total Other Direct Programs			3,394,600	
Total Direct U. S. Department of Education			<u>118,085,833</u>	

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs
- (6) Clustered CCDF 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, 2018  
 SCHEDULE E  
 (CONTINUED)

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
Pass-Through From:				
Texas Higher Education Coordinating Board				
		17654/174229		
Career and Technical Education- Basic Grants to States	84.048	18017/184217	\$ 1,646,721	
Career and Technical Education- Basic Grants to States	84.048	19249	40,857	6,000
Education Research, Development and Dissemination	84.305H	R305H150094	<u>5,887</u>	
Total Pass-Through Texas Higher Education Coordinating Board			<u>1,693,465</u>	
Dallas County Local Workforce Development Board				
Adult Education -Basic Grants to States	84.002A	DCCCD AEL 3-2016	2,600,817	
Adult Education -Basic Grants to States	84.002A	DCCCD - AEL 2018-1	507,507	
Adult Education -Basic Grants to States	84.002A	RLC-AEL 3-2016	<u>232,568</u>	
Total Pass-Through Dallas County Local Workforce Development Board			<u>3,340,892</u>	
Total Pass-Through U.S. Department of Education			<u>5,034,357</u>	
Total U. S. Department of Education			<u>123,120,190</u>	
U.S. Department of Justice				
Direct Programs:				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	2017-WA-AX-0051	<u>17,332</u>	
Total U. S. Department of Justice			<u>17,332</u>	

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs
- (6) Clustered CCDF 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, 2018  
 SCHEDULE E  
 (CONTINUED)

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
U.S. Department of Labor				
Direct Programs:				
Trade Adjustment Assistance Community College and Career Training Grants	17.282	TC-26492-14-60-A-48	\$ 353,139	
Total Direct U. S. Department of Labor			353,139	
Pass-Through From:				
Dallas County Local Workforce Development Board WIOA Reentry Employment Opportunities	17.270	DCCCD-Leap2	27,311	
WIA/WIOA Cluster:				
Dallas County Local Workforce Development Board				
WIA/WIOA Adult Program	17.259 (4)	328-Out OSY-10	(1,050)	
WIA/WIOA Adult Program	17.259 (4)	RLC 2-2015	78,358	
WIA/WIOA Adult Program	17.259 (4)	RLC 3-2015	357,402	
			434,710	
Texas Workforce Commission				
WIA Dislocated Worker Formula Grants	17.278 (4)	0617WOS000	170,792	
WIA Dislocated Worker Formula Grants	17.278 (4)	0618ATP000	148,907	
Total Pass-Through Texas Workforce Commission			319,699	
Subtotal WIA/WIOA Cluster			754,409	
Houston Community College				
H-1B Job Training Grants	17.268	AP-27829-15-60-A-48	314,254	
Total Pass-Through U.S. Department of Labor			1,095,974	
Total U.S. Department of Labor			1,449,113	
National Endowment for the Humanities				
Direct Programs:				
Promotion of the Humanities_Professional Development	45.163	EH-256889-17	93,235	
Total National Endowment for the Humanities			93,235	

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs
- (6) Clustered CCDF 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, 2018  
 SCHEDULE E  
 (CONTINUED)

	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
National Science Foundation				
Direct Programs:				
Education and Human Resources	47.076	DUE-1501105	\$ 101,426	
Total Direct National Science Foundation			<u>101,426</u>	
Pass-Through From:				
Collin County Community College				
Education and Human Resources	47.076	DUE-1700530	7,646	
Texas A&M University				
Education and Human Resources	47.076	DUE-1764268	5,281	
Education and Human Resources	47.076	DUE-1304843	<u>26,781</u>	
Total Pass-Through National Science Foundation			<u>39,708</u>	
Total National Science Foundation:			<u>141,134</u>	
U. S. Small Business Administration				
Direct Programs:				
Small Business Development Centers	59.037	7-603001-EZ-0002 8-603001-EZ-0015	<u>2,815,377</u>	<u>1,551,362</u>
Total U. S. Small Business Administration			<u>2,815,377</u>	
U.S. Department of Veterans Affairs				
Direct Program:				
Post-9/11 Veterans Educational Assistance	64.027		<u>1,790,878</u>	
Total U.S. Department of Veterans Affairs			<u>1,790,878</u>	

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs
- (6) Clustered CCDF 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, 2018  
SCHEDULE E  
(CONTINUED)

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
U.S. Department of Health & Human Services				
Direct Programs:				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1U79SM062515-01	\$ 67,630	
Total Direct U. S. Department of Health & Human Services			67,630	
Pass-Through From:				
University of Texas at Austin				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	UTA12-001079 UTA17-000816	24,763	
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558 (5)	2917SSF000	20,000	
Temporary Assistance for Needy Families	93.558 (5)	0617SMP001/0618SMP001	4,100	
Temporary Assistance for Needy Families	93.558 (5)	0617SSF001	9,944	
Temporary Assistance for Needy Families	93.558 (5)	0618ATP000	17,241	
Total Pass-Through Texas Workforce Commission			51,285	
Dallas County Local Workforce Development Board				
Temporary Assistance for Needy Families	93.558 (5)	DCCCD-AEL 3-2016	559,269	
Temporary Assistance for Needy Families	93.558 (5)	DCCCD-AEL 2018-1	84,462	
Temporary Assistance for Needy Families	93.558 (5)	RLC-AEL 3-2016	42,341	
Child Care and Development Block Grant	93.575 (6)	DCCCD-CQI 2-2015	58,252	
Child Care and Development Block Grant	93.575 (6)	DCCCD-CQI 3-2015	182,568	
Total Pass-Through Dallas County Local Workforce Development Board			926,892	
Total Pass-Through Department of Health & Human Services			1,002,940	
Total Department of Health & Human Services			1,070,570	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 130,497,829	\$ 1,588,313

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs
- (6) Clustered CCDF 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, 2018  
SCHEDULE F

State Grantor / Program Title	Grant #	Expenditures
Texas Higher Education Coordinating Board		
Texas Education Opportunity Grant		\$ 4,061,621
T-Stem Challenge Scholarship	16897	105,773
	15552/56/61/62	
Work Study Student Mentorship Program	18875	243,796
College Readiness and Success Models	17431 / 19074	95,270
Nursing Shortage Reduction Program	NSRP FY2018 -Regular	1,983
Pathways Project Grant	16568	5,824
Total Direct Texas Higher Education Coordinating Board		<u>4,514,267</u>
Pass-Through THECB		
University of Texas at Arlington		
Nursing Innovation Grant	14007	(2,356)
Total Pass-Through THECB		<u>(2,356)</u>
Total Texas Higher Education Coordinating Board		<u>4,511,911</u>
Texas Parks and Wildlife		
Community Outdoor Outreach Program	52-000665	26,823
Total Texas Parks & Wildlife		<u>26,823</u>
Texas Workforce Commission		
Skills Development Funds		
Partnership with Mentor Worldwide	0613SDF005	(6,998)
AT&T Services	0616SDF000	160,807
Architect Consortium (AIA)	0616SDF001	131,676
Accelerated Customized Manufacturing Skills	0616SDF002	238,597
RealPage	0616SDF003	646,318
Skills Development Fund	0616SDF004	50,375
Partnership with Electrical/Plumbing	0617SDF006	845,011
Mechanical Construction Consortium	0617SDF007	1,281,771
Partnership with Information Technology	0617SDF008	397,330
Partnership with Manufacturing Consortium II	0617SDF009	393,694
Partnership with Tekni-Plex	0617SDF010	191,262
DCMA Manufacturing Consortium	0617SDF000	276,483

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018  
SCHEDULE F  
(CONTINUED)

State Grantor / Program Title	Grant #	Expenditures
Texas Workforce Commission		
Skills Development Funds (continued)		
Partnership with Associa Client	0617SDF001	\$ 490,568
THEC4 Logistics	0617SDF002	913,585
Partnership with Bottling Group	0617SDF004	66,687
Hillite Industries Automotive	0617SDF005	83,427
Partnership with Thomson Reuters	0618SDF000	89,502
Total Skills Development Funds		<u>6,250,095</u>
Apprenticeship Training Program	0617ATP000	(349)
Apprenticeship Training Program	0618ATP000	351,829
Total Apprenticeship Training Program		<u>351,480</u>
Jobs and Education for Texans Program (JET)	0617JET000	(20,614)
Skills for Small Business	0616SSD000	156,328
Skills for Small Business	0616SSD001	93,953
Skills for Small Business	0617SSD000	312
Skills for Small Business	0618SSD000	170,277
Skills for Small Business	0618SSD001	90,439
Total Skills for Small Business		<u>511,309</u>
Total Direct Texas Workforce Commission		<u>7,092,270</u>
Pass-Through Texas Workforce Commission		
Dallas County Local Workforce Development Board		
Adult Education Literacy	DCCCD AEL 3-2016	460,644
Adult Education Literacy	RLC-AEL 3-2016	40,139
Total Pass-Through Dallas County Local Workforce Development Board		<u>500,783</u>
Total Texas Workforce Commission		<u>7,593,053</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 12,131,787</u>

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, 2018

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, 2018. 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, 2018, as follows:

	Federal	State
Total revenues per Schedule A	\$ 18,209,482	\$ 12,081,882
Federal revenue, non-operating per Exhibit 2	74,999,089	-
Federal direct student loans	40,778,566	-
Fall tuition-related grants deferred to next year	(3,489,308)	49,905
Total expenditures for federal/state awards	\$ 130,497,829	\$ 12,131,787

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

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 7-603001-EZ-0002 and 8-603001-EZ-0015)

Collin College	\$ 255,928
Grayson College	125,380
Kilgore College	15,710
McLennan Community College	164,227
Navarro College	125,845
North Central Texas College	144,313
Northeast Texas Community College	175,987
Paris Junior College	118,692
Tarrant County College	281,928
Trinity Valley Community College	68,530
Tyler Junior College	74,822
	\$ 1,551,362

These amounts were funded by the US Department of Education for the HSI STEM IPSS, CFDA 84.034C. (Award P031C160035)

University of North Texas at Dallas	\$ 30,951
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These amounts were funded by the US Department of Education for the CB-Perkins Leadership, CFDA 84.048. (Award 19249)

Houston Community College District	\$ 6,000
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Total Amounts Passed Through – Federal	\$ 1,588,313
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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

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	\$ 180,207
Grayson College	96,945
Kilgore College	4,857
McLennan Community College	117,164
Navarro College	142,853
North Central Texas College	127,008
Northeast Texas Community College	107,888
Paris Junior College	45,861
Tarrant County College	203,102
Trinity Valley Community College	120,037
Tyler Junior College	101,988
Total Amounts Passed Through - State	<u><u>\$ 1,247,910</u></u>
Total Amounts Passed Through – Federal and State	<u><u>\$ 2,836,223</u></u>

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 2018 fiscal year are \$89,719,263.

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	<u>\$ 40,778,566</u>	<u>\$ -</u>	<u>\$ 40,778,566</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2018

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, 2018

**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? Yes
- 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 for all major programs except for Post-9/11 Veterans Educational Assistance, which was Qualified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes

**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 *Single Audit Circular*? No

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended August 31, 2018

Identification of major programs:

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

17.259, 17.278	WIOA Cluster
59.037	Small Business Development Centers
64.027	Post-9/11 Veterans Educational Assistance
84.002	Adult Education - State Grant Program
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Major State Programs:

None	Texas Education Opportunity Grant
Various	TWC – Skills Development Funds

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

\$750,000 for federal programs  
\$363,954 for state programs

Auditee qualified as low-risk auditee for federal programs?

Yes

Auditee qualified as low-risk auditee for state programs?

Yes

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended August 31, 2018

**SECTION II - FINANCIAL STATEMENT FINDINGS**

The audit disclosed no findings required to be reported for the year ended August 31, 2018.

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

**Finding #:** 2018-001  
**CFDA Number:** 64.027  
**Federal Title:** Post-9/11 Veterans Educational Assistance  
**Federal Agency:** U.S. Department of Veterans Affairs  
**Federal Award Number:** None  
**Program Year:** 2017 - 2018  
**Compliance Requirement:** Cash Management  
**Type of Finding:** Material Weakness and Material Noncompliance

**Criteria:**

Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires that non-Federal entities minimize the time elapsing between the transfer of funds from the U.S. Treasury or pass-through entity and disbursement by the non-Federal entity for direct program or project costs and the proportionate share of allowable indirect costs, whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means (2 CFR section 200.305(b)).

Typically overpayments of VA benefits are the responsibility of the student. However, there are instances when an overpayment is created on a school and funds need to be refunded to the Department of Veterans Affairs (VA). Accordingly, schools must refund tuition and fee payments to students in accordance with their established refund policies so that the students can resolve any overpayments with the VA.

**Condition:**

We noted that none of the seven colleges had applied funds to several of the student accounts within 30 days, nor by the end of the semester. Additionally, we noted that all seven of the colleges had at least three academic years in which they held a balance that either needed to be applied to a student's account, or be returned to the VA. The total balance for all seven colleges that needed to be applied to a student's account, or be returned to the VA for the FY18 academic year was \$102,397.42. The cumulative total for all seven colleges that needed to be applied to a student's account, or be returned to the VA for the previous fiscal years and including FY18 academic year was \$143,133.09.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year ended August 31, 2018

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

**Cause:**

College VA Administrators failed to complete all appropriate disposition of student VA records in order to either refund tuition and fee payments to students, or return funds to the Department of Veterans Affairs, as required.

**Effect:**

Failure of the colleges to complete or perform timely disposition of student VA funds received by the college could cause students to have non-tuition VA benefit overpayments of which they are not aware, or the college to have VA funds received for tuition which are refundable to the VA.

**Questioned Costs:**

None.

**Identification of a repeat finding:**

This is not repeat finding from the immediate previous audit.

**Recommendation:**

We recommend that appropriate college personnel complete the timely disposition of student VA funds received in order to either refund tuition and fees payments to students in accordance with the District's established refund policies and Post 9/11 program requirements, so that the students can resolve any non-tuition VA benefit overpayments with the VA, or refund unused amounts to the VA, as required.

**View of Responsible Officials:**

Management of each college and the District accepts the finding and its recommendation. Each college has instituted a corrective action plan to include and is not limited to strengthening internal controls, reassess staffing, and/or instituting additional protocols to ensure the timely application of Post 9/11 funds received to student accounts. Changes to internal controls include formalizing expectations of college and District management to consistently review reports of Federal funds received and consistent monitoring of the application of such funds received to student accounts or returned to VA in strict adherence to program requirements and deadlines. Where necessary, additional staff will be assigned to insure program requirements are met. Program knowledge of current management and staff will be assessed and where necessary, additional training will be provided. All unapplied payments described in this finding will be reviewed and applied or returned to the Veteran's Administration, based on the facts and circumstances of each student, by May 31, 2019.



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2018

Prior Year Findings

There were no audit findings and questioned costs included in the August 31, 2017 Schedule of Findings and Questioned Costs.



Dallas County  
Community College District

Higher Education That  
*Actually* Gets You Hired