



Annual Comprehensive Financial Report

For the Fiscal Years Ended
August 31, 2023 and 2022

Dallas County, Texas

THIS PAGE INTENTIONALLY LEFT BLANK.

DALLAS COLLEGE
DALLAS COUNTY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

PREPARED BY
DALLAS COLLEGE OFFICE OF FINANCE

APPROVED BY
DALLAS COLLEGE BOARD OF TRUSTEES
ON DECEMBER 5, 2023

DALLAS COLLEGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	1
Organizational Data	2
Organizational Chart	3
Chancellor's Letter	4
Transmittal Letter	7
GFOA Certificate of Achievement	12
FINANCIAL SECTION	13
Independent Auditors' Report	14
Management's Discussion and Analysis (Unaudited)	17
Financial Statements	33
Statements of Net Position (Exhibit 1)	34
Statements of Financial Position – Foundation (Exhibit 1A)	35
Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2)	36
Statements of Activities – Foundation (Exhibit 2A)	37
Statements of Cash Flows (Exhibit 3)	39
Notes to the Financial Statements	41
Required Supplementary Information	110
<u>Required Schedules for Net Pension Liability</u>	111
Schedule of College's Share of Net Pension Liability (Schedule G)	112
Schedule of College's Contributions (Schedule H)	113
Notes to Schedules for Net Pension Liability	114
<u>Required Schedules for Net Other Post Employment Benefits Liability</u>	115
Schedule of College's Share of Net Other Post Employment Benefits Liability (Schedule I)	116
Schedule of College's Contributions to Other Post Employment Benefits Liability (Schedule J)	117
Notes to Schedules for Net Other Post Employment Benefits Liability	118
Supplementary Information	120
<u>Supplementary Schedules for Statements of Net Position and Statements of Revenues, Expenses, and Changes in Net Position</u>	121
Schedule of Operating Revenues (Schedule A)	122
Schedule of Operating Expenses by Object (Schedule B)	123
Schedule of Non-operating Revenues and Expenses (Schedule C)	124
Schedule of Net Position by Source and Availability (Schedule D)	125
<u>Texas Education Agency Required Schedules</u>	126
J4 Schedule of State Allotment Program Funds	127

DALLAS COLLEGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

STATISTICAL SECTION (UNAUDITED)	128
Table of Contents	129
Statistical Charts	130
<u>Schedules for Federal and State Single Audit</u>	155
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing</i> Standards – Independent Auditor's Report	156
Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance	158
Schedule of Expenditures of Federal Awards (Schedule E)	160
Schedule of Expenditures of State Awards (Schedule F)	164
Notes of Schedules of Expenditures of Federal and State Awards	165
Summary Schedule of Findings and Questioned Costs	170

INTRODUCTORY SECTION

DALLAS COLLEGE
ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

BOARD OF TRUSTEES

OFFICERS

Monica Lira Bravo	Chair
Philip J. Ritter	Vice Chair
Justin H. Lonon	Secretary

MEMBERS

TRUSTEE	CITY, STATE	TERM EXPIRES
Cliff Boyd	Duncanville, Texas	2026
Charletta Rogers Compton	Dallas, Texas	2024
Diana Flores	Dallas, Texas	2026
Catalina Garcia	Dallas, Texas	2024
Monica Lira Bravo	Dallas, Texas	2028
Paul Mayer	Garland, Texas	2028
Philip J. Ritter	Dallas, Texas	2028

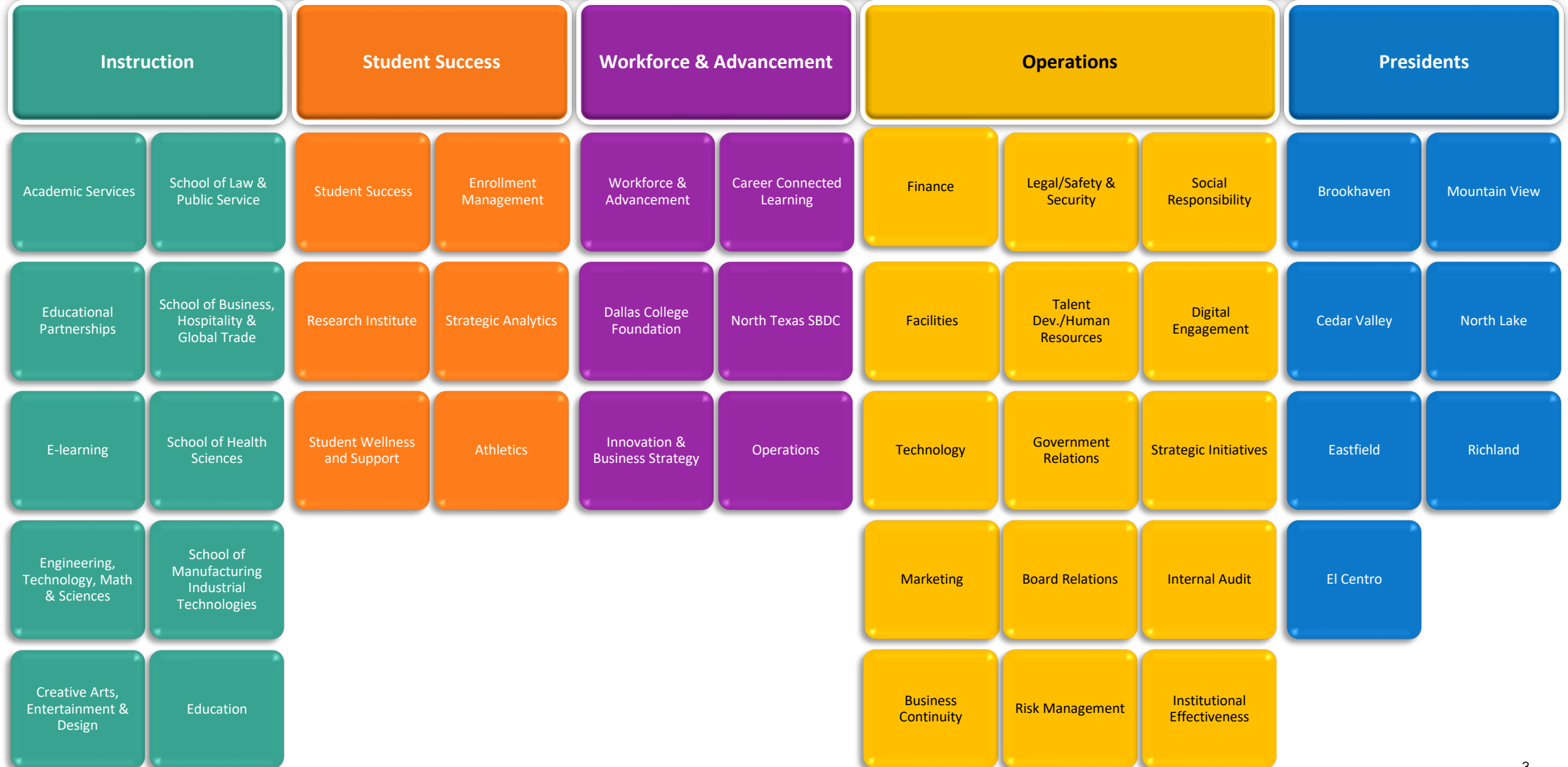
ADMINISTRATIVE OFFICERS

Dr. Justin H. Lonon	Chancellor
Dr. Mary Brumbach	Chief Strategy Officer
Louis Burrell	Chief Human Resources Officer
Lori Cox	Chief of Internal Audit
Dr. Sharon Davis	Chief of Business Continuity
Dr. Shawnda Floyd	Provost
Juan Garcia	Chief of Staff
Dr. Beatriz Joseph	Vice Chancellor of Student Success
Dr. Pamela Luckett	Chief of Digital Engagement
James Parker	Chief Innovation Officer
John Robertson	Chief Financial Officer
Robert Wendland	General Counsel
Dr. Pyeper Wilkins	Vice Chancellor of Workforce Advancement
Dr. Bradford Williams	Vice Chancellor of Operations

CAMPUS PRESIDENTS

Dr. Kathryn Eggleston	Richland
Dr. Beatriz Joseph	Mountain View
Dr. Joe Seabrooks	Cedar Valley
Dr. Christa Slejko	North Lake
Dr. Christa Slejko	Brookhaven
Dr. Eddie Tealer	Eastfield
Dr. Bradford Williams	El Centro

Chancellor





December 5, 2023



Justin H. Lonon
Chancellor

On behalf of Dallas College and the community of Dallas County, I am pleased to submit to the members of the Dallas College Board of Trustees our Annual Comprehensive Financial Report (ACFR) for the fiscal years, which ended August 31, 2023 and 2022.

Thanks to your leadership as members of our Board of Trustees – and your commitment to the College'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. Dallas College's tuition and property tax rates continue to rank among the lowest for Texas community colleges. We strive to offer a quality education and make it accessible at the best possible value 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:

- Dallas College partners with school districts, private and charter school systems to offer dual credit learning opportunities, with a 14.35% increase in dual credit headcount from 2018-19 to 2022-23 (from 25,558 to 29,222 unduplicated students enrolled). Dallas College offers 63 College and Career Readiness School Model programs approved by the Texas Education Agency including 20 Dallas College Early College High Schools (ECHS) and 43 Pathways in Technology Early College High School (P-TECH) programs providing pathways to certificates and degrees for students. The enrolled students can pursue both a high school diploma and an associate degree at no cost to them or their families. In the 2022-23 academic year, 1,792 associate degrees and 729 certificates were awarded to high school dual credit graduates by Dallas College, a total of 2,521 awards.
- Dallas College graduated 125 students with Bachelor of Applied Science in Early Childhood Education and Teaching. These students represent the first cohort of students to receive baccalaureate degrees from the institution.
- The Dallas County Promise program enrolled 3,333 students for the fall 2023 semester. This program removes the financial barrier to college and is helping to transform students' perspective on college access. In partnership with the Dallas College Foundation, the Dallas County Promise program is now open to high school seniors from 82 area high schools.

- Dallas College received \$1 million in federal funding through the collective commitment of our North Texas congressional leadership to support our future teacher educators. Dallas College was also awarded a \$3.8 million grant from the U.S. Department of Education to expand the School of Education's novel teacher apprenticeship work. This funding initiative is intended to improve the quality of prospective and new teachers by enhancing educator preparation programs and support for new teachers. The Dallas College Teacher Quality Partnership grant model will allow students to earn their teaching credentials through structured, paid on-the-job learning experiences with mentors, combined with coursework to support the expansion of strategies designed to overcome a growing teacher shortage.
- The U.S. Health Resources and Services Administration (HRSA) awarded Dallas College a \$1 million grant to increase the number of underrepresented student nurses who can provide high-quality, culturally sensitive care in underserved communities. The need for highly skilled nurses is especially acute in Dallas County, federally designated as a "medically underserved area", where many residents face numerous barriers to health care. By increasing the number of students who will not only learn the fundamentals of working in a hospital setting, but how to work as integral members of allied health teams with expanded skills to reduce health disparities — Dallas College will be training the next generation of nurses.
- We also recently opened our new Workforce Development Training Center at the Shops at Red Bird mall. Additionally, our paid Teacher Residency Apprenticeship program, which is designed to get well-trained teachers, continues to make an impact. Students in our first cohorts in Fall 2022 earned \$30,000 in year-long residencies have graduated and are already working in local schools.
- The Board of Trustees authorized an election for the issuance of \$1.1 billion of general obligation bonds that was overwhelmingly supported by the taxpayers of Dallas County in 2019. The first tranche of general obligation bonds was issued in January 2023 for \$325.8 million in support of Phase 1. The proceeds have been used to add new instructional buildings at multiple campuses across the College with more slated to open in 2024. Also, we are in the early stages of planning for a new downtown master planned education and innovation district to support the needs of Dallas area businesses and entrepreneurs. The bonds will be issued over the next two to eight years in order to maintain the same debt service tax rate.

As I have mentioned before, the jobs and workforce of the future will all require some postsecondary education. Dallas College is a viable educational 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.

During the 88th Texas legislative session, the budget passed that provided an increase to community college funding. The new model is largely based on performance funding that concentrates on completion metrics instead of enrollment driven funding. The budget also provided additional funding for disadvantaged dual credit students and the Texas Education Opportunity Grant (TEOG). The changes were favorable to Dallas College as we continue to support the statewide initiative of the 60x30TX plan.

We are continuing the work with our community partners to create relationships that are compassionate, inclusive, and innovative. Those partnerships are born of the Dallas College culture and elevate the College's readiness to meet the demands of our growing workforce.

Lastly, I want to thank the Board of Trustees for their leadership and support. I appreciate your dedication and direction as well as our faculty and staff across the College who make a difference in the lives of our students. We will do our best to continue to build for the future together.

Respectfully,

A handwritten signature in black ink, appearing to read 'J. Lonon', with a stylized flourish at the end.

Justin H. Lonon
Chancellor



December 5, 2023

To the Board of Trustees and the Citizens of Dallas County:

Respectfully submitted for your review is the annual comprehensive financial report for Dallas College (College) for the fiscal years ended August 31, 2023 and 2022. The purpose of this report is to provide detailed information about the financial condition and performance of the College. 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.

Annual Comprehensive Financial Report

Dallas College's annual comprehensive financial report (ACFR) is prepared by the Office of Finance 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

The College is a special-purpose government engaged solely in business-type activities (BTA). In compliance with GASB Statements No. 34 and No. 35, as amended, 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 College Foundation, Inc. (Foundation) has been discretely presented in College's statements as a component unit by inclusion of the statements and footnotes of the Foundation in the College's statements and footnotes. Because the financial statements of the Foundation are presented in a different format from the College and are incompatible with the College's financial statements, the Foundation's financial statements are presented on separate pages from the College'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 Dallas College.

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 Dallas College 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 the College. Because the high school contracts with the College for instructional and administrative services, the legal identity is the same as the College. RCHS shares the same Board of Trustees with Dallas College and RCHS is included as an operating unit in the College'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 Dallas College

In 1965, Dallas County voters created the Dallas County Junior College District and began operations at El Centro College in 1966 in downtown Dallas. An additional six colleges were added to the district between 1970 and 1978. In 2020, Dallas College received approval to consolidate the seven colleges into one college with seven campuses:

- El Centro Campus (1966) – main campus for accreditation and student aid purposes
- Eastfield Campus (1970)
- Mountain View Campus (1970)
- Richland Campus (1972)
- Cedar Valley Campus (1977)
- North Lake Campus (1977)
- Brookhaven Campus (1978)

A seven-member Board of Trustees is the governing body of the College. The Trustees are elected from single member districts for staggered six-year terms. The Chief Executive Officer of the College is the Chancellor. The Chancellor's executive staff, comprised of the provost, vice chancellors, general counsel, chief officers, and campus presidents, is responsible for the management and daily operation of the College.

Mission and Values

The mission of Dallas College is to transform lives and communities through higher education. Our purpose is to ensure that Dallas is vibrant, growing and economically viable for future generations. The Board of Trustees has established the thematic priorities of:

- Student Success
- Employee 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 campuses 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 as well as a Bachelor of Applied Science in Early Childhood Education and Teaching
- 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 17 percent Anglo, 49 percent Hispanic, 20 percent African American, 8 percent Asian, and 6 percent all others combined. The College continues to place an emphasis on diversity, equity and inclusion in its workforce: 36 percent Anglo, 22 percent Hispanic, 28 percent African American, 7 percent Asian, and 7 percent all others combined.

Economic Conditions and Outlook

Other than Federal grants used for scholarships, Dallas College has three main sources of operating revenue:

- Ad Valorem Taxes – increased by \$29.1 million due to the taxable assessed value increasing. The tax rates reflect a slight decrease.
- Net Tuition and Fees – increased by \$21.4 million due to an increase in enrollment.
- State Appropriations – decreased by \$.4 million. Appropriations for benefits changed due to accounting of Other Post-employment Benefit (OPEB) liability in 2023.

Certified taxable property values increased by 12.8% in fiscal year 2023 driven primarily by market valuations of residential property in Dallas.

In fiscal year 2023, student headcount increased slightly as the College continued its investments in dual credit programs, workforce initiatives, and targets non-consumer markets.

Operating expenses increased \$47.1 million in fiscal year 2023 primarily due to increases in scholarships, academic support, public service, and operation and maintenance of plant.

Moody's Investors Service, Inc., Standard & Poor's Rating Services, and Fitch Ratings have all reaffirmed their AAA rating on Dallas College's General Obligation bonds.

Financial Planning and Budgeting

Dallas College's financial planning is comprised of three planning processes for schools of study within the College and campus 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 and condition index

Each school of study receives a lump-sum budget allocation, based on total forecasted State appropriations and tuition revenues. This allocation, together with an allocation of the Colleges' fund balance, makes up the total available resources for each school of study's budget. The Provost is responsible for the development and control of the collective schools budget, expenditures, and allocated resources. Campus facilities are administrated centrally. Facilities initiatives are budgeted based on funding from ad valorem taxes and debt funding. The Board of Trustees approves an operating budget for all operations of the College each fiscal year including any revisions. The Board

of Trustees is given updates at least annually on the three-year projections of revenues and expenditures.

The facilities maintenance and improvement plan is developed on a rolling five-year basis and presented to the Board of Trustees. The College completed Facility Master Plans for all campuses which were consolidated into a collegewide plan, prioritized by student needs.

Major Initiatives

In 2020, the Board of Trustees approved the consolidation of seven colleges into one college with multiple campuses. The College completed the consolidation in 2022 and restructured its seven campuses by programs of study. The College continues to improve efficiency, reduce costs, and focus on a student centric model that improves completion and retention while shortening the time to complete a degree or certificate.

In May 2019, the voters authorized \$1.1 billion of general obligation bonds to fund the consolidated collegewide projects. The first tranche of general obligation bonds, Series 2023, was issued in January 2023 and has a par amount of \$325.8 million.

- All projects will be phased over a 6–8-year period.
- The first phase of projects is expected to be completed in 2024.
- Planning for Phase 2 is currently in process.

The Board approved other major initiatives that included improvements to public safety and security and updates to all information technology equipment and infrastructure that continued throughout 2023. The College also implemented Phase 1 of the new enterprise resource planning system (ERP) that included the finance and human resource modules. The implementation of Phase 2, the student module, began discovery in the third quarter of 2023 and will continue into 2025.

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 McConnell & Jones, LLP was selected by Dallas College's Board of Trustees starting in fiscal year 2020. 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' reports related specifically to the single audit are included in the Schedules for Federal and State Single Audit section of Dallas College's annual comprehensive 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 the College for its annual comprehensive financial report for the fiscal year ended August 31, 2022, for the eleventh consecutive year. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive financial report for the fiscal year ended August 31, 2023, 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 College continues to provide financial information on its website on the Financial Transparency page: <https://www.dallascollege.edu/about/financial/transparency/pages/default.aspx>. The site includes current and historical data for budgets, audited annual financial reports, bonds, and property tax information.

Acknowledgement

The staff thanks the Board of Trustees for their integrity, interest, and insight concerning the fiscal operations of the College. 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 Finance staff. We would also like to thank the accounting firm of McConnell & Jones, LLP for their assistance with the audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'John Robertson', with a horizontal line extending to the right.

John Robertson
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dallas College
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Dallas College

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of Dallas College, (the "College") as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 College as of August 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 32 and the Required Supplementary Information on pages 112 through 119, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which 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 College's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2023, 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* (Uniform Guidance), and the State of Texas Uniform Grant Management Standards (UGMS) on pages 160 through 169, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 122 through 125, are presented for purposes of additional analysis and are not a required part of the financial statements.

Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including 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 included in the Annual Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section on pages 2 through 12 and on pages 129 through 154, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2023, on our consideration of the College'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 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 College's internal control over financial reporting and compliance.

McConnell Jones LLP

Dallas, Texas
December 5, 2023

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Management's discussion and analysis of the annual financial statements of Dallas College (College) is designed to help readers understand some of the conditions and events contributing to the current financial position of the College 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, the College's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College. For purposes of the summary and discussion, the terms "2023", "2022", and "2021" refer to fiscal years ended August 31, 2023, August 31, 2022, and August 31, 2021, respectively.

FINANCIAL HIGHLIGHTS FOR 2023

- Total assets for 2023 were \$1,779.3 million, increasing by \$455.3 million from 2022 due to an increase in restricted cash and cash equivalents and spending in capital assets. Total liabilities increased \$300.2 million during 2023 primarily as a result of an increase in bonds payable. Deferred outflows were \$79.4 million and deferred inflows were \$118.1 million.
- Net position at August 31, 2023 was \$863.9 million, which was an increase of \$148.5 million over 2022.
- Total operating revenues in 2023 were \$144.6 million, up \$30.6 million primarily due to tuition revenues, which were up \$21.4 million. Operating expenses were \$686.6 million, up \$47.1 million from 2022 primarily due to increases in academic support. Net non-operating revenues were \$690.5 million, an increase of \$100.4 million primarily attributed to increases in investment earnings and other non-operating revenues.
- General Obligation bonds of \$325.8 million were issued in 2023. This was for Phase 1 of the \$1.1 billion approved by the voters in the May 2019 bond election.

OVERVIEW OF FINANCIAL STATEMENTS

Dallas College offers higher education and workforce training to Dallas County, Texas and surrounding communities in North Texas. In 2020, Dallas College reorganized its seven previously separate colleges into one accredited college with seven primary campuses. The campuses of the College are:

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

The College 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 the College as a whole. The basic financial statements are designed to emulate the corporate presentation model whereby the College'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.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

The financial position is presented as of August 31, 2023 and 2022 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 College Foundation, Inc. (Foundation) has been discretely presented in the College's financial statements as a component unit by inclusion of the statements and notes of the Foundation in the College'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 the College and are incompatible with the College's financial statements, the Foundation's financial statements are presented on separate pages from the College'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 the College.

The Richland Collegiate High School (RCHS) is operated by the College under a charter issued by the Texas Education Agency (TEA) in October 2005 and approved by the Board of Trustees of the College in 2006. While RCHS receives state reimbursement based on average daily student attendance, the College receives state funding based on the class contact hours. Because RCHS is not a separately incorporated entity and functions as an operating unit of the College, the legal identity of RCHS is the same as the College. 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 COLLEGE

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

(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 the College 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, 2021, through 2023 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
ASSETS					
Current Assets	\$ 251.1	\$ 121.1	\$ 231.0	\$ 130.0	\$ (109.9)
Capital Assets, net of depreciation	915.1	812.7	756.5	102.4	56.2
Other Non-current Assets	613.1	390.2	266.4	222.9	123.8
Total Assets	1,779.3	1,324.0	1,253.9	455.3	70.1
DEFERRED OUTFLOWS OF RESOURCES	79.4	88.7	116.9	(9.3)	(28.2)
LIABILITIES					
Current Liabilities	207.0	150.6	159.6	56.4	(9.0)
Non-current Liabilities	669.7	425.9	467.3	243.8	(41.4)
Total Liabilities	876.7	576.5	626.9	300.2	(50.4)
DEFERRED INFLOWS OF RESOURCES	118.1	120.8	93.0	(2.7)	27.8
NET POSITION					
Net Investment in Capital Assets	671.9	698.0	661.6	(26.1)	36.4
Restricted	32.7	14.3	17.7	18.4	(3.4)
Unrestricted	159.3	3.1	(28.4)	156.2	31.5
Total Net Position	\$ 863.9	\$ 715.4	\$ 650.9	\$ 148.5	\$ 64.5

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Changes in Assets

Current assets increased by \$130 million in 2023 compared to 2022, mostly from the cash and cash equivalents category as funds were moved from U.S. agency investments to investment pools to take advantage of favorable interest rates. Accounts receivable increased by \$12.6 million due to an increase in unbilled receivables.

Current assets decreased by \$109.9 million in 2022 compared to 2021, mostly from the cash and cash equivalents category as funds were moved from investment pools to U.S. agency investments to take advantage of more favorable interest rates. Accounts receivable decreased by \$17.9 million due to a decrease in federal grant receivables.

Changes in Deferred Outflows

Deferred outflows of resources decreased by \$9.3 million in 2023 as compared to 2022. Deferred outflows related to other post-employment benefits (OPEB) decreased by \$22.7 million in 2023 compared to 2022 due to changes in assumptions and changes in proportionate share of employer contributions. Deferred outflows for pensions increased \$14 million in 2023 as a result of differences between projected and actual investment earnings. Net deferred outflows related to debt decreased \$0.6 million for 2023.

Deferred outflows of resources decreased by \$28.2 million in 2022 as compared to 2021. Deferred outflows related other post-employment benefits decreased by \$12.9 million in 2022 compared to 2021 due to changes in assumptions and changes in proportionate share of employer contributions. Deferred outflows for pensions decreased \$14.4 million in 2022 as a result of changes in actuarial assumptions. Net deferred outflows related to debt decreased \$0.8 million for 2022.

Changes in Liabilities

Current liabilities increased by \$56.4 million in 2023 due to a \$39.4 million increase in current bonds payable. Accounts payable increased by \$10.8 million due to an increase in year-end accruals.

Current liabilities decreased by \$9.0 million in 2022 due to a \$16.5 million decrease in current bonds payable. Accounts payable increased by \$11.9 million due to an increase in year-end accruals.

Non-current liabilities increased by \$243.8 million in 2023 due to a \$246.8 million increase in bonds payable. This increase was offset by a \$70.3 million decrease in net OPEB liability.

Non-current liabilities decreased by \$41.4 million in 2022 due to a \$63.3 million decrease in net pension liability. This decrease was offset by a \$15.7 million increase in net OPEB liability and a \$9.5 million increase in bonds payable.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Changes in Deferred Inflows

Deferred inflows of resources in 2023 compared to 2022 decreased \$2.7 million. Deferred inflows related to OPEB increased \$45.3 million in 2023 due to the changes in actuarial assumptions while deferred inflows related to pension decreased \$48.0 million in 2023 due to differences in projected and actual investment earnings.

Deferred inflows in 2022 compared to 2021 increased \$27.8 million. Deferred inflows related to pensions increased \$41.9 million in 2022 due to the difference between projected and actual investment earnings while deferred inflows related to OPEB decreased \$19.8 million in 2022 due to changes in actuarial assumptions. Deferred inflows related to leases increased by \$5.6 million due to implementation of GASB Statement No. 87.

Changes in Net Position

At August 31, 2023, the difference in assets and liabilities was \$863.9 million while at August 31, 2022, the difference was \$715.4 million, an increase of \$148.5 million.

At August 31, 2022, the difference in assets and liabilities was \$715.4 million while at August 31, 2021, the difference was \$650.9 million, an increase of \$64.5 million.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(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)

	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
Operating Revenues					
Tuition and Fees (Net)	\$ 74.7	\$ 53.3	\$ 63.9	\$ 21.4	\$ (10.6)
Grants and Contracts	64.7	57.5	54.2	7.2	3.3
Auxiliary Enterprises	0.4	1.0	0.8	(0.6)	0.2
Other Operating Revenues	4.8	2.2	1.7	2.6	0.5
Total Operating Revenues	144.6	114.0	120.6	30.6	(6.6)
Operating Expenses	686.6	639.5	611.2	47.1	28.3
Operating Loss	(542.0)	(525.5)	(490.6)	(16.5)	(34.9)
Non-Operating Revenues and (Expenses)					
State Appropriations	121.6	122.0	136.8	(0.4)	(14.8)
Ad Valorem Taxes	402.8	373.7	358.3	29.1	15.4
Federal Revenue	116.8	111.7	92.0	5.1	19.7
Investment Income	24.6	(16.5)	1.0	41.1	(17.5)
Interest on Capital-Related Debt	(10.4)	(2.5)	(1.7)	(7.9)	(0.8)
Other Non-Operating Revenue (Expense)	35.1	1.7	1.3	33.4	0.4
Net Non-Operating Revenues	690.5	590.1	587.7	100.4	2.4
Increase in Net Position	148.5	64.5	97.1	84.0	(32.6)
Net Position - Beginning of Year	715.4	650.9	553.8	64.5	97.1
Net Position - End of Year	\$ 863.9	\$ 715.4	\$ 650.9	\$ 148.5	\$ 64.5

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(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.

Net tuition increased by \$21.4 million in 2023 due to an increase in headcount. Enrollments are expected to continue to increase as the College invests in dual credit programs and workforce initiatives. Grants and contracts provided 44.7 % of operating revenue for 2023, which is a 5.7 % decrease compared to 2022. Auxiliary revenues, including bookstore commissions and vending and food service providers, decreased by \$0.6 million in 2023. In 2023, the College continued its efforts begun in 2017 to reduce textbook costs to students.

Net tuition decreased by \$10.6 million in 2022 due to credit student headcount decreasing by approximately 16% due to COVID-19. Enrollments are expected to increase as the College invests in dual credit programs and workforce initiatives. Grants and contracts provided 50% of operating revenue for 2022, which is a 5.5% increase compared to 2021. Auxiliary revenues, bookstore commissions, vending and food service providers, increased slightly in 2022. In 2022, the College continued its efforts begun in 2017 to reduce textbook costs to students.

Non-Operating Revenues

State appropriations decreased \$0.4 million in 2023 when compared to 2022. Appropriations for benefits changed due to accounting of OPEB liability in 2023.

State appropriations decreased \$14.8 million in 2022 when compared to 2021. Appropriations for benefits changed due to accounting of OPEB liability in 2022.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2023 by \$29.1 million due to the taxable assessed value increasing. Taxable property values increased by 10.3% in 2023. The tax rates decreased slightly.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2022 by \$15.4 million due to the taxable assessed value increasing. Taxable property values increased by 10.3% in 2022. The tax rates decreased slightly.

Investment income increased \$41.1 million in 2023 compared to 2022. During 2023, cash and cash equivalents increased by \$78.1 million and total long-term investments increased by \$49.9 million. This was due to the increases in interest rates. Other non-operating revenues increased due to the sale of education service broadband ("EBS") license to a national cellular provider.

Investment income decreased \$17.5 million in 2022 compared to 2021. During 2022, cash and cash equivalents decreased by \$90.7 million and conversely total long-term investments increased by \$131 million. This was due to funds being moved from the highly liquid investment pools to US agency securities in order to take advantage of more favorable interest rates.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

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, 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 tax notes. The debt service portion is restricted to pay the principal, interest, and other costs associated with tax backed bonds (General Obligation Refunding Bonds). Interest revenue is obtained through pooled investments, a large portion of which is attributable to operations. Also, federal financial aid is classified as non-operating revenue by GASB even though the portion that relates to tuition is required to be reported as a tuition discount against operations.

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 COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

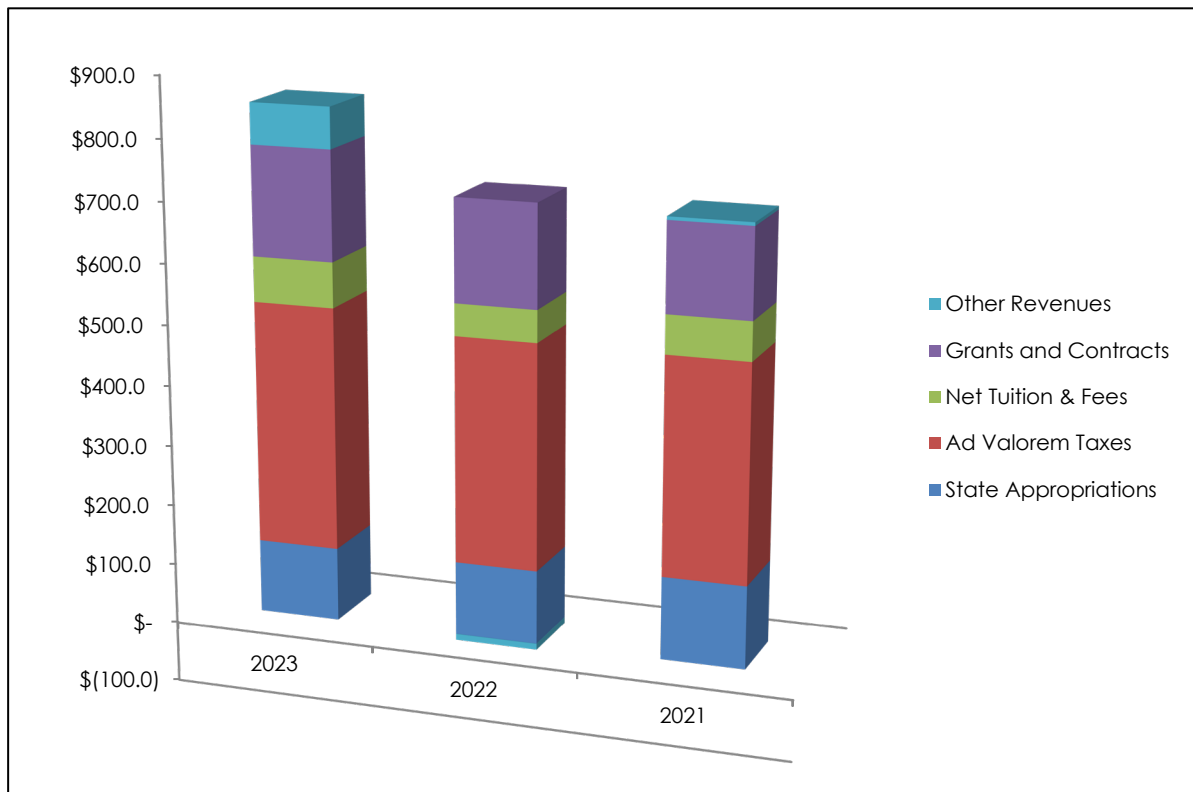
(UNAUDITED)

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
State Appropriations	\$ 121.5	\$ 122.0	\$ 136.8	\$ (0.5)	\$ (14.8)
Ad Valorem Taxes	402.8	373.7	358.3	29.1	15.4
Net Tuition & Fees	74.7	53.3	63.9	21.4	(10.6)
Grants and Contracts	181.4	169.1	146.2	12.3	22.9
Investments	24.6	(16.5)	1.0	41.1	(17.5)
Auxiliary Enterprises	0.4	1.0	0.8	(0.6)	0.2
Other Revenues	42.8	5.6	3.8	37.2	1.8
Total Revenues	<u>\$ 848.2</u>	<u>\$ 708.2</u>	<u>\$ 710.8</u>	<u>\$ 140.0</u>	<u>\$ (2.6)</u>

REVENUE BY SOURCE

Figure 1



DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Operating Expenses

Total Operating Expenses were \$686.6 million in 2023 and \$639.5 million in 2022 for an increase of \$47.1 million. Increases in the academic support category were primarily due to headcount increases for vacant and additional positions. Operating expenses for scholarships increased by \$17.5 million.

Total Operating Expenses were \$639.5 million in 2022 and \$611.2 million in 2021 for an increase of \$28.3 million. Increases in academic support, scholarships and public service categories were primarily due to the additional COVID-19 related spending from grant awards from the CARES Act. Operating expenses for instruction decreased by \$21.5 million.

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 2023, salary expense increased \$18.5 million over 2022 primarily due to salary increases of 5%, adjustments of faculty and safety and security salaries and an increase in number of positions in Learning Commons, including student tutoring. Benefits increased by \$3.6 million in 2023. Scholarships increased \$15.9 million primarily in Title IV funds and CARES Act funding. Supplies and services increased \$12.7 million in 2023 as compared to 2022 primarily due to facilities maintenance initiatives.

In 2022, salary expense increased \$4.3 million over 2021 primarily due to salary increases of 3%. Benefits decreased by \$26.1 million in 2022 as a result of a reduction in pension expense for support provided by the state. Scholarships increased \$18 million primarily in Title IV funds and CARES Act funding in response to COVID-19. Supplies and services increased \$31.3 million in 2022 as compared to 2021 primarily due to facilities maintenance initiatives.

Functional Classification

Instruction and institutional support, at \$125.1 million and \$129.9 million, respectively, represented the largest expense categories in 2023. Academic support increased \$47.9 million due to headcount increases for vacant and additional positions. Instructional costs decreased \$42.4 million in 2023 as compared to 2022. Operations and maintenance of plant increased \$10.7 million in 2023 from 2022 due to infrastructure projects. Student services increased \$4.5 million in 2023 due to investment in student centric operations such as counseling and basic needs services as well as enhanced advisory and enrollment management teams. Scholarships and fellowships increased \$17.5 million in 2023.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

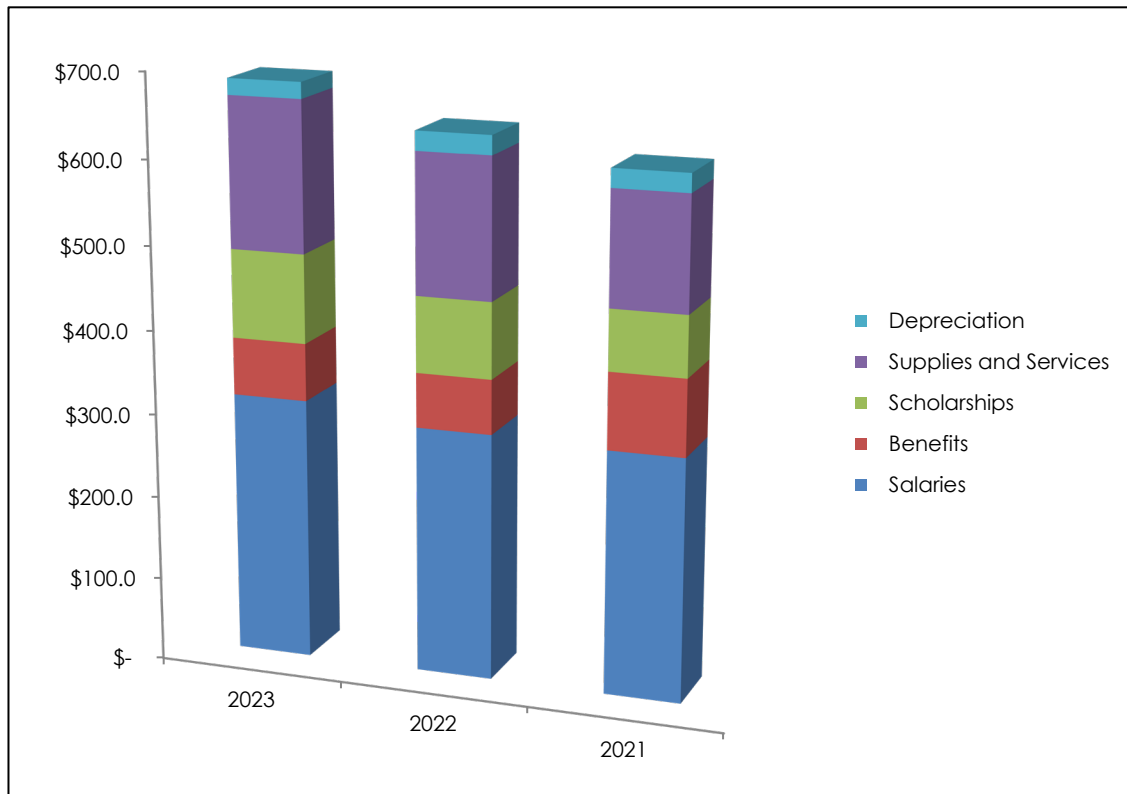
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
Salaries	\$ 313.6	\$ 295.1	\$ 290.8	\$ 18.5	\$ 4.3
Benefits	68.7	65.1	91.2	3.6	(26.1)
Scholarships	105.8	89.9	71.9	15.9	18.0
Supplies and Services	179.1	166.4	135.1	12.7	31.3
Depreciation	19.4	23.0	22.2	(3.6)	0.8
Total Operating Expenses	<u>\$ 686.6</u>	<u>\$ 639.5</u>	<u>\$ 611.2</u>	<u>\$ 47.1</u>	<u>\$ 28.3</u>

OPERATING EXPENSES – NATURAL CLASSIFICATION

Figure 2



DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

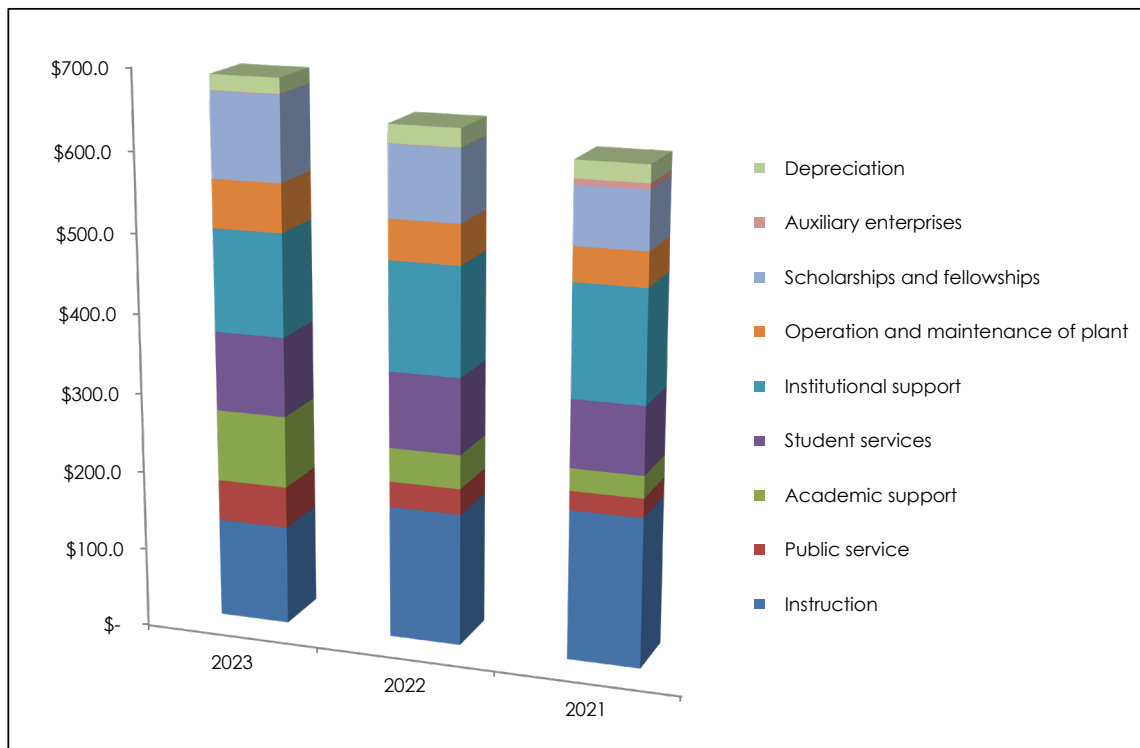
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
Instruction	\$ 125.1	\$ 167.5	\$ 189.0	\$ (42.4)	\$ (21.5)
Public service	52.0	32.3	24.0	19.7	8.3
Academic support	90.8	42.9	28.1	47.9	14.8
Student services	100.3	95.8	85.1	4.5	10.7
Institutional support	129.9	137.1	140.7	(7.2)	(3.6)
Operation and maintenance of plant	61.1	50.4	43.0	10.7	7.4
Scholarships and fellowships	107.3	89.8	72.0	17.5	17.8
Auxiliary enterprises	0.7	0.7	7.2	-	(6.5)
Depreciation	19.4	23.0	22.1	(3.6)	0.9
Total Operating Expenses	<u>\$ 686.6</u>	<u>\$ 639.5</u>	<u>\$ 611.2</u>	<u>\$ 47.1</u>	<u>\$ 28.3</u>

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION

Figure 3



DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

The Foundation

For the fiscal year ended August 31, 2023, the Foundation's total liabilities and net assets were \$73.6 million. The Foundation's liabilities and net assets were \$68.1 million at August 31, 2022. The income from the Foundation is partially used to fund scholarships and grants for the students and employees of the College. However, most of the Foundation's net assets are restricted; and therefore, not available for the College's direct use. Net assets of the Foundation with donor restrictions that are perpetual in nature were \$35.7 million and \$35.7 million for the fiscal years ended August 31, 2023 and 2022, respectively.

Statements of Cash Flows

The Statements of Cash Flows combine 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 the College 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.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2023, net capital assets increased \$102.4 million from the fiscal year ended August 31, 2022. Net capital assets increased by \$56.2 million in fiscal 2022 as compared to the fiscal year ended August 31, 2021. More information on Capital Assets can be found in Note 5 and Notes 6-9 for Long-Term Debt activity.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
CAPITAL ASSETS:					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	931.7	931.7	931.7	-	-
Land Improvements	59.2	59.2	59.2	-	-
Equipment, Furniture, and Software	73.4	100.9	99.5	(27.5)	1.4
Library Books	8.8	8.8	8.7	-	0.1
Construction In Progress	329.8	220.3	144.2	109.5	76.1
Total	1,441.8	1,359.8	1,282.2	82.0	77.6
Less Accumulated Depreciation	(526.7)	(547.1)	(525.7)	20.4	(21.4)
Net Capital Assets	<u>\$ 915.1</u>	<u>\$ 812.7</u>	<u>\$ 756.5</u>	<u>\$ 102.4</u>	<u>\$ 56.2</u>

In October 2021, the College issued \$51,000,000 of Tax Notes (Series 2021 Notes). The proceeds of the notes are being used to pay for planned technology upgrades associated with various facilities of the College.

Dallas College also issued \$22,450,000 of the Series 2022 General Obligation Refunding Bonds, Taxable Series, an early refunding of the 2016 General Obligation Refunding Bonds.

On January 5, 2023, the College issued the first tranche of General Obligation bonds approved by the voters in the May 2019 \$1.1 billion bond election. The Series 2023 Bonds have a par amount of \$325,845,000.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Principal and interest for bond payments are shown below:

TABLE 7: BOND PAYMENTS
(In Millions)

	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
GO Bonds	\$ 18.5	\$ -	\$ -	\$ 18.5	\$ -
GO Refunding Bonds	55.5	10.5	51.7	45.0	(41.2)
Tax Notes	9.6	45.4	4.0	(35.8)	41
Total	<u>\$ 83.6</u>	<u>\$ 55.9</u>	<u>\$ 55.7</u>	<u>\$ 27.7</u>	<u>\$ 0.2</u>

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

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

	Fiscal Year			Change	
	2023	2022	2021	2023 to 2022	2022 to 2021
GO Bonds	\$ 335.2	\$ -	\$ -	\$ 335.2	\$ -
GO Refunding Bonds	45.9	85.2	97.8	(39.3)	(12.6)
Tax Notes	22.2	31.8	26.3	(9.6)	5.5
Totals	<u>\$ 403.3</u>	<u>\$ 117.0</u>	<u>\$ 97.8</u>	<u>\$ 286.3</u>	<u>\$ (7.1)</u>

Standard & Poor's Rating Services, Moody's Investors Service, Inc., and Fitch Ratings all assigned their highest credit rating of "AAA" for the College'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 2017.

In fiscal year 2019, the College voters authorized \$1.1 billion of General Obligation bonds to fund College projects which were prioritized by student needs. The projects were expected to be phased over a six-to-eight-year period. General Obligation bonds of \$325.8 million were issued in 2023. This was for Phase 1 of the \$1.1 billion authorized amount. Planning for Phase 2 is currently in process.

DALLAS COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

(UNAUDITED)

Currently Known Facts, Decisions and Conditions

At its September 2023 meeting, the Board of Trustees adopted a tax rate of \$0.090261 for maintenance and operations and \$0.019767 for debt service. The certified tax assessed value increased for fiscal year 2023 by 12.8%.

Initiatives approved by the Board in 2019, which include improvements to Information Technology infrastructure and Public Safety and Security at all locations, continued throughout 2023 and will be completed in 2024. In 2023, the College implemented the first phase of the new enterprise resource planning system (ERP) that included the finance and human resource modules. Phase 2, which includes the student module, began discovery in the third quarter of 2023 and will continue into 2025.

Contacting Dallas College's Financial Management

This financial report is designed to provide the College'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 Office of Finance at 4343 IH-30, Mesquite, Texas 75150-2018 or visit our "Financial Transparency" link at the bottom of our homepage: <https://www.dallascollege.edu/pages/default.aspx>.

For financial information about the Dallas College Foundation, Inc., please contact the Foundation at Dallas College Foundation, 1601 Botham Jean Blvd., Dallas, Texas 75215-1816 or visit the Foundation's website at: <https://foundation.dallascollege.edu/financials>

FINANCIAL STATEMENTS

DALLAS COLLEGE

STATEMENTS OF NET POSITION
AUGUST 31, 2023 AND 2022
EXHIBIT 1

ASSETS	2023	2022
CURRENT ASSETS:		
Cash and cash equivalents	\$ 106,496,013	\$ 28,367,350
Short-term investments	59,428,530	27,379,310
Accounts receivable (net of allowance for uncollectible accounts)	42,227,591	29,611,628
Tuition and fees receivable (net of allowance for uncollectible accounts)	19,084,803	17,406,569
Taxes receivable (net of allowance for uncollectible accounts)	2,861,628	2,402,763
Accrued charges, net	14,745,331	12,359,260
Inventories	183,315	183,315
Prepaid expenses	6,053,143	3,426,726
	<u>251,080,354</u>	<u>121,136,921</u>
Total current assets		
	251,080,354	121,136,921
NON-CURRENT AND RESTRICTED ASSETS:		
Restricted cash and cash equivalents	213,890,796	40,923,225
Long-term investments	399,216,692	349,294,088
Capital assets, net		
Not subject to depreciation	368,768,078	259,278,996
Subject to depreciation	546,340,053	553,450,179
	<u>1,528,215,619</u>	<u>1,202,946,488</u>
Total non-current assets		
	1,528,215,619	1,202,946,488
TOTAL ASSETS	1,779,295,973	1,324,083,409
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	1,642,651	2,277,447
Deferred outflows related to pensions	50,606,801	36,566,110
Deferred outflows related to OPEB	27,145,295	49,870,008
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	45,448,151	34,656,693
Accrued liabilities	8,614,539	8,556,774
Accrued interest	767,556	155,256
Accrued compensable absences	11,105,027	11,918,452
Funds held for others	1,954,271	1,594,585
Unearned revenues	71,923,385	65,610,948
Net OPEB liability -- current portion	5,463,608	5,769,779
Bonds payable—current portion	61,752,385	22,358,327
	<u>207,028,923</u>	<u>150,620,814</u>
Total current liabilities		
	207,028,923	150,620,814
NON-CURRENT LIABILITIES:		
Accrued compensable absences	5,826,624	4,104,231
Net pension liability	117,653,085	52,198,257
Net OPEB liability	204,692,556	274,975,635
Bonds payable	341,505,082	94,675,051
	<u>669,677,347</u>	<u>425,953,174</u>
Total non-current liabilities		
	669,677,347	425,953,174
TOTAL LIABILITIES	876,706,270	576,573,988
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on leases	5,599,980	5,648,130
Deferred inflows related to pensions	15,492,731	63,526,553
Deferred inflows related to OPEB	96,975,863	51,646,503
NET POSITION		
Net investment in capital assets	671,867,287	697,973,244
Restricted for:		
Debt service	32,700,999	14,253,287
Unrestricted	159,347,590	3,175,269
	<u>\$ 863,915,876</u>	<u>\$ 715,401,800</u>
TOTAL NET POSITION (Schedule D)		
	\$ 863,915,876	\$ 715,401,800

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

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
August 31, 2023 and 2022
EXHIBIT 1A

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 3,289,588	\$ 2,925,426
Accrued interest and dividends receivable	409,259	375,519
Pledges receivable, net	18,429	1,130,943
Other assets	6,700	6,700
Investments	<u>69,849,384</u>	<u>63,648,429</u>
Total assets	<u>\$ 73,573,360</u>	<u>\$ 68,087,017</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to affiliate	\$ 81,462	85,983
Accounts payable	<u>55,717</u>	<u>73,200</u>
Total liabilities	<u>137,179</u>	<u>159,183</u>
Net assets:		
Without Donor Restrictions	<u>6,050,723</u>	<u>3,009,936</u>
With Donor Restrictions:		
Purpose restrictions	31,645,724	29,237,758
Perpetual in nature	<u>35,739,734</u>	<u>35,680,140</u>
	<u>67,385,458</u>	<u>64,917,898</u>
Total net assets	<u>73,436,181</u>	<u>67,927,834</u>
Total liabilities and net assets	<u>\$ 73,573,360</u>	<u>\$ 68,087,017</u>

The accompanying notes are an integral part of these statements.

DALLAS COLLEGE

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022 EXHIBIT 2

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:		
Tuition and charges (net of discounts of \$58,112,717 and \$71,663,567, respectively)	\$ 74,715,056	\$ 53,306,346
Federal grants and contracts	54,556,753	49,295,180
State grants and contracts	7,977,862	6,443,281
Non-governmental grants and contracts	2,122,860	1,722,890
Sales and services of educational activities	128,238	95,313
Auxiliary enterprises	448,023	1,005,742
General operating revenues	<u>4,674,338</u>	<u>2,080,156</u>
 Total operating revenues (Schedule A)	 144,623,130	 113,948,908
OPERATING EXPENSES:		
Instruction	125,129,311	167,459,060
Public service	51,958,176	32,268,883
Academic support	90,753,220	42,851,414
Student services	100,287,144	95,837,758
Institutional support	129,904,498	137,115,343
Operation and maintenance of plant	61,142,815	50,410,154
Scholarships and fellowships	107,270,607	89,864,919
Auxiliary enterprises	689,086	719,682
Depreciation	<u>19,440,434</u>	<u>23,000,573</u>
 Total operating expenses (Schedule B)	 <u>686,575,291</u>	 <u>639,527,786</u>
OPERATING LOSS	(541,952,161)	(525,578,878)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	121,553,838	122,040,882
Ad valorem taxes (net of bad debt and collection fee of \$5,033,216 and \$3,661,303, respectively)	402,808,975	373,727,255
Federal revenue, non-operating	116,776,935	111,706,561
Investment income (loss)	24,633,734	(16,512,056)
Interest on capital related debt	(10,360,636)	(2,569,806)
Gain (loss) on disposal of capital assets & easement rights	(324,688)	(60,613)
Other non-operating revenue	37,816,579	3,350,030
Other non-operating expense	<u>(2,438,499)</u>	<u>(1,596,220)</u>
 Net non-operating revenues (Schedule C)	 690,466,237	 590,086,033
INCREASE IN NET POSITION	148,514,076	64,507,155
NET POSITION:		
Net Position—Beginning of Year	<u>715,401,800</u>	<u>650,894,645</u>
 Net Position—End of Year	 <u>\$ 863,915,876</u>	 <u>\$ 715,401,800</u>

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

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

STATEMENTS OF ACTIVITIES
For the Year Ended August 31, 2023
EXHIBIT 2A

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 108,560	\$ 5,706,267	\$ 5,814,827
Interest and dividend income	830,024	928,422	1,758,446
Contributed salaries	1,251,838	-	1,251,838
Net realized and unrealized (losses)/gain on investments, net	3,943,159	353,809	4,296,968
Net assets released from restrictions	4,520,338	(4,520,338)	-
Total revenues	<u>10,653,919</u>	<u>2,468,160</u>	<u>13,122,079</u>
EXPENSES			
Program services:			
Scholarship awards	1,555,163	-	1,555,163
Grants	4,426,273	-	4,426,273
Total program services	<u>5,981,436</u>	<u>-</u>	<u>5,981,436</u>
Non-program services:			
Management and general	1,019,929	-	1,019,929
Fundraising	612,367	-	612,367
Total non-program services	<u>1,632,296</u>	<u>-</u>	<u>1,632,296</u>
Total expenses	<u>7,613,732</u>	<u>-</u>	<u>7,613,732</u>
Transfers between funds, based on donor instructions	600	(600)	-
Change in net assets	3,040,787	2,467,560	5,508,347
Net assets, beginning of year	<u>3,009,936</u>	<u>64,917,898</u>	<u>67,927,834</u>
Net assets, end of year	<u>\$ 6,050,723</u>	<u>\$ 67,385,458</u>	<u>\$ 73,436,181</u>

The accompanying notes are an integral part of these statements.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

STATEMENTS OF ACTIVITIES
For the Year Ended August 31, 2022
EXHIBIT 2A Continued

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	\$ 63,244	5,701,317	\$ 5,764,561
Interest and dividend income	1,637,224	1,439,183	3,076,407
Contributed salaries	1,293,961	-	1,293,961
Net realized and unrealized gains on investments, net	(14,956,228)	666,150	(14,290,078)
Net assets released from restrictions	4,745,190	(4,745,190)	-
	<u>(7,216,609)</u>	<u>3,061,460</u>	<u>(4,155,149)</u>
Total revenues			
EXPENSES			
Program services:			
Scholarship awards	1,522,312	-	1,522,312
Grants	3,473,357	-	3,473,357
	<u>4,995,669</u>	<u>-</u>	<u>4,995,669</u>
Total program services			
Non-program services:			
Management and general	1,033,503	-	1,033,503
Fundraising	629,892	-	629,892
	<u>1,663,395</u>	<u>-</u>	<u>1,663,395</u>
Total non-program services			
	<u>6,659,064</u>	<u>-</u>	<u>6,659,064</u>
Total expenses			
Transfers between funds, based on donor instructions	(7,751)	7,751	-
Change in net assets	(13,883,424)	3,069,211	(10,814,213)
Net assets, beginning of year	16,893,360	61,848,687	78,742,047
Net assets, end of year	<u>\$ 3,009,936</u>	<u>\$ 64,917,898</u>	<u>\$ 67,927,834</u>

The accompanying notes are an integral part of these statements.

DALLAS COLLEGE

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022
EXHIBIT 3

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 63,410,215	\$ 35,140,692
Receipts from grants and contracts	54,995,417	99,848,621
Payments to suppliers for goods and services	(171,563,602)	(154,344,342)
Payments to or on behalf of employees	(374,207,357)	(364,463,358)
Payments for scholarships and fellowships	(108,493,623)	(85,067,754)
Other receipts	4,674,338	2,079,836
Net cash used by operating activities	<u>(531,184,612)</u>	<u>(466,806,305)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	408,639,331	377,349,796
Payments for collection of taxes	(3,777,213)	(3,486,714)
Receipts from state appropriations	128,343,392	124,728,209
Receipts from federal grants for non-operating activities	116,825,729	111,742,122
Receipts from federal student direct loan program	26,561,839	28,643,132
Payments of federal direct loans to students	(26,610,633)	(28,678,693)
Receipts from student organizations and other agency transactions	(1,323,564)	957,471
Payments to student organizations and other agency transactions	1,683,250	(924,628)
Receipts in aid of non-capital activities	37,816,579	3,211,652
Transfer of funds to related party for scholarships	(2,438,499)	(975,000)
Net cash provided by non-capital financing activities	<u>685,720,211</u>	<u>612,567,347</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds on issuance of capital debt	349,583,158	51,000,000
Proceeds from the sale of capital assets	86,350	33,450
Receipt of insurance proceeds and contributions	-	138,378
Purchases of capital assets	(122,230,428)	(79,297,667)
Payments on capital debt - principal	(61,165,000)	(56,118,295)
Payments on capital debt - interest	(12,375,354)	(4,057,481)
Net cash used by capital and related financing activities	<u>153,898,726</u>	<u>(88,301,615)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	176,200,738	133,390,000
Proceeds from interest on investments	23,296,909	3,206,161
Purchases of investments	(256,835,738)	(292,037,282)
Net cash provided (used) by investing activities	<u>(57,338,091)</u>	<u>(155,441,121)</u>
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	251,096,234	(97,981,694)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>69,290,575</u>	<u>167,272,269</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u><u>\$ 320,386,809</u></u>	<u><u>\$ 69,290,575</u></u>

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

DALLAS COLLEGE

STATEMENTS OF CASH FLOWS

FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

EXHIBIT 3

(CONTINUED)

	<u>2023</u>	<u>2022</u>
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (541,952,161)	\$ (525,578,878)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	19,440,434	23,000,573
Bad debt expense	6,779,900	8,438,000
Payments made directly by State for benefits	(6,789,554)	(2,687,327)
Changes in assets and liabilities:		
Receivables (net)	(23,153,156)	11,799,145
Accrued charges	(2,386,071)	6,429,825
Inventories	-	4,536
Prepaid expenses	(2,626,417)	(780,136)
Accounts payable	10,791,459	11,978,924
Accrued liabilities	57,765	(3,050,913)
Compensable absences	908,968	(1,091,716)
Pension liability	65,454,828	(63,326,601)
Other Post Employment Benefits Liability	(70,589,250)	12,491,301
Deferred outflows - pension	(14,040,691)	14,444,682
Deferred outflows - other post employment benefits	22,724,713	12,915,241
Deferred outflows - debt	634,796	797,008
Deferred inflows - pension	(48,033,822)	41,937,969
Deferred inflows - other post employment benefits	45,329,360	(19,792,319)
Deferred inflows - lease	(48,150)	5,648,130
Capital lease payable	-	(203,295)
Unearned revenue	6,312,437	(180,454)
Net cash used by operating activities	<u>\$ (531,184,612)</u>	<u>\$ (466,806,305)</u>
Non-cash investing, capital and financing activities:		
Loss on refunding, net of amortization	\$ 634,796	\$ 797,008
Change in fair value of investments	(2,300,758)	19,718,218
Amortization of premium on bonds	(4,051,404)	(2,152,558)
	<u>\$ (5,717,366)</u>	<u>\$ 18,362,668</u>

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

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

1. REPORTING ENTITY

Dallas College (College) 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 College is considered to be a special-purpose, primary government involved in business-type activities in accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus---An Amendment of GASB Statements No. 14 and No. 3*. While the College 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.

In March 2020, the College's Board of Trustees issued a resolution to reorganize from seven separately accredited colleges into one accredited college with seven primary campuses and to effect a name change of the College. In May 2020, applications made to the Southern Association of Colleges and Schools Commission on Colleges and the Texas Higher Education Coordinating Board for the changes were approved. Effective July 1, 2020, the Dallas College name change and reorganization was implemented. The implementation had no effect on financial statements issued for Fiscal 2020 or prior fiscal years as the financial statements have, since inception, been presented on a consolidated basis for all operations. The College is now comprised of seven primary campuses offering higher education and workforce training to Dallas County, Texas and surrounding communities in North Texas. The primary campuses are:

- El Centro Campus (established 1966) – main campus
- Eastfield Campus (established 1970)
- Mountain View Campus (established 1970)
- Richland Campus (established 1972)
- Cedar Valley Campus (established 1977)
- North Lake Campus (established 1977)
- Brookhaven Campus (established 1978)

In evaluating how to define the College for financial reporting purposes, management has considered all potential component units, including the Dallas College Foundation, Inc. (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 College, 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 College. The College 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 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 College and its students. The complete financials of the Foundation are located on their website at: <https://foundation.dallascollege.edu/financials> or request a copy by writing to: Dallas College Foundation, 1601 Botham Jean Blvd., Dallas, TX. 75215-1816.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines—The College is classified as a special-purpose government engaged in business-type activities. The Statements of Net Position display the financial position of the College at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of the College for the fiscal years ended August 31, 2023 and 2022. 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 College 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 College 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 College's Board of Trustees (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 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 College to pass through to students. These funds are initially received by the College 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 COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Other Tuition Discounts

The College awards certain tuition scholarships from institutional and grant funds to students who qualify. The College also applies certain State or College 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 College 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 College'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 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2023 and 2022, respectively.

The College 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 College to other educational institutions. At August 31, 2023 and 2022, respectively, the College 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 Statement No. 72, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The College reports depreciation under a single-line item as a business-type unit. For equipment, the

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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

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

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.

Pensions—The College 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 pensions, 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.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Unearned Revenues—Tuition and federal, state, and local grant revenue received that relates to a future period have been reported by the College as unearned revenues at August 31.

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.

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.

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 College is aware that actual results could differ from those estimates.

Operating and Non-Operating Revenues and Expenses Policy—The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA (business-type activities) and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College'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 childcare center revenues, 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 College.

Use of Restricted Resources—The College'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 College'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.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

Self-Insurance—The College 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.

GASB Pronouncements—Effective with fiscal year 2023, the College implemented the following:

GASB Statement No. 91, *Conduit Debt Obligations*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

Effective with fiscal year 2024, the College will implement the following:

GASB Statement No. 99, *Omnibus 2022*

GASB Statement No. 100, *Accounting Changes and Errors Corrections—an Amendment of GASB Statement No. 62*

GASB Statement No. 101, *Compensated Absences*

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 may make investments only in the following types of investments:

- 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 (Federal Deposit Insurance Corporation, a U.S. Government Agency that provides deposit insurance to depositors in U.S. Banks and Thrifts in the event of a bank failure), 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 COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

4. DEPOSITS AND INVESTMENTS

Under the terms of a bank depository agreement, College bank deposits are to be fully insured at all times. The College 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 College policy. These restrictions are summarized below:

Deposits—Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned or the College will not be able to recover collateral securities in the possession of an outside party. All deposits with the depository bank of the College 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 College or there may be a surety bond issued by a company mutually agreeable to the College and the depository.

The carrying amount of the College's deposits with financial institutions as of August 31, 2023 was \$(1,212,777), and the bank balance was \$4,277,832. The carrying amount of the College's deposits with financial institutions as of August 31, 2022 was \$6,205,476, and the bank balance was \$7,108,586. At August 31, 2023 and 2022, all of the College's non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third-party agreements.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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

	<u>2023</u>	<u>2022</u>
Bank deposits		
Local funds - demand	\$ (1,225,452)	\$ 3,877,601
Total deposits	(1,225,452)	3,877,601
Cash on hand	12,675	12,375
Cash equivalents		
Investment in TexPool	-	277,753
Investment in TexSTAR	345,843	9,099,995
Investment in LOGIC	27,593,066	16,215,733
Investment in Lone Star	36,887,774	30,369,319
Investment in Texas CLASS	200,401,230	6,287,808
Investment in Texas Range	<u>56,371,673</u>	<u>3,149,991</u>
Total cash equivalents	<u>321,599,586</u>	<u>65,400,599</u>
Total cash and cash equivalents	<u>\$ 320,386,809</u>	<u>\$ 69,290,575</u>

Investments—Disclosures are presented in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*. The College 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 College are governed by formally adopted procedures and allow investments as permitted under state laws for public institutions. Permissible investments under College 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, 2023 and 2022, long-term investments consisted of U.S. government and agency securities.

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

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

At August 31, 2023, the College 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	\$ 383,539,948	\$ 19,737,250	\$ 59,634,800	\$ 83,372,706	\$ 139,346,129	\$ 72,547,008	\$ 8,902,055
Municipal securities	35,413,994	-	-	1,000,000	23,246,427	6,492,117	4,675,450
Commercial paper	39,691,280	39,691,280	-	-	-	-	-
Investment Pools:							
TexPool	-	-	-	-	-	-	-
TexSTAR	345,843	345,843	-	-	-	-	-
LOGIC	27,593,066	27,593,066	-	-	-	-	-
Lone Star	36,887,774	36,887,774	-	-	-	-	-
Texas CLASS	200,401,230	200,401,230	-	-	-	-	-
Texas Range	56,371,673	56,371,673	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 780,244,808</u>	<u>\$ 381,028,116</u>	<u>\$ 59,634,800</u>	<u>\$ 84,372,706</u>	<u>\$ 162,592,556</u>	<u>\$ 79,039,125</u>	<u>\$ 13,577,505</u>

At August 31, 2022, the College 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	\$ 326,937,161	\$ 19,839,310	\$ 29,653,700	\$ 125,309,244	\$ 70,591,495	\$ 72,437,432	\$ 9,105,980
Municipal securities	49,736,237	7,540,000	1,000,000	5,916,940	24,085,544	6,491,553	4,702,200
Commercial paper	-	-	-	-	-	-	-
Investment Pools:							
TexPool	277,753	277,753	-	-	-	-	-
TexSTAR	9,099,995	9,099,995	-	-	-	-	-
LOGIC	16,215,733	16,215,733	-	-	-	-	-
Lone Star	30,369,319	30,369,319	-	-	-	-	-
Texas CLASS	6,287,808	6,287,808	-	-	-	-	-
Texas Range	3,149,991	3,149,991	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 442,073,997</u>	<u>\$ 92,779,909</u>	<u>\$ 30,653,700</u>	<u>\$ 131,226,184</u>	<u>\$ 94,677,039</u>	<u>\$ 78,928,985</u>	<u>\$ 13,808,180</u>

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As previously described, the College'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 College 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 College'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 College's investment policy sets guidelines for the maximum percentage of portfolio for any one type of investment. However, all of the College's investments are backed by the U.S. Government and are not subject to concentration of credit risk. Investment in U.S. Agencies, as the largest component of the portfolio, comprises 49.2% of the College's total portfolio at August 31, 2023 and meets the College's guideline of no more than 85% of the portfolio being U.S. Agencies.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	<u>Fair Value August 31, 2023</u>	<u>Fair Value August 31, 2022</u>
Total cash and cash equivalents	\$ 320,386,809	\$ 69,290,575
Total investments	<u>458,645,222</u>	<u>376,673,398</u>
Total	<u>\$ 779,032,031</u>	<u>\$ 445,963,973</u>
Cash and cash equivalents (Exhibit 1)	\$ 106,496,013	\$ 28,367,350
Restricted cash and cash equivalents (Exhibit 1)	213,890,796	40,923,225
Short-term investments (Exhibit 1)	59,428,530	27,379,310
Long-term investments (Exhibit 1)	<u>399,216,692</u>	<u>349,294,088</u>
Total	<u>\$ 779,032,031</u>	<u>\$ 445,963,973</u>

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2023 or 2022.

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 College at any time. TexPool is rated AAAM by Standard & Poor's. In September 2022, the College withdrew its investments in TexPool. As of August 31, 2023, the College has a zero balance in TexPool.

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 College 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 Hilltop Securities, in compliance with the Texas Public Funds Investment Act. LOGIC carries Standard & Poor's AAAM rating. In addition to investing in U.S. Treasury and Agency Securities, LOGIC provides additional diversification by investing in repurchase agreements and prime commercial paper. Investments in LOGIC are included within cash and cash equivalents in the accompanying Statements of Net Position.

Lone Star Investment Pool, managed by First Public, LLC., a subsidiary of Texas Association of School Boards, was created in 1991 with the goal of making the

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 Range Investment Program was created by and for Texas local governments to provide investment options tailored to the needs of Texas public investors. Texas Range portfolios seek to provide these investors with safety, flexibility and competitive yields. Texas Range investments are designed to comply with all Texas statutes, including regulations for the allowable investment of public funds. Texas Range/TexasDAILY Portfolio is rated AAAM by Standards & Poor's. Investments in Texas Range are included within cash and cash equivalents in the accompanying Statements of Net Position.

TexPool, TexSTAR, LOGIC, Lone Star, Texas CLASS, and Texas Range 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 fair 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 College 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.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 College can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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

The *exit* or fair market prices used for U.S. Government Agencies' valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date. Commercial paper valuations are recorded at amortized cost. Level 2 inputs are utilized for valuations at the measurement date. Since the investment pools are recorded at net asset value, they are not subject to "leveling".

Fair Value Hierarchy of investments at August 31, 2023 and 2022 are:

	Fiscal Year 2023				Fiscal Year 2022
	Level 1	Level 2	Level 3	Total	Total
U.S. Government Agencies	\$ 383,539,948	\$ -	\$ -	\$ 383,539,948	\$ 326,937,161
Municipal Securities	35,413,994	-	-	35,413,994	49,736,237
Commercial Paper	-	39,691,280	-	39,691,280	-
Total fair value	<u>\$ 418,953,942</u>	<u>\$ 39,691,280</u>	<u>\$ -</u>	<u>\$ 458,645,222</u>	<u>\$ 376,673,398</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2023
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	220,359,934	109,489,082	-	329,849,016
Total not depreciated	259,278,996	109,489,082	-	368,768,078
Capital assets subject to depreciation:				
Buildings and building improvements	931,701,452	-	-	931,701,452
Land improvements	59,165,832	-	-	59,165,832
Furniture, machinery, vehicles, and other equipment	100,943,916	12,741,395	(40,297,709)	73,387,602
Library books	8,817,134	-	(13,007)	8,804,127
Total depreciated	1,100,628,334	12,741,395	(40,310,716)	1,073,059,013
Accumulated depreciation:				
Buildings and building improvements	(433,898,287)	(13,490,237)	-	(447,388,524)
Land improvements	(24,653,004)	(1,001,432)	-	(25,654,436)
Furniture, machinery, vehicles, and other equipment	(81,683,532)	(4,621,079)	39,888,663	(46,415,948)
Library books	(6,943,331)	(327,686)	10,966	(7,260,051)
Total accumulated depreciation	(547,178,154)	(19,440,434)	39,899,629	(526,718,960)
Net capital assets subject to depreciation	553,450,179	-	-	546,340,053
Net capital assets	\$ 812,729,175	\$ 102,790,043	\$ (411,087)	\$ 915,108,131

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Capital assets activity for the fiscal year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2022
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	144,212,725	76,147,209	-	220,359,934
Total not depreciated	183,131,787	76,147,209	-	259,278,996
Capital assets subject to depreciation:				
Buildings and building improvements	931,701,452	-	-	931,701,452
Land improvements	59,165,832	-	-	59,165,832
Furniture, machinery, vehicles, and other equipment	99,500,208	3,109,870	(1,666,162)	100,943,916
Library books	8,776,542	40,592	-	8,817,134
Total depreciated	1,099,144,034	3,150,462	(1,666,162)	1,100,628,334
Accumulated depreciation:				
Buildings and building improvements	(416,023,139)	(17,875,148)	-	(433,898,287)
Land improvements	(24,033,686)	(619,318)	-	(24,653,004)
Furniture, machinery, vehicles, and other equipment	(79,106,949)	(4,148,680)	1,572,097	(81,683,532)
Library books	(6,585,903)	(357,428)	-	(6,943,331)
Total accumulated depreciation	(525,749,677)	(23,000,574)	1,572,097	(547,178,154)
Net capital assets subject to depreciation	573,394,356	-	-	553,450,179
Net capital assets	\$ 756,526,143	\$ 56,297,097	\$ (94,065)	\$ 812,729,175

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

6. NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
Series 2016 General Obligation Refunding Bonds	\$ 54,915,000	\$ -	\$ (30,415,000)	\$ 24,500,000	\$ 6,515,000
Series 2017 General Obligation Refunding Bonds	24,095,000	-	(2,955,000)	21,140,000	3,110,000
Series 2021 Tax Notes	31,825,000	-	(9,605,000)	22,220,000	9,795,000
Series 2022 General Obligation Refunding Bonds	-	22,450,000	(22,150,000)	300,000	100,000
Series 2023 General Obligation Bonds	-	325,845,000	(18,490,000)	307,355,000	37,320,000
Unamortized bond premium	6,198,378	26,033,769	(4,489,680)	27,742,467	4,912,385
Subtotal bonds	117,033,378	374,328,769	(88,104,680)	403,257,467	61,752,385
Accrued interest	155,256	(194,862)	807,162	767,556	767,556
Compensable absences	16,022,683	(5,827,145)	6,736,113	16,931,651	11,105,027
Net pension liability	52,198,257	65,454,828	-	117,653,085	-
Net OPEB liability	280,745,414	-	(70,589,250)	210,156,164	5,463,608
Total	\$ 466,154,988	\$ 433,761,590	\$ (151,150,655)	\$ 748,765,923	\$ 79,088,576

Non-current liability activity for the fiscal year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
Series 2016 General Obligation Refunding Bonds	\$ 62,580,000	\$ -	\$ (7,665,000)	\$ 54,915,000	\$ 7,965,000
Series 2017 General Obligation Refunding Bonds	26,910,000	-	(2,815,000)	24,095,000	2,955,000
Series 2020 Tax Notes	26,260,000	-	(26,260,000)	-	-
Series 2021 Tax Notes	-	51,000,000	(19,175,000)	31,825,000	9,605,000
Unamortized bond premium	8,350,936	-	(2,152,558)	6,198,378	1,833,327
Subtotal bonds	124,100,936	51,000,000	(58,067,558)	117,033,378	22,358,327
Accrued interest	177,428	155,256	(177,428)	155,256	155,256
Capital lease payable	203,295	-	203,295	-	-
Compensable absences	17,114,399	11,230,428	(12,322,144)	16,022,683	11,918,452
Net pension liability	115,524,858	-	(63,326,601)	52,198,257	-
Net OPEB liability	268,254,113	12,491,301	-	280,745,414	5,769,779
Total	\$ 525,375,029	\$ 74,876,985	\$ (133,690,436)	\$ 466,154,988	\$ 40,201,814

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

7. DEBT AND LEASE OBLIGATIONS

The College has authorized debt of General Obligation (GO) bonds. GO bonds are authorized by the Board and approved by the voters of the College's service area and secured by an ad valorem tax rate Interest & Sinking (I&S) portion to cover the debt service of the bonds. The College enters into equipment and software leases which provides for ownership options at termination of the lease. The assets of these leases are capitalized and amortized with an offsetting recognition of debt payable on the lease.

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

Year ending August 31:	GO & GO Refunding Bonds		Tax Notes		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 47,045,000	\$ 16,353,800	\$ 9,795,000	\$ 109,132	\$ -	\$ -	\$ 56,840,000	\$ 16,462,932
2025	54,575,000	13,830,000	9,985,000	46,825	-	-	64,560,000	13,876,825
2026	26,955,000	11,792,900	2,440,000	7,686	-	-	29,395,000	11,800,586
2027	18,530,000	10,656,350	-	-	-	-	18,530,000	10,656,350
2028	19,465,000	9,725,375	-	-	-	-	19,465,000	9,725,375
2028 - 2037	186,725,000	44,224,575	-	-	-	-	186,725,000	44,224,575
Total	<u>\$ 353,295,000</u>	<u>\$ 106,583,000</u>	<u>\$ 22,220,000</u>	<u>\$ 163,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,515,000</u>	<u>\$ 106,746,643</u>

The College implemented GASB Statement No. 87 for Leases in FY 2022. For leases in which the College was the lessee, none of these leases were material to the financial statements. Included in operating expenses is \$4,992,390 and \$4,487,431 of rent paid during fiscal years 2023 and 2022, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2023 are as follows:

<u>Year Ending</u>	<u>Minimum Future Lease Payments</u>
2024	\$ 3,874,127
2025	2,908,041
2026	2,816,979
2027	2,605,451
Thereafter	6,957,018
Total	<u>\$ 19,161,616</u>

There are currently no lease obligations beyond the year ending August 31, 2033.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

8. BONDS PAYABLE

Series 2023 General Obligation (GO) Bonds were issued and outstanding. 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
2021	Tax Notes	\$ 51,000,000	0.63%	2021	2026	Anytime @ Premium
2023	General Obligation Bonds	\$ 325,845,000	5.00%	2023	2037	8/15/2025

On September 4, 2008, the College 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 College. 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). The residual balance of the Series 2008 Bonds was paid in full. On October 11, 2022, the College issued the General Obligation Refunding Bonds, Taxable Series 2022 (See Advance Refunding Bonds Note 9). This transaction was done as a private placement and refunded a portion of the Series 2016 General Obligation Refunding Bonds.

On June 4, 2009, the College 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 College. 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). The residual balance of the Series 2009 Bonds was paid in full.

On October 21, 2021, pursuant to authority conferred by the Constitution and the laws of the State of Texas, including Section 45.108 and 130.084, Texas Education Code, as

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

amended, the College issued \$51,000,000 of Tax Notes ("Series 2021 Notes"). The proceeds of the notes are being used to pay for planned technology upgrades associated with various facilities of the College. The notes are direct obligations of the College payable from a continuing direct annual ad valorem tax pursuant to the College's maintenance tax authority, with limits prescribed by law, on all taxable property in the district. Debt issue costs of \$80,875 were expensed. On July 12, 2022, \$7,769,911 of the Series 2021 Notes were defeased. Debt issue costs related to the defeasance were \$10,000 and were expensed. As of August 31, 2023, the outstanding amount of the Series 2021 Notes was \$22,220,000.

On January 5, 2023, the College issued the first tranche of GO bonds approved by the voters in the May 2019 \$1.1 billion bond election. The Series 2023 Bonds have a par amount of \$325,845,000 and were sold with a reoffering premium of \$26,033,769. The bonds were sold in \$5,000 increments with an interest rate of 5.0% and maturity dates from February 15, 2023 to February 15, 2037. The cost of issuance and underwriter's discount totaled \$1,857,335. The bond issuance was delayed due to a lawsuit filed in 2019 to invalidate the voting results; the lawsuit has since been resolved in our favor. In April 2022, the Board approved the reimbursement resolution allowing the College to reimburse itself for expenditures related to the bond projects. In January 2023, \$98,187,706 of the bond proceeds were used for the reimbursement. Proceeds of the bonds are being utilized for the purpose of constructing and equipping school buildings for the College and acquiring real property. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

In 2023, the College incurred \$12,375,354 on bond interest cost, of which \$12,375,354 was expensed after premium amortization for GO Bonds and Advance Refunding Bonds. In 2022, the College incurred \$3,927,617 on bond interest cost, of which \$3,927,617 was expensed after premium amortization.

DALLAS COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

9. ADVANCE REFUNDING BONDS

On June 2, 2016, the College 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 College'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 College 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 College'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.

On October 11, 2022, the College advance refunded \$22,450,000 of its outstanding Series 2016 General Obligation Refunding Bonds ("Series 2016 Refunding Bonds") by issuing \$22,450,000 of General Obligation Refunding Bonds, Taxable Series 2022 ("Series 2022 Refunding Bonds"). All Series 2022 Refunding Bonds have been issued to date. The interest rate and coupon rate are 3.85%. After payment of \$69,664 in underwriting fees and issuance costs, all resources from the Series 2022 Refunding Bonds, including a transfer of \$1,330,000 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 2016 Refunding Bonds. The Series 2016 Refunding Bonds that were refunded are considered fully defeased for maturities 2027 and later and the liability for those bonds have been removed from the Statements of Net Position. Advance Refunding of the Series 2016 Refunding Bonds

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

reduces the College's debt service by \$3,075,738. An economic gain of \$1,631,427 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 \$798,308 deferred outflow and is being amortized over the life of the new debt by the effective interest method.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
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
2022	General Obligation Refunding Bonds	\$ 22,450,000	3.85%	2023	2026	2/15/2023

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

10. DEFEASED BONDS OUTSTANDING

As of August 31, 2023, the College had \$22,450,000 in defeased General Obligation bonds. These were part of the amount defeased from the 2016 General Obligation Refunding bonds as a result of the Dallas College GO Refunding Bonds Taxable Series 2022.

As of August 31, 2022, the College had no defeased General Obligation Bonds outstanding.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 - College 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 Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2022.pdf> or write to TRS at 1000 Red River Street, Austin, Texas, 78701-2698.

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.

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular actions, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Employee contribution rates are set in State statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that contribution rates for fiscal years 2018 and 2019 would remain the same as the previous years. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

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.

Employee contribution rates are set in State statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Contribution Rates	2023	2022
Member rates	8.00%	8.00%
Non-employer contributing entity (State)	8.00%	7.75%
Employers	8.00%	7.75%
Fiscal Year 2022 Member contributions	\$9,247,564	
Fiscal Year 2022 State of Texas on-behalf contributions	\$7,039,462	
Fiscal Year 2022 College Contributions	\$9,247,075	

The College's contributions to the TRS pension plan Fiscal 2023 were \$10,702,155 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2023 were \$8,604,900.

- 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.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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.

Actuarial Assumptions – The total pension liability in the August 31, 2021 actuarial valuation rolled forward to August 31, 2022 using the following actuarial assumptions:

Valuation date	8/31/2021 rolled forward to August 31, 2022
Actuarial cost method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial assumptions:	
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate	3.91% *
Last year ending August 31 in Projection Period (100 years)	2121
Inflation	2.30%
Salary increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20 Year Municipal GO AA Index".

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

Discount Rate – The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and State contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2022, are summarized in the following chart.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Table 3.A.1: Asset Allocations			
Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00 %	4.60 %	1.12 %
Non-US Developed	13.00	4.90	0.90
Emerging Markets	9.00	5.40	0.75
Private Equity*	14.00	7.70	1.55
Stable Value			
Government Bonds	16.00	1.00	0.22
Absolute Return*	0.00	3.70	0.00
Stable Value Hedge Funds	5.00	3.40	0.18
Real Return			
Real Estate	15.00	4.10	0.94
Energy, Natural Resources & Infrastructure	6.00	5.10	0.37
Commodities	0.00	3.60	0.00
Risk Parity	8.00	4.60	0.43
Asset Allocation Leverage			
Cash	2.00	3.00	0.01
Asset Allocation Leverage	(6.00)	3.60	(0.05)
Inflation Expectation			2.70
Volatility Drag****			(0.91)
Expected Return	100.00 %		8.19 %
*Absolute Return includes Credit Sensitive Investments.			
**Target allocations are based on the FY2022 policy model.			
***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).			
****The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Source: Teacher Retirement System of Texas 2022 Annual Comprehensive Financial Report

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 (7.25%) in measuring the 2022 Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability	\$ 183,023,591	\$ 117,653,085	\$ 64,667,221

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At August 31, 2022, College reported a liability of \$117,653,085 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College 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 College were as follows:

College's proportionate share of the collective net pension liability	\$ 117,653,085
State's proportionate share that is associated with College	89,560,283
Total	<u>\$ 207,213,368</u>

The net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net pension liability was 0.1981778365% which was a decrease of 0.0067907940% from its proportion measured as of August 31, 2021 (0.2049686305%).

Changes Since the Prior Actuarial Valuation – The single discount rate changed from 7.25 percent to 7.00 percent.

For the fiscal year ended August 31, 2023, the College recognized pension expense of \$8,560,948 and revenue of \$8,560,948 for support provided by the State. Refer to the Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements No. 67 and 68.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

At August 31, 2023, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,705,960	\$ 2,565,060
Changes in actuarial assumptions	21,922,600	5,463,724
Difference between projected and actual investment earnings	11,623,748	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,652,338	7,463,947
Contributions paid to TRS subsequent to the measurement date (calculated by the College)	10,702,155	-
Total	<u>\$ 50,606,801</u>	<u>\$ 15,492,731</u>

The \$10,702,155 reported as deferred outflows of resources resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2024.

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

Year Ending August 31	Pension Expense Amount
2024	\$ 8,909,080
2025	2,978,120
2026	(576,549)
2027	11,921,152
2028	1,180,113
Thereafter	-
Total	<u>\$ 24,411,916</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Optional Retirement Plan – Defined Contribution Plan

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

Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. Benefits fully vest after one year plus one day of employment. In certain circumstances, the reporting college is required to make all or a portion of the State's contribution amounts. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district. Since these are individual annuity contracts, the State and the College have no additional or unfunded liability for this program.

Optional Retirement Plan Contribution Rates	2023*	2022*
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.60%
College 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.

The total ORP expense to the state for the College was \$1,483,299 and \$1,539,838 for fiscal years 2023 and 2022, 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 College Employees	College's Payroll Covered by TRS	College's Payroll Covered by ORP	State's Contribution for ORP
2023	\$ 313,533,096	\$ 239,498,850	\$ 44,948,455	\$ 1,483,299
2022	290,798,333	205,157,346	47,702,457	1,539,838
2021	300,601,170	208,020,613	52,543,547	1,685,932

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

12. DEFERRED COMPENSATION PLAN

The College 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, 2023 and 2022, the College had one employee participating in the program.

It is the opinion of the College's legal counsel that the College 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 College believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

13. COMPENSABLE ABSENCES

Full-time staff and administrators earn annual leave from one to two days per month. The policy of the College 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 60 days 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 College 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,	
	2023	2022
Balance as of September 1,	\$ 16,022,683	\$ 17,114,399
Leave Accruals/Adjustments	10,622,694	11,230,428
Leave Used	(8,705,022)	(8,386,588)
Accrued Leave Paid Terminated Employees	(1,008,704)	(3,935,556)
Balance as of August 31,	<u>\$ 16,931,651</u>	<u>\$ 16,022,683</u>
Current Liability	\$ 11,105,027	\$ 11,918,452
Non-Current Liability	\$ 5,826,624	\$ 4,104,231

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

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. 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)**

HealthSelect of Texas Plan	2023 State/Employer Contribution	2023 Annualized Contribution
Member Only	\$ 624.82	\$ 7,497.84
Member & Spouse	982.82	11,793.84
Member & Child(ren)	864.52	10,374.24
Member & Family	1,222.52	14,670.24

HealthSelect of Texas Plan	2022 State/Employer Contribution	2022 Annualized Contribution
Member Only	\$ 624.82	\$ 7,497.84
Member & Spouse	982.36	11,788.32
Member & Child(ren)	864.20	10,370.40
Member & Family	1,221.74	14,660.88

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

Cost of Providing Health Care Insurance	2023	2022
Number of Retirees	1,611	1,581
Cost of Health Benefits for Retirees	\$ 13,627,648	\$ 13,470,123
Number of Active Full-Time Employees	3,375	3,243
Cost of Health Benefits for Active Full-Time Employees	\$ 29,159,534	\$ 27,420,656
State Appropriation for Health Insurance-Retirees	\$ 6,527,920	\$ 6,396,272
State Appropriation for Health Insurance-Active	\$ 12,640,616	\$ 12,773,980
Net Cost to College	\$ 23,618,646	\$ 21,720,528

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

15. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

Plan Description — College participates in a cost-sharing multiple-employer defined-benefit 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 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 Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained by visiting <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 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

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 10 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 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. 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. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

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 2023**

Retiree only	\$ 624.82
Retiree & spouse	1,339.90
Retiree & children	1,103.58
Retiree & family	1,818.66

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, 2023 and 2022**

Contribution Rates	2023	2022
Member contributions	\$1,406,551	\$1,505,846
State of Texas on-behalf contributions	6,527,920	6,396,272
College Contributions	7,118,792	6,974,421

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Actuarial Assumptions—The total OPEB liability was determined by an actuarial valuation as of August 31, 2022, 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, 2022
Actuarial cost method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable
Actuarial assumptions:	
Discount rate	3.59%
Projected annual salary increase	2.30% to 8.95%, including inflation
Annual healthcare trend rate	5.60% for FY2024, 5.00% for FY2025, decreasing 10 basis points per year to 4.30% for FY2031 and later years
Inflation assumption rate	2.30%
Ad hoc post-employment benefit changes	None

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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 2022 to require that all funds in the plan be invested in cash and equivalent securities. The expected rate of return on these investments is currently 4.1%.

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 2.14%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.59%. 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 basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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 College'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 (3.59%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
College's proportionate share of the net OPEB liability	\$ 245,105,593	\$ 210,156,164	\$ 182,205,025

Healthcare Trend Rate Sensitivity Analysis — The initial healthcare trend rate is 5.6% and the ultimate rate is 4.3%. The following schedule shows the impact on the College'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 (5.6% decreasing to 4.3%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (5.60% decreasing to 4.30%)	1% Increase in Healthcare Cost Trend Rates (6.60% decreasing to 5.30%)
College's proportionate share of the net OPEB liability	\$ 179,969,875	\$ 210,156,164	\$ 248,695,911

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At August 31, 2023, College reported a liability of \$210,156,164 for its proportionate share of the ERS's net OPEB Liability. This liability reflects a decrease for State support provided to the College for OPEB. The amount recognized by the College 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 College were as follows:

College's proportionate share of the collective net OPEB liability	\$ 210,156,164
State's proportionate share that is associated with College	185,192,188
Total	<u>\$ 395,348,352</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

The net OPEB liability was measured as of August 31, 2022 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, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.73772745%, which was slightly lower than the proportion measured at August 31, 2021 of 0.78255455%.

For the year ended August 31, 2023, the College recognized a reduction of OPEB expense of \$6,745,602 and revenue of \$6,745,602 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:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Demographic assumptions for Higher Education members, including pre-retirement mortality and post-retirement mortality assumptions, termination, disability and retirement rate assumptions and assumed salary increases.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The discount rate assumption was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements of GASB Statement No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date — There were no changes of benefit terms since the prior valuation.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

At August 31, 2023, the College 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 6,630,680
Changes in actuarial assumptions	12,347,511	64,961,260
Difference between projected and actual investment earnings	36,248	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,867,936	25,383,923
Contributions paid to ERS subsequent to the measurement date (calculated by the College)	4,893,600	-
Total	<u>\$ 27,145,295</u>	<u>\$ 96,975,863</u>

The \$4,893,600 reported as deferred outflows of resources related to OPEB resulting from College contributions paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2024.

The net 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:

Year Ending August 31	OPEB Expense Amount
2024	\$ (12,939,003)
2025	(19,325,921)
2026	(18,463,070)
2027	(15,827,317)
2028	(8,168,856)
Total	<u>\$ (74,724,167)</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

16. COMMITMENTS AND CONTINGENCIES

Commitments — The College has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses. Commitments remaining under such contracts at August 31, 2023 are \$21,241,671.

Pending Lawsuits and Claims — On August 31, 2023, various claims and lawsuits involving the College are pending. In the opinion of College 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 College. A lawsuit was filed in 2019 to invalidate the voting results authorizing College to issue general obligation bonds to improve College facilities and technologies. The lawsuit was ruled in the College's favor during fiscal year 2023 and the College has commenced with the issuance of bonds and improvements to the facilities.

Contingencies — The College 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 College management, such disallowed expenses, if any, will not be significant to the financial statements of the College.

On August 25, 2008, College sold a building to the University of North Texas. A clause in the original deed requires that the College 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 College 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 \$3.0 million. However, because the probability of having to pay is remote, College has not accrued a liability.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Ad valorem taxes	\$ 13,539,746	\$ 11,824,877
Student tuition and charges	36,844,232	25,881,969
Accounts Receivable		
Federal grants	28,276,692	17,539,894
State grants	1,864,678	432,233
Local grants	2,526,886	4,050,377
Leases	5,599,980	5,648,130
Interest on investments	2,833,677	1,201,997
Other receivables	1,125,678	790,220
Total receivables	<u>92,611,569</u>	<u>67,369,697</u>
Less allowances for uncollectible amounts		
Ad valorem taxes	(10,678,118)	(9,422,114)
Student tuition and charges	(17,759,429)	(8,475,400)
Other receivables	-	(51,223)
Total allowances	<u>(28,437,547)</u>	<u>(17,948,737)</u>
Total receivables, net of allowances	<u>\$ 64,174,022</u>	<u>\$ 49,420,960</u>

The College implemented GASB Statement No. 87 for Leases in FY 2022. The College has one lease which qualifies for GASB Statement No. 87. The College is the lessor on the lease and the lease is for land owned by the College. The lease requires annual fixed payments and terminates on December 31, 2051. The rent paid under the lease through December 31, 2036 is \$500,000 per year. In years 2037 through 2046, the annual rent will be \$525,000 per year and for calendar years 2047 through 2051, the annual rent is \$550,000 per year.

As of August 31, 2023, the College's receivable for lease payments was \$5,599,980. The College also recognized a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Principal and interest requirements to maturity for the lease receivable at August 31, 2023 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 52,002	\$ 447,998	\$ 500,000
2025	56,162	443,838	500,000
2026	60,655	439,345	500,000
2027	65,507	434,493	500,000
2028 - 2032	415,048	2,084,952	2,500,000
Thereafter	4,950,606	4,866,059	9,816,665
Total	<u>\$ 5,599,980</u>	<u>\$ 8,716,685</u>	<u>\$ 14,316,665</u>

Payables—Accounts Payable for the fiscal years ended August 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Vendors payable	\$ 46,001,453	\$ 34,860,047
Students payable	<u>(553,301)</u>	<u>(203,354)</u>
Total accounts payable	<u>\$ 45,448,152</u>	<u>\$ 34,656,693</u>

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

18. FUNDS HELD IN TRUST BY OTHERS

The College 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 \$1,954,271 and \$1,594,585 for 2023 and 2022, respectively.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

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 2023 and 2022 for which monies have not been received nor funds expended totaled \$137,465,625 and \$134,148,083, respectively.

These amounts are comprised of the following:

Contracts and Grant Awards	2023	2022
Federal	\$ 129,531,352	\$ 127,584,614
State	3,867,754	5,291,559
Local	4,066,519	1,271,910
Total Contracts and Grant Awards	<u>\$ 137,465,625</u>	<u>\$ 134,148,083</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

20. SELF-INSURED PLANS

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

The College 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, 2023, 2022, and 2021 did not exceed insurance coverages after deductibles.

The College self-insures for injuries to employees (workers' compensation) and autos. At August 31, 2023 and 2022, the College accrued against losses \$3,514 for auto claims.

Prior to August 31, 1998, the College was self-insured for workers' compensation. Effective September 1, 1998, the College implemented a guaranteed cost workers' compensation insurance program to handle employee injury claims. The College 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, 2023, 2022 and 2021 did not exceed minimum dollar amounts required to invoke excess workers' compensation coverages.

In 2023, the Self-insurance liability for claims prior to August 31, 1998 were merged with claims for the workers' compensation plan after September 1 2002. Prior to the merger in 2023, no claims were paid from the accrual of \$244,361 balance at August 31, 2022. As a result, the liability accrual was transferred to that for the after September 1, 2002 liability.

Self-insurance activity for the current workers' compensation plan for the fiscal years ended August 31, 2023 and 2022 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
2023	\$ 650,000	\$ 592,607	\$ (442,607)	\$ 800,000
2022	\$ 650,000	\$ 616,008	\$ (616,008)	\$ 650,000

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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, 2023 and 2022 were \$400,440,135 and \$370,349,178, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2023 and 2022 are as follows:

	2023		
	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	\$ 0.09604	\$ 0.01986	\$ 0.11590

	2022		
	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	\$ 0.10351	\$ 0.02000	\$ 0.12351

At August 31, 2023 and 2022 certified valuation for property taxed by the College was as follows:

	2023	2022
Assessed valuation of College	\$ 447,161,730,350	\$ 382,353,955,400
Less: exempt property	(41,026,552,570)	(38,105,320,510)
Less: exemptions and Capped Loss	(61,035,410,249)	(44,767,778,436)
Net assessed valuation of College	<u>\$ 345,099,767,531</u>	<u>\$ 299,480,856,454</u>

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

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

Gross taxes collected for fiscal year 2023:

Gross Taxes Collected - 2023	Maintenance & Operations	Interest & Sinking	2023 Total
Current	\$ 333,840,699	\$ 69,321,461	\$ 403,162,160
Delinquent	2,066,063	82,342	2,148,405
Penalties & Interest	2,531,627	-	2,531,627
Total Gross Collections	<u>\$ 338,438,389</u>	<u>\$ 69,403,803</u>	<u>\$ 407,842,192</u>
Less:			
Appraisal & Collection Fees	(3,328,643)	(448,569)	(3,777,212)
Bad Debt Expense	(1,052,619)	(203,385)	(1,256,004)
Total Net Collections	<u>\$ 334,057,127</u>	<u>\$ 68,751,849</u>	<u>\$ 402,808,976</u>

Gross taxes collected for fiscal year 2022:

Gross Taxes Collected - 2022	Maintenance & Operations	Interest & Sinking	2022 Total
Current	\$ 312,865,124	\$ 60,666,662	\$ 373,531,786
Delinquent	1,505,773	43,942	1,549,715
Penalties & Interest	2,307,057	-	2,307,057
Total Gross Collections	<u>\$ 316,677,954</u>	<u>\$ 60,710,604</u>	<u>\$ 377,388,558</u>
Less:			
Appraisal & Collection Fees	(3,080,191)	(406,523)	(3,486,714)
Bad Debt Expense	(140,400)	(34,189)	(174,589)
Total Net Collections	<u>\$ 313,457,363</u>	<u>\$ 60,269,892</u>	<u>\$ 373,727,255</u>

Tax collections for the fiscal years ended August 31, 2023 and 2022 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 College has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

22. TAX INCREMENT FINANCING DISTRICTS

The College participates in a tax increment financing districts ("TIFs"). Negative amounts represent final analysis of TIFs resulting in return of funds to College. The following table summarizes the obligations of the College's involvement in the TIFs:

TIF Title	Percentage of Incremental Tax Committed	Expiration Date	Taxes Forgone in 2023	Taxes Forgone in 2022
City of Garland #1	100%	2024	\$ 94,058	\$ 77,600

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

23. INCOME TAXES

The College 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 College had no material unrelated business income tax liability for the fiscal years ended August 31, 2023 or 2022.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

24. COMPONENT UNITS

DALLAS COLLEGE FOUNDATION, INC. — DISCRETELY PRESENTED COMPONENT UNIT

Dallas College 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 College. 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 College's annual comprehensive financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for August 31, 2023 and 2022.

For financial information about the Dallas College Foundation, Inc., please contact the Foundation at: Dallas College Foundation, 1601 Botham Jean Blvd., Dallas, Texas 75215-1816 or visit their website at: <https://foundation.dallascollege.edu/financials>.

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

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended August 31, 2023 and 2022

	2023			
	Management and General	Development	Program Services	Total
Scholarship awards	\$ -	\$ -	\$ 1,555,163	\$ 1,555,163
Grants	-	-	4,426,273	4,426,273
Contributed salaries	674,020	577,818	-	1,251,838
Supplies and postage	5,139	-	-	5,139
Marketing	16,048	-	-	16,048
Subscriptions and publications	2,431	-	-	2,431
Special events and board meetings	24,866	-	-	24,866
Professional services	127,672	-	-	127,672
Insurance	5,342	-	-	5,342
Technology	152,589	-	-	152,589
Miscellaneous	11,822	-	-	11,822
Development	-	34,549	-	34,549
Total	<u>\$ 1,019,929</u>	<u>\$ 612,367</u>	<u>\$ 5,981,436</u>	<u>\$ 7,613,732</u>

	2022			
	Management and General	Development	Program Services	Total
Scholarship awards	\$ -	\$ -	1,524,212	\$ 1,524,212
Grants	-	-	3,471,457	3,471,457
Contributed salaries	684,715	610,023	-	1,294,738
Supplies and postage	4,996	-	-	4,996
Marketing	14,271	-	-	14,271
Subscriptions and publications	1,462	-	-	1,462
Special events and board meetings	50,241	-	-	50,241
Professional services	103,783	-	-	103,783
Insurance	5,265	-	-	5,265
Technology	149,650	-	-	149,650
Miscellaneous	19,120	-	-	19,120
Development	-	19,869	-	19,869
Total	<u>\$ 1,033,503</u>	<u>\$ 629,892</u>	<u>\$ 4,995,669</u>	<u>\$ 6,659,064</u>

The accompanying notes are an integral part of these statements.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

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

General

The Dallas College 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 Dallas College (the “College”), its students, faculty, and staff, 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 in accordance with generally accepted accounting principles (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.

The Foundation reports information regarding its financial position and activities according to two classes of net assets:

- Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- With Donor Restrictions – 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. Some restricted net assets are required by donors to be maintained in perpetuity, with only the revenue from investments to be used for stated purposes.

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.

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 administer the Foundation’s portfolio in a manner consistent with the investment goals and policies established by the Foundation’s Board of Directors.

Revenue Recognition

The Foundation records contributions received as without donor restrictions or with donor restrictions 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-

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

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

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, 2023 and 2022.

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

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, 2017. 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.

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.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

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

Functional Expenses

The Foundation's expenses are summarized and categorized based upon their functional classification as either program services or non-program services (development and management and general). Specific expenses that are readily identifiable to a single function are charged directly to that function. Certain categories of expenses are attributable to more than one function and require allocation on a reasonable basis that is consistently applied. Salaries are allocated based on the estimated percentage of time spent by each employee in the applicable functional area. Professional services includes expenses for audit, form 990 preparation, investment portfolio management and website services.

New and Pending Accounting Standards

Recent accounting pronouncements issued by the FASB or other authoritative standards groups with future effective dates are either not applicable or are not expected to be significant to the financial statements of the Company.

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	2023		2022	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 2,801,357	\$ 4,617,035	\$ 2,666,848	\$ 4,644,409
Equity investments	3,231,977	4,687,855	3,121,559	3,952,114
Mutual funds	50,252,455	52,515,962	48,095,199	47,224,543
Exchange traded funds	2,830,209	2,820,874	2,825,302	2,813,662
U.S. Treasury Notes	5,146,414	5,207,656	4,997,141	5,013,701
Total Investments	\$ 64,262,412	\$ 69,849,384	\$ 61,706,049	\$ 63,648,429

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 Notes 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 COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE B – INVESTMENTS – Continued

For the years ended August 31, 2023 and 2022, the components of investment earnings are:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 1,758,446	\$ 3,076,407
Net loss/gain on investments carried at fair value	<u>4,296,968</u>	<u>(14,290,077)</u>
Total return on investments	<u>\$ 6,055,414</u>	<u>\$ (11,213,670)</u>

NOTE C - PLEDGES RECEIVABLE

Pledges receivable consist of the following unconditional promises to give:

	<u>August 31,</u>	
	<u>2023</u>	<u>2022</u>
Pledges Receivable - Less than one year	\$ 21,650	\$ 799,984
Pledges Receivable - More than one year	<u>-</u>	<u>351,906</u>
Total Pledges Receivable	21,650	1,151,890
Less unamortized discounts	<u>(3,221)</u>	<u>(20,947)</u>
Total Pledges Receivable (net)	<u>\$ 18,429</u>	<u>\$ 1,130,943</u>

NOTE D - DONOR RESTRICTED NET ASSETS

Donor restricted net assets are available for the following purposes:

	<u>August 31,</u>	
	<u>2023</u>	<u>2022</u>
Student scholarships for tuition and books	\$ 45,830,100	\$ 45,687,239
Professional development, student related activities, and program support	<u>21,555,358</u>	<u>19,230,659</u>
Total donor restricted net assets	<u>\$ 67,385,458</u>	<u>\$ 64,917,898</u>

NOTE E - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisting of funds with donor restrictions were due mainly to satisfaction of purpose restrictions. Net assets released from restrictions amounted to \$4,520,338 and \$4,745,190 for the years ended August 31, 2023 and 2022, respectively.

NOTE F - CONCENTRATION OF CREDIT RISK

The Foundation maintains deposits in financial institutions. At times these deposits exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation did not experience any losses in such accounts and believes it is not exposed to any significant credit risk in this regard.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE G - RELATED PARTY TRANSACTIONS AND CONTRIBUTED SERVICES

The Foundation's payments to the College for scholarships and grants totaled \$3,435,317 and \$2,683,352 for fiscal years 2023 and 2022, respectively. At August 31, 2023 and 2022, the Foundation recorded a total of \$81,462 and \$85,983, respectively, for scholarships and grants payable to the College.

The salaries of Foundation employees have been donated by the College. The estimated fair value of these contributed services is \$1,251,838 and \$1,293,961 for fiscal years 2023 and 2022, respectively, and has been included in contributed salaries in revenue and management and general expenses in the accompanying statements of activities. The College 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.

NOTE H - 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 COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE H - FAIR VALUE MEASUREMENTS - Continued

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

August 31, 2023	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$ 4,687,855	\$ -	\$ -	\$ 4,687,855
U.S. Treasury Bills	-	5,207,656	-	5,207,656
	<u>\$ 4,687,855</u>	<u>\$ 5,207,656</u>	<u>\$ -</u>	<u>\$ 9,895,511</u>
Investments measured at NAV	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,953,871</u>
Investments at fair value	<u>\$ 4,687,855</u>	<u>\$ 5,207,656</u>	<u>\$ -</u>	<u>\$ 69,849,384</u>

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

August 31, 2022	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$ 3,952,114	\$ -	\$ -	\$ 3,952,114
U.S. Treasury Bills	-	5,013,701	-	5,013,701
	<u>\$ 3,952,114</u>	<u>\$ 5,013,701</u>	<u>\$ -</u>	<u>\$ 8,965,815</u>
Investments measured at NAV	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,682,614</u>
Investments at fair value	<u>\$ 3,952,114</u>	<u>\$ 5,013,701</u>	<u>\$ -</u>	<u>\$ 63,648,429</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.

NOTE I - 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.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE I - ENDOWMENTS - Continued

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 net assets with donor restrictions due to endowment funds (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 endowed donor-restricted net assets is classified as donor 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.

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.

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE I - ENDOWMENTS - Continued Spending Policy

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

Endowment Net Asset Composition by Type of Fund as of August 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 54,666,541	\$ 54,666,541
Endowment net assets, beginning of year	\$ -	\$ 53,613,598	\$ 53,613,598
Contributions	-	516,905	516,905
Adjustments	-	350,180	350,180
Investment income:			
Dividends and interest	-	908,540	908,540
Net realized and unrealized gains/losses	-	346,138	346,138
Net transfers	-	(2,933)	(2,933)
Amount appropriated for expenditures	-	(1,065,887)	(1,065,887)
Endowment net assets, end of year	\$ -	\$ 54,666,541	\$ 54,666,541

Endowment Net Asset Composition by Type of Fund as of August 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 53,613,598	\$ 53,613,598
Endowment net assets, beginning of year	\$ -	\$ 52,785,865	\$ 52,785,865
Contributions	-	361,119	361,119
Investment income:			
Dividends and interest	-	1,398,004	1,398,004
Net realized and unrealized gains/losses	-	647,647	647,647
Net transfers	-	(1,478,750)	(1,478,750)
Amount appropriated for expenditures	-	(100,287)	(100,287)
Endowment net assets, end of year	\$ -	\$ 53,613,598	\$ 53,613,598

DALLAS COLLEGE FOUNDATION, INC.
(A Texas Nonprofit Corporation)

NOTES TO THE FINANCIAL STATEMENTS
August 31, 2023 and 2022

NOTE J - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation structures its financial assets to be available when its general expenditures and other obligations are due. Financial assets available for general expenditures, without donor or other restrictions limiting their use, within one year of August 31, 2023 and 2022 are comprised of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 3,289,588	\$ 2,925,426
Pledges receivable within one year	21,650	799,984
Investments	<u>69,849,384</u>	<u>63,648,429</u>
Total financial assets available	73,160,622	67,373,839
Less net assets held to meet donor-imposed restrictions	<u>67,385,458</u>	<u>64,917,898</u>
Financial assets available for general expenditure within one year	\$ <u><u>5,775,164</u></u>	\$ <u><u>2,455,941</u></u>

Expenditures, with donor restrictions, are supported with current and accumulated donor restricted contributions and endowed investment earnings. Sufficient reserves are provided by placing Foundation financial assets in excess of daily requirements in various short-term investments such as certificates of deposit and treasury instruments.

NOTE K - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 22, 2023, the date financial statements were available to be issued.

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

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

In January 2005, the College's Board of Trustees approved the 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 Dallas College as well as direct expenses for equipment and supplies. The high school has no direct employees or real property.

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 College 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 College.

The Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, Schedule of Expenses, and a Schedule of Capital Assets for the fiscal years ended August 31, 2023, and 2022 for Richland Collegiate High School alone are presented below. Also included is a Budgetary Comparison Schedule for 2023.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

**RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION TEA CLASSIFICATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022
EXHIBIT 1**

DATA CONTROL CODES	ASSETS	2023	2022
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 8,065,940	\$ 6,236,736
1120	Short-term Investments	-	-
1240	Accounts receivable (net) - governments	-	-
1290	Accounts receivable (net) - others	-	-
	Total current assets	8,065,940	6,236,736
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	25,205	28,317
1910	Investments	1,481,694	-
1900	Total non-current assets	1,506,899	28,317
1000	TOTAL ASSETS	9,572,839	6,265,053
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	12,300	-
2123	Funds Held for Others	-	736
2501	Due to College (parent organization)	3,249,249	-
	Total current liabilities	3,261,549	736
2000	TOTAL LIABILITIES	3,261,549	736
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Invested in capital assets, net of related debt	25,205	28,317
3600	Unrestricted	6,286,086	6,236,000
3000	TOTAL NET POSITION	\$ 6,311,290	\$ 6,264,317

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

RICHLAND COLLEGIATE HIGH SCHOOL STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022 EXHIBIT 2

College Presentation			TEA Classifications		
	2023	2022	Data Control Codes		2023 2022
OPERATING REVENUES:				OPERATING REVENUES:	
Federal grants and contracts	\$ -	\$ -	5929	Federal grants revenue distributed by TEA	\$ - \$ -
Total operating revenues	-	-	5020	Total operating revenues	- -
OPERATING EXPENSES:				OPERATING EXPENSES:	
Instruction	1,433,683	1,436,687	0011	Instruction	1,720,578 1,780,850
Public Service	286,894	344,163	0012	Instructional resources and media services	- -
Academic support	32,604	207,086	0013	Curriculum development & instructional	23,360 197,746
Student services	365,366	439,174	0023	School leadership	297,821 413,805
			0031	Guidance, counseling and evaluation services	296,241 424,059
			0033	Health services	69,000 15,115
			0034	Student transportation	- -
			0035	Food service	1,424 1,191
Institutional support	712,582	828,076	0036	Co-Curricular/Extra-curricular	414,762 -
Plant Maintenance and operation	-	348	0041	General administration	- 414,271
Depreciation	3,112	2,932	0051	Plant maintenance and operation	1,813 2,089
			0052	Security and monitoring services	9,243 -
			0053	Data processing services	- 9,340
Total operating expenses	2,834,242	3,258,466	6030	Total operating expenses	2,834,242 3,258,466
OPERATING LOSS	(2,834,242)	(3,258,466)	1100	OPERATING LOSS	(2,834,242) (3,258,466)
NON-OPERATING REVENUES (EXPENSES):				NON-OPERATING REVENUES (EXPENSES):	
State appropriations	2,789,334	4,132,967	5800	State appropriations	2,789,334 4,132,967
Investment income	91,881	191,710	5742	Investment income	91,881 191,710
Net non-operating revenues	2,881,215	4,324,677		Net non-operating revenues	2,881,215 4,324,677
INCREASE IN NET POSITION	46,974	1,066,211	1200	INCREASE IN NET POSITION	46,974 1,066,211
NET POSITION:				NET POSITION:	
Net Position—Beginning of Year	6,264,317	5,198,106	0100	Net Position—Beginning of Year	6,264,317 5,198,106
Net Position—End of Year	\$ 6,311,290	\$ 6,264,317	3000	Net Position—End of Year	\$ 6,311,290 \$ 6,264,317

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

**RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022
EXHIBIT 3**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ -	\$ -
Payments to suppliers for goods and services	-	(3,255,534)
Net cash used in operating activities	-	(3,255,534)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	2,789,334	4,132,967
Net cash provided by non-capital financing activities	2,789,334	4,132,967
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of equipment	-	-
Net cash used by capital and related financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	91,881	191,710
Purchase of investments	-	-
Sale of investments	-	-
Net cash provided (used) by investing activities	91,881	191,710
Increase (decrease) in cash and cash equivalents	2,881,215	1,069,143
Cash and cash equivalents - September 1	6,558,427	5,489,284
Cash and cash equivalents - August 31	\$ <u>9,439,642</u>	\$ <u>6,558,427</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (2,834,242)	\$ (3,258,466)
Depreciation	3,112	2,931
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	-	-
Inventories	-	-
Due to College	-	-
Accounts payable	-	-
Funds held for others	-	-
Net cash used in operating activities	\$ <u>(2,831,129)</u>	\$ <u>(3,255,534)</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

RICHLAND COLLEGIATE HIGH SCHOOL BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

	Budgeted Amounts		Actual Amounts	Variance from Actual to Final Budget	Percent Actual to Final Budget
	Original	Final			
REVENUES					
Local Support:					
5740 Local and intermediate sources	\$ 55,000	\$ 55,000	\$ 91,881	\$ (36,881)	-67.06% ^a
3600 Decrease/use of fund balance	200,000	625,000	-	-	n/a
State program revenues:					
5810 Foundation School Program Act Revenues	3,446,576	2,790,016	2,789,334	682	0.02%
Federal program revenues:					
5910 Federal program revenues	-	-	-	-	0.00%
Total revenues	<u>\$ 3,701,576</u>	<u>\$ 3,470,016</u>	<u>\$ 2,881,215</u>	<u>\$ (36,199)</u>	<u>-1.04%</u>
EXPENDITURES					
State program expenditures					
0011 11 Instruction	1,777,576	2,143,826	1,720,578	423,248	19.74% ^b
0012 12 Instructional resources and media services	-	-	-	-	0.00%
0013 13 Curriculum and staff development	120,000	91,750	23,360	68,390	74.54% ^d
0023 23 School leadership	400,000	295,000	297,821	(2,821)	-0.96%
0031 31 Guidance, counseling and evaluation services	545,000	369,000	296,241	72,759	19.72% ^b
0033 33 Health services	75,000	76,650	69,000	7,650	9.98%
0035 35 Food Service	15,000	12,000	1,424	10,576	88.13% ^b
0041 41 General administration	745,000	466,500	414,762	51,738	11.09% ^b
0051 51 Facilities maintenance and operations	12,000	5,040	1,813	3,227	64.02% ^c
0052 52 Security and monitoring services	-	-	-	-	0.00%
0053 53 Data processing services	12,000	10,250	9,243	1,007	9.82%
Total expenditures	3,701,576	3,470,016	2,834,242	635,775	18.32%
1200 Net change in fund balances	-	-	46,974	671,974	n/a
0100 Fund balance--beginning	6,264,317	6,264,317	6,264,317	-	0.00%
3600 Decrease/Use of fund balance	<u>(200,000)</u>	<u>(625,000)</u>	<u>-</u>	<u>-</u>	<u>n/a</u>
3000 Fund balance--ending	<u>\$ 6,064,317</u>	<u>\$ 5,639,317</u>	<u>\$ 6,311,290</u>	<u>\$ 671,974</u>	<u>11.92%</u>

Variance Explanations

- a Reflects unrealized market gains
- b Anticipated expenses were not realized
- c Anticipated expenses deferred to FY24
- d Expense realized in Instruction

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

**RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF EXPENSES
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

Expenses	Totals	
	2023	2022
6100 Payroll Costs	\$ 1	\$ 1
6200 Professional and Contracted Services	2,147,130	2,492,932
6300 Supplies and Materials	594,637	609,649
6400 Other Operating Costs	92,474	1,555,884
Total Expenses	<u>\$2,834,242</u>	<u>\$3,258,466</u>

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

**RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF ASSETS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

Asset Object	Local Ownership Interest	
	2023	2022
1110 Cash	\$ 8,065,940	\$6,236,736
1120 Investments	1,481,694	-
1510 Land and improvements	-	-
1520 Building and improvements	-	-
1531 Vehicles	4,350	5,219
1539 Furniture and Equipment	20,855	23,097
	<u>\$ 9,572,839</u>	<u>\$ 6,265,052</u>

DALLAS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022

26. Related Parties

During the year, the College 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 College for scholarships and grants amounted to \$2,533,199 and \$2,683,352 for fiscal years 2023 and 2022, respectively. At August 31, 2023 and 2022, the Foundation recorded a total of \$81,462 and \$85,983 respectively, for scholarships and grants payable to College.

The College paid the salaries and benefits of certain Foundation employees. The value of these contributed services is \$1,251,838 and \$1,293,961 for fiscal years 2023 and 2022, respectively. Also, the College provided office space and equipment at no cost to the Foundation. Because the College 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 2022, the College elected to transfer \$500,000 funds held in its quasi-endowment fund to the Foundation for student scholarships. The quasi-endowment is funded with designated receipts from a land lease agreement of one of its properties. As collections continue on the land lease agreement, the College will transfer additional funds to the Foundation.

DALLAS COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023 AND 2022**

27. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 5, 2023. There were no events that require disclosure in the notes to the financial statements.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**REQUIRED SCHEDULES FOR
NET PENSION LIABILITY**

DALLAS COLLEGE

SCHEDULE OF COLLEGE'S SHARE OF NET PENSION LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 SCHEDULE G

<u>Fiscal Year Ending August 31*,</u>	<u>2022**</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportional share of collective net pension liability (%)	0.1981778365%	0.2049686305%	0.2157006320%	0.2228132703%	0.2127551871%	0.2001928395%	0.14467900%	0.18790100%
College's proportional share of collective net pension liability (\$)	\$ 117,653,085	\$ 52,198,257	\$ 115,524,858	\$ 115,825,304	\$ 117,105,618	\$ 64,010,885	\$ 54,672,053	\$ 66,420,502
State's proportional share of net pension liability associated with College	89,560,283	40,090,176	87,890,090	81,123,674	83,945,791	43,126,165	36,957,144	35,699,280
Total	<u>\$ 207,213,368</u>	<u>\$ 92,288,433</u>	<u>\$ 203,414,948</u>	<u>\$ 196,948,978</u>	<u>\$ 201,051,409</u>	<u>\$ 107,137,050</u>	<u>\$ 91,629,197</u>	<u>\$ 102,119,782</u>
College's covered payroll amount	\$ 210,779,384	\$ 205,157,346	\$ 208,020,613	\$ 196,305,385	\$ 181,268,264	\$ 153,203,688	\$ 153,203,688	\$ 139,925,162
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	55.82%	25.44%	55.54%	59.00%	64.60%	41.78%	35.69%	47.47%
TRS net position as percentage of total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

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

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

DALLAS COLLEGE

SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 THROUGH AUGUST 31, 2023 SCHEDULE H

<u>Fiscal Year Ending August 31*,</u>	<u>2023 **</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Legally required contributions	\$ 10,702,155	\$ 9,247,075	\$ 8,746,374	\$ 8,806,805	\$ 7,720,102	\$ 7,092,691	\$ 6,742,779	\$ 5,563,829	\$ 5,076,059
Actual contributions	10,702,155	9,247,075	8,746,374	8,806,805	7,720,102	7,092,691	6,742,779	5,563,829	5,076,059
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll amount	\$ 239,498,850	\$ 210,779,384	\$ 205,157,346	\$ 208,020,613	\$ 196,305,385	\$ 181,268,624	\$ 164,785,196	\$ 153,203,688	\$ 139,925,162
Ratio of actual contributions/ER covered payroll amount	4.47%	4.39%	4.26%	4.23%	3.93%	3.91%	4.09%	3.63%	3.63%

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

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

DALLAS COLLEGE

NOTES TO SCHEDULES FOR NET PENSION LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

The College 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 College's Share of Net Pension Liability* and Schedule H – *Schedule of College's Contributions* were added to the College's Required Supplementary Information section of its financial statement footnotes. Each of these schedules are required to present 10 years of comparative information. Additional information will be presented on Schedules G and H as it becomes available.

Changes in Benefit Terms include:

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

Changes of Assumptions:

- The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

Change in the College's Contributions to the Pension Plan:

Legally required contributions from fiscal year to year have increased. Cost of living salary raises issued by the College's Board of Trustees and staffing additions reflecting College initiatives primarily resulted in the year over year increases.

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	State Contributions	Change	% Change
2023	\$ 239,498,850	\$28,719,466	13.6%	\$ 19,159,908	\$ 2,824,506	17.3%
2022	210,779,384	5,622,038	2.7%	16,335,402	948,601	6.2%
2021	205,157,346	(2,863,267)	-1.4%	15,386,801	(214,745)	-1.4%
2020	208,020,613	11,715,228	6.0%	15,601,546	2,252,780	16.9%
2019	196,305,385	15,036,761	8.3%	13,348,766	1,022,500	8.3%
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%

**REQUIRED SCHEDULES FOR
NET OTHER POST EMPLOYMENT
BENEFITS LIABILITY**

DALLAS COLLEGE

SCHEDULE OF COLLEGE'S SHARE OF NET OTHER POST EMPLOYMENT BENEFITS LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 SCHEDULE I

Fiscal Year Ending August 31*,	2022 **	2021	2020	2019	2018	2017
College's proportional share of collective net OPEB liability (%)	0.73772745%	0.78255455%	0.81179332%	0.81560594%	0.81355841%	0.59972600%
College's proportional share of collective net OPEB liability (\$)	\$ 210,156,164	\$ 280,745,414	\$ 268,254,113	\$ 281,895,232	\$ 241,120,349	\$ 204,344,713
State's proportional share of net OPEB liability associated with College	185,192,188	234,409,324	215,864,278	226,015,783	190,256,699	189,046,665
Total	<u>\$ 395,348,352</u>	<u>\$ 515,154,738</u>	<u>\$ 484,118,391</u>	<u>\$ 507,911,015</u>	<u>\$ 431,377,048</u>	<u>\$ 393,391,378</u>
College's covered payroll amount	\$ 256,492,148	\$ 252,859,803	\$ 249,831,503	\$ 237,461,267	\$ 221,755,590	\$ 210,417,154
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	81.93%	111.03%	107.37%	118.71%	108.73%	97.11%
ERS net position as percentage of total OPEB liability	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

DALLAS COLLEGE

SCHEDULE OF COLLEGE'S CONTRIBUTIONS TO OTHER POST EMPLOYMENT BENEFITS LIABILITY FOR THE FISCAL YEARS ENDED AUGUST 31, 2018 THROUGH AUGUST 31, 2023 SCHEDULE J

Fiscal Year Ending August 31*,	2023 **	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ 4,893,600	\$ 4,284,857	\$ 19,637,807	\$ 21,917,027	\$ 18,977,419	\$ 16,282,310
Actual contributions	4,893,600	4,284,857	12,347,202	11,900,644	11,724,677	10,818,471
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,290,605</u>	<u>\$ 10,016,383</u>	<u>\$ 7,252,742</u>	<u>\$ 5,463,839</u>
College's covered payroll amount	\$ 285,196,083	\$ 256,492,148	\$ 252,859,803	\$ 249,831,503	\$ 237,461,267	\$ 221,755,590
Ratio of actual contributions/ER covered payroll amount	1.72%	1.67%	7.77%	8.77%	7.99%	7.34%

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

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

** Beginning in FY 2022, actuarially determined contributions only include the employer's contributions. Prior years included the State's on-behalf contributions.

DALLAS COLLEGE

NOTES TO SCHEDULES FOR OTHER POST EMPLOYMENT BENEFITS LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

Changes in Benefit Terms

Under Q/A #4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Postemployment 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, this valuation reflects the minor benefit changes that became effective September 1, 2022, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for FY2023, are provided for in the FY2023 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Changes in Assumptions

Actuarial Assumptions

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 retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Demographic assumptions for Higher Education members, including pre-retirement mortality and post-retirement mortality assumptions, termination, disability and retirement rate assumptions and assumed salary increases.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

DALLAS COLLEGE

**NOTES TO SCHEDULES FOR OTHER
POST EMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

The discount rate was changed from 2.14% as of August 31, 2021, to 3.59% as of August 31, 2022 as a result of requirements by GASB Statement No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes are not expected to have a significant impact on plan costs for FY 2023.

SUPPLEMENTARY INFORMATION

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

DALLAS COLLEGE

SCHEDULE OF OPERATING REVENUES FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2022) SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2023	2022
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 65,585,454	\$ -	\$ 65,585,454	\$ -	\$ 65,585,454	\$ 67,820,779
Out-of-district resident tuition	22,997,124	-	22,997,124	-	22,997,124	23,168,612
Non-resident tuition	24,615,814	-	24,615,814	-	24,615,814	16,846,361
TPEG - credit (set aside) *	5,767,946	-	5,767,946	-	5,767,946	5,907,110
State-funded continuing education	9,818,775	-	9,818,775	-	9,818,775	6,689,974
TPEG - non-credit (set aside) *	987,372	-	987,372	-	987,372	743,814
Non-state funded educational programs	2,101,463	-	2,101,463	-	2,101,463	2,980,183
Total Tuition	131,873,948	-	131,873,948	-	131,873,948	124,156,833
Fees:						
Installment plan fees	953,825	-	953,825	-	953,825	813,480
Total fees	953,825	-	953,825	-	953,825	813,480
Scholarship allowances and discounts:						
Bad debt allowance	6,781,500	-	6,781,500	-	6,781,500	(8,475,400)
Remissions and exemptions - state	(2,125,576)	-	(2,125,576)	-	(2,125,576)	(1,743,719)
Remissions and exemptions - local	(23,560,298)	-	(23,560,298)	-	(23,560,298)	(23,847,867)
Title IV federal grants	(26,147,428)	-	(26,147,428)	-	(26,147,428)	(26,675,285)
Other federal grants	(4,499,832)	-	(4,499,832)	-	(4,499,832)	(4,692,864)
State grants	(3,605,556)	-	(3,605,556)	-	(3,605,556)	(1,074,974)
TPEG awards	(1,295,010)	-	(1,295,010)	-	(1,295,010)	(1,504,395)
Rising Star program	(2,031)	-	(2,031)	-	(2,031)	(4,177)
Other local grants	(3,658,486)	-	(3,658,486)	-	(3,658,486)	(3,645,286)
Total scholarship allowances	(58,112,717)	-	(58,112,717)	-	(58,112,717)	(71,663,967)
Total net tuition and fees	74,715,056	-	74,715,056	-	74,715,056	53,306,346
Additional operating revenues:						
Federal grants and contracts	-	54,556,753	54,556,753	-	54,556,753	49,295,180
State grants and contracts	-	7,977,862	7,977,862	-	7,977,862	6,443,281
Non-governmental grants and contracts	-	2,122,860	2,122,860	-	2,122,860	1,722,890
Sales and services of educational activities	128,238	-	128,238	-	128,238	95,313
Other operating revenues	4,674,337	-	4,674,338	-	4,674,338	2,080,156
Total additional operating revenues	4,802,575	64,657,475	69,460,051	-	69,460,051	59,636,820
Auxiliary Enterprises:						
Bookstore	-	-	-	119,505	119,505	120,911
Food Service	-	-	-	124,065	124,065	281,569
Center for Educational Telecommunications	-	-	-	164,472	164,472	367,578
Student Programs	-	-	-	39,981	39,981	235,684
Total net auxiliary enterprises	-	-	-	448,023	448,023	1,005,742
Total Operating Revenues	\$ 79,517,631	\$ 64,657,475	\$ 144,175,107	\$ 448,023	\$ 144,623,130	\$ 113,948,908
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$6,755,318 and \$6,650,924 for years August 31, 2023 and 2022, respectively, of tuition was set aside for Texas Public Education Grants (TPEG)

DALLAS COLLEGE

SCHEDULE OF OPERATING EXPENSES BY OBJECT FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2022) SCHEDULE B

	Operating Expenses				2023	2022
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED - Educational Activities						
Instruction	\$ 93,807,243	\$ -	\$ 9,763,415	\$ 2,898,233	\$ 106,468,891	\$ 147,059,140
Public Service	1,167,481	-	237,574	79,188	1,484,243	883,754
Academic Support	73,198,394	-	9,418,442	8,380,962	90,997,798	39,769,529
Student Services	58,737,685	-	8,719,869	30,754,950	98,212,504	88,973,661
Institutional Support	62,029,871	-	12,467,504	26,815,744	101,313,119	127,598,126
Operation and Maintenance of Plant	11,720,851	-	3,377,449	46,044,515	61,142,815	50,410,154
Total unrestricted educational activities	300,661,525	-	43,984,253	114,973,592	459,619,370	454,694,364
RESTRICTED - Educational Activities						
Instruction	\$ 6,997,134	\$ (1,352,857)	\$ 1,769,590	\$ 11,246,553	\$ 18,660,420	\$ 20,399,920
Public Service	1,209,576	-	242,685	49,021,672	50,473,933	31,385,129
Academic Support	1,856	(246,671)	237	-	(244,578)	3,081,885
Student Services	1,495,855	(414,131)	265,873	727,043	2,074,640	6,864,097
Institutional Support	1,609,384	24,056,624	339,502	2,585,869	28,591,379	9,517,217
Scholarships and Fellowships	1,512,716	-	286	105,757,605	107,270,607	89,864,919
Total restricted educational activities	12,826,521	22,042,965	2,618,173	169,338,742	206,826,401	161,113,167
TOTAL EDUCATIONAL ACTIVITIES	313,488,046	22,042,965	46,602,426	284,312,334	666,445,771	615,807,531
AUXILIARY ENTERPRISES	83,780	-	5,562	599,744	689,086	719,682
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	14,491,337	14,491,337	18,493,669
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	4,949,097	4,949,097	4,506,904
TOTAL OPERATING EXPENSES	\$ 313,571,826	\$ 22,042,965	\$ 46,607,988	\$ 304,352,512	\$ 686,575,291	\$ 639,527,786
					(Exhibit 2)	(Exhibit 2)

DALLAS COLLEGE

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2022)
SCHEDULE C**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2023</u>	<u>2022</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 94,591,630	\$ -	\$ -	\$ 94,591,630	\$ 91,194,679
State group insurance	-	19,168,536	-	19,168,536	16,322,649
State retirement matching	-	3,298,645	-	3,298,645	8,848,747
SBDC state match	-	1,402,019	-	1,402,019	1,237,559
Starlink	-	278,967	-	278,967	277,951
Hazlewood state reimbursement	24,707	-	-	24,707	26,330
Foundation school program	2,789,334	-	-	2,789,334	4,132,967
Total state appropriations	<u>\$ 97,405,671</u>	<u>\$ 24,148,167</u>	<u>\$ -</u>	<u>\$ 121,553,838</u>	<u>\$ 122,040,882</u>
Ad valorem taxes	334,057,126	68,751,849	-	402,808,975	373,727,255
Federal revenue, non-operating	-	116,776,935	-	116,776,935	111,706,561
Gifts	-	-	-	-	-
Investment income	9,051,282	8,833,933	6,748,518	24,633,734	(16,512,056)
Gain on sale of investment	-	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-
Other non-operating revenue	<u>37,816,579</u>	<u>-</u>	<u>-</u>	<u>37,816,579</u>	<u>3,350,030</u>
Total non-operating revenues	<u>478,330,658</u>	<u>218,510,884</u>	<u>6,748,518</u>	<u>703,590,060</u>	<u>594,312,672</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	10,360,636	-	-	10,360,636	2,569,806
Loss on disposal of capital assets	324,688	-	-	324,688	60,613
Other non-operating expense	<u>2,438,499</u>	<u>-</u>	<u>-</u>	<u>2,438,499</u>	<u>1,596,220</u>
Total non-operating expenses	<u>13,123,823</u>	<u>-</u>	<u>-</u>	<u>13,123,823</u>	<u>4,226,639</u>
NET NON-OPERATING REVENUES	<u>\$ 465,206,835</u>	<u>\$ 218,510,884</u>	<u>\$ 6,748,518</u>	<u>\$ 690,466,237</u>	<u>\$ 590,086,033</u>
				(Exhibit 2)	(Exhibit 2)

DALLAS COLLEGE

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2022) SCHEDULE D

	Detail by Source					Available for	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Current Operations	
		Expendable	Non-Expendable			Yes	No
Current:							
Unrestricted	\$ (92,642,256)	\$ -	\$ -	\$ -	\$ (92,642,256)	\$ (92,642,256)	\$ -
Auxiliary enterprises	18,315,425	-	-	-	18,315,425	18,315,425	-
Loan	151,199	-	-	-	151,199	-	151,199
Endowment:							
Quasi:							
Unrestricted	(1,132,160)	-	-	-	(1,132,160)	-	(1,132,160)
Plant:							
Unexpended	234,655,382	-	-	-	234,655,382	-	234,655,382
Debt Service	-	32,700,999	-	-	32,700,999	-	32,700,999
Investment in Plant	-	-	-	671,867,287	671,867,287	-	671,867,287
TOTAL NET POSITION--							
August 31, 2023	159,347,590	32,700,999	-	671,867,287	863,915,876 (Exhibit 1)	(74,326,831)	938,242,707
TOTAL NET POSITION--							
August 31, 2022	3,175,269	14,253,287	-	697,973,244	715,401,800 (Exhibit 1)	(251,576,271)	966,978,071
NET INCREASE (DECREASE) IN NET POSITION	\$ 156,172,321	\$ 18,447,712	\$ -	\$ (26,105,957)	\$ 148,514,076 (Exhibit 2)	\$ 177,249,440	\$ (28,735,364)

**TEXAS EDUCATION AGENCY
REQUIRED SCHEDULES**

**DALLAS COLLEGE
RICHLAND COLLEGIATE HIGH SCHOOL
J4 SCHEDULE OF STATE ALLOTMENT PROGRAM FUNDS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2023**

Data Codes	Section A: Compensatory Education Programs	Column 1 Responses
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, 48.104.	
AP1	Did your School expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the School have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the school's fiscal year.	\$81,156
AP4	List the actual direct program expenditures for state compensatory education programs during the School's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$109,896
	Section B: Bilingual Education Programs	
	Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, 48.105.	
AP5	Did your School expend any bilingual education program state allotment funds during the School's fiscal year?	Yes
AP6	Does the School have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the School's fiscal year.	\$9,588
AP8	List the actual direct program expenditures for bilingual education programs during the School's fiscal year. (PICs 25, 35)	\$12,859

**STATISTICAL SECTION
(UNAUDITED)**

DALLAS COLLEGE

STATISTICAL SECTION TABLE OF CONTENTS

This part of Dallas College's annual comprehensive 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 College's overall financial health. The statistical tables are not audited.

FINANCIAL TRENDS

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

- Net Position by Component and Changes in Net Position
- Revenues by Source
- Program Expenses by Function

REVENUE CAPACITY

These schedules contain information to help the reader assess College'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 College'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 College'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 College's annual comprehensive financial report relates to the services College 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 COLLEGE
STATISTICAL SUPPLEMENT 1
NET POSITION BY COMPONENT AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended August 31,									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position										
Net Investment	\$ 671,867	\$ 701,894	\$ 661,556	\$ 545,136	\$ 446,460	\$ 402,522	\$ 368,475	\$ 343,315	\$ 302,684	\$ 293,619
in Capital Assets										
Restricted - expendable	32,701	91,250	17,726	2,619	617	4,742	1,837	2,319	8,596	3,422
Unrestricted	159,348	(77,742)	(28,387)	6,018	50,856	33,010	251,590	223,071	207,813	237,805
Total net position	<u>\$ 863,916</u>	<u>\$ 715,402</u>	<u>\$ 650,895</u>	<u>\$ 553,773</u>	<u>\$ 497,933</u>	<u>\$ 440,274</u>	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</u>
Changes in Net Position										
Operating revenues	\$ 144,623	\$ 113,949	\$ 120,628	\$ 108,209	\$ 108,667	\$ 113,109	\$ 109,721	\$ 106,552	\$ 101,738	\$ 92,641
Operating expenses	686,575	639,528	611,265	596,347	554,143	529,385	497,066	479,990	472,035	446,131
Operating loss	(541,952)	(525,579)	(490,637)	(488,138)	(445,476)	(416,276)	(387,345)	(373,438)	(370,297)	(353,490)
Non-operating revenues										
net of expenses	690,466	590,086	587,759	543,978	503,135	473,178	440,542	423,050	415,137	399,244
Increase in Net Position	148,514	64,507	97,122	55,840	57,659	56,902	53,197	49,612	44,840	45,754
Net Position at Beginning										
of year	715,402	650,895	553,773	497,933	440,274	621,902	568,705	519,093	534,846	489,092
Cumulative effect of										
change in principal	-	-	-	-	-	(238,530)	-	-	(60,593)	-
Net Position at Beginning										
of year, restated	715,402	650,895	553,773	497,933	440,274	383,372	568,705	519,093	474,253	489,092
Net Position at End										
of year	<u>\$ 863,916</u>	<u>\$ 715,402</u>	<u>\$ 650,895</u>	<u>\$ 553,773</u>	<u>\$ 497,933</u>	<u>\$ 440,274</u>	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</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 COLLEGE
STATISTICAL SUPPLEMENT 2
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ended August 31,									
	(Amounts Expressed in Thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and charges (net of discounts)	\$ 74,715	\$ 53,306	\$ 63,946	\$ 64,927	\$ 71,217	\$ 76,150	\$ 75,078	\$ 70,969	\$ 64,915	\$ 59,950
Federal grants and contracts	54,557	49,295	34,347	25,237	19,880	18,209	17,089	18,071	16,376	14,937
State grants and contracts	7,978	6,443	7,887	6,609	7,380	12,082	9,158	10,587	12,343	9,663
Non-governmental grants and contracts	2,123	1,723	14,689	7,785	5,582	1,963	3,960	2,358	2,511	1,673
Sales and services of educational activities	128	95	33	201	537	572	635	591	551	453
Auxiliary enterprises	448	1,006	1,242	1,300	1,798	2,036	2,103	2,066	3,417	4,467
General operating revenues	4,674	2,081	1,700	2,150	2,273	2,097	1,699	1,910	1,626	1,498
Total Operating Revenues	144,623	113,949	123,844	108,209	108,667	113,109	109,722	106,552	101,739	92,641
State appropriations	121,554	122,041	136,855	123,546	117,381	118,624	118,602	116,142	116,564	111,242
Maintenance ad valorem taxes	402,809	373,727	358,328	332,488	307,215	282,182	262,107	240,887	224,008	209,829
Federal revenue, non-operating	116,777	111,707	91,947	84,421	73,348	74,999	70,883	73,159	86,497	86,929
Gifts	-	-	-	4	29	106	95	138	112	73
Investment income	24,634	(16,512)	1,027	7,039	12,537	5,752	3,436	3,564	4,040	5,821
Gain on sale of investment	-	-	-	-	-	-	-	-	-	105
Contributions in aid of construction	-	-	73	-	-	-	-	-	-	-
Gain on disposal of capital assets & easements	-	-	258	-	-	-	230	-	-	-
Other non-operating revenue	37,817	3,350	1,580	652	65	560	600	1,998	187	1,232
Total Non-operating Revenues	703,590	594,313	590,068	548,150	510,575	482,223	455,953	435,888	431,408	415,231
Total Revenues	\$ 848,213	\$ 708,262	\$ 713,912	\$ 656,359	\$ 619,242	\$ 595,332	\$ 565,675	\$ 542,440	\$ 533,147	\$ 507,872

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and charges (net of discounts)	8.81%	7.53%	8.96%	9.89%	11.50%	12.79%	13.26%	13.08%	12.18%	11.80%
Federal grants and contracts	6.43%	6.96%	4.81%	3.84%	3.21%	3.06%	3.02%	3.33%	3.07%	2.94%
State grants and contracts	0.94%	0.91%	1.11%	1.01%	1.19%	2.03%	1.62%	1.95%	2.32%	1.90%
Non-governmental grants and contracts	0.25%	0.24%	2.06%	1.19%	0.90%	0.33%	0.70%	0.43%	0.47%	0.33%
Sales and services of educational activities	0.02%	0.01%	0.00%	0.03%	0.09%	0.10%	0.11%	0.11%	0.10%	0.09%
Auxiliary enterprises	0.05%	0.14%	0.17%	0.20%	0.29%	0.34%	0.37%	0.38%	0.64%	0.89%
General operating revenues	0.55%	0.29%	0.24%	0.33%	0.37%	0.35%	0.30%	0.35%	0.30%	0.29%
Total Operating Revenues	17.05%	16.08%	17.35%	16.49%	17.55%	19.00%	19.38%	19.63%	19.08%	18.24%
State appropriations	14.33%	17.23%	19.17%	18.82%	18.96%	19.92%	20.97%	21.41%	21.86%	21.90%
Maintenance ad valorem taxes	47.49%	52.77%	50.19%	50.66%	49.61%	47.40%	46.34%	44.41%	42.02%	41.32%
Federal revenue, non-operating	13.77%	15.77%	12.88%	12.86%	11.84%	12.60%	12.53%	13.49%	16.22%	17.12%
Gifts	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.02%	0.01%
Investment income	2.90%	-2.33%	0.14%	1.07%	2.02%	0.97%	0.61%	0.66%	0.76%	1.15%
Gain on sale of investment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
Contributions in aid of construction	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on disposal of capital assets & easements	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
Other non-operating revenue	4.46%	0.48%	0.22%	0.10%	0.01%	0.09%	0.11%	0.37%	0.04%	0.24%
Total Non-operating Revenues	82.95%	83.92%	82.65%	83.51%	82.45%	81.00%	80.62%	80.37%	80.92%	81.76%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

For the Fiscal Year Ended August 31,

(Amounts Expressed in Thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	\$ 125,129	\$ 167,459	\$ 189,038	\$ 216,862	\$ 206,218	\$ 203,692	\$ 194,996	\$ 186,114	\$ 180,091	\$ 169,392
Public service	51,958	32,269	24,526	14,917	10,079	11,186	11,432	14,325	11,920	12,601
Academic support	90,753	42,851	28,134	27,040	25,313	23,315	23,073	22,517	20,384	18,972
Student services	100,287	95,838	85,155	68,174	63,747	55,694	48,807	47,798	44,666	40,649
Institutional support	129,904	137,115	140,657	116,642	111,966	99,268	87,717	82,314	77,177	68,431
Operation and maintenance of plant	61,143	50,410	42,949	56,054	48,209	47,073	44,236	39,480	35,296	32,454
Scholarships and fellowships	107,271	89,865	71,938	65,352	55,474	56,038	53,531	52,338	65,101	66,243
Auxiliary enterprises	689	720	7,207	9,388	10,493	9,544	9,281	9,226	9,585	9,547
Depreciation	19,440	23,001	22,152	21,918	22,644	23,575	23,993	25,878	27,815	27,842
Total Operating Expenses	686,575	639,528	611,756	596,347	554,143	529,385	497,066	479,990	472,035	446,131
Interest on capital debt	10,361	2,570	1,727	4,051	6,833	7,920	8,385	11,574	15,098	15,809
Loss on disposal of capital assets	325	61	-	26	218	185	-	596	857	173
Other non-operating expense	2,438	1,596	784	95	390	941	7,026	668	317	4
Total Non-operating Expenses	13,124	4,227	2,511	4,172	7,441	9,046	15,411	12,838	16,272	15,986
Total Expenses	\$ 699,699	\$ 643,755	\$ 614,267	\$ 600,519	\$ 561,584	\$ 538,431	\$ 512,477	\$ 492,828	\$ 488,307	\$ 462,117

For the Fiscal Year Ended August 31,

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Instruction	17.88%	26.01%	30.77%	36.11%	36.72%	37.83%	38.05%	37.76%	36.88%	36.66%
Public service	7.43%	5.01%	3.99%	2.49%	1.79%	2.08%	2.23%	2.91%	2.44%	2.73%
Academic support	12.97%	6.66%	4.58%	4.50%	4.51%	4.33%	4.50%	4.57%	4.17%	4.11%
Student services	14.33%	14.89%	13.86%	11.35%	11.35%	10.34%	9.52%	9.70%	9.15%	8.80%
Institutional support	18.57%	21.30%	22.90%	19.42%	19.94%	18.44%	17.12%	16.70%	15.81%	14.81%
Operation and maintenance of plant	8.74%	7.83%	6.99%	9.34%	8.58%	8.74%	8.63%	8.01%	7.23%	7.01%
Scholarships and fellowships	15.33%	13.96%	11.71%	10.88%	9.88%	10.41%	10.45%	10.62%	13.33%	14.33%
Auxiliary enterprises	0.10%	0.11%	1.18%	1.57%	1.87%	1.77%	1.81%	1.87%	1.96%	2.07%
Depreciation	2.78%	3.57%	3.61%	3.65%	4.03%	4.38%	4.68%	5.25%	5.70%	6.02%
Total Operating Expenses	98.12%	99.34%	99.59%	99.31%	98.67%	98.32%	96.99%	97.39%	96.67%	96.54%
Interest on capital debt	1.48%	0.40%	0.28%	0.67%	1.22%	1.47%	1.64%	2.35%	3.09%	3.42%
Loss on disposal of capital assets	0.05%	0.01%	0.00%	0.00%	0.04%	0.03%	0.00%	0.12%	0.18%	0.04%
Other non-operating expense	0.35%	0.25%	0.13%	0.02%	0.07%	0.18%	1.37%	0.14%	0.06%	0.00%
Total Non-operating Expenses	1.88%	0.66%	0.41%	0.69%	1.33%	1.68%	3.01%	2.61%	3.33%	3.46%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**DALLAS COLLEGE
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
2022-23	\$ 79	\$ 135	\$ 948	\$ 1,620	0.00%	0.00%
2021-22	79	135	948	1,620	0.00%	0.00%
2020-21	79	135	948	1,620	0.00%	0.00%
2019-20	79	135	948	1,620	33.90%	21.62%
2018-19	59	111	708	1,332	0.00%	0.00%
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%

**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
2022-23	\$ 200	\$ 200	\$ 2,400	\$ 2,400	0.00%	0.00%
2021-22	200	200	2,400	2,400	0.00%	0.00%
2020-21	200	200	2,400	2,400	0.00%	0.00%
2019-20	200	200	2,400	2,400	14.94%	14.94%
2018-19	174	174	2,088	2,088	0.00%	0.00%
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%

Source: Dallas College Office of Finance

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

DALLAS COLLEGE
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
2022-23	\$ 447,161,730	\$ (41,010,751)	\$ (38,903,825)	\$ (22,147,387)	\$ 345,099,767	77.18%	\$ 0.09604	\$ 0.01986	\$ 0.11590
2021-22	382,353,955	(38,103,745)	(37,247,251)	(7,522,101)	299,480,858	78.33%	0.10351	0.02000	0.12351
2020-21	350,355,051	(36,172,448)	(35,543,398)	(7,470,729)	271,168,476	77.40%	0.10400	0.02000	0.12400
2019-20	345,979,905	(33,197,583)	(34,346,508)	(8,751,924)	269,683,890	77.95%	0.10400	0.02000	0.12400
2018-19	319,258,574	(28,682,821)	(31,865,436)	(7,999,051)	250,711,266	78.53%	0.10400	0.02000	0.12400
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

Source: Dallas County Appraisal District

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

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Appropriation Funding Elements										
State Appropriation Contact Hour Funding	\$ 75,250,292	\$ 75,250,292	\$ 83,339,382	\$ 83,339,382	\$ 78,979,053	\$ 78,979,053	\$ 77,308,120	\$ 77,308,906	\$ 78,753,201	\$ 78,753,201
State Appropriation Student Success Points	15,263,981	15,263,981	10,475,426	10,475,427	8,063,145	8,063,145	7,419,486	7,419,486	7,892,826	7,892,826
State Appropriation Core Operations	680,406	680,406	680,406	680,406	680,406	680,406	500,000	500,000	500,000	500,000
State Appropriation Non-Formula Items	1,831,907	1,831,907	1,928,323	1,928,323	1,928,323	1,928,323	2,138,298	2,138,299	2,138,299	2,138,298
Total	\$ 93,026,586	\$ 93,026,586	\$ 96,423,537	\$ 96,423,538	\$ 89,650,927	\$ 89,650,927	\$ 87,365,904	\$ 87,366,691	\$ 89,284,326	\$ 89,284,325

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

Appropriation per FTSE				
<u>Fiscal Year</u>	<u>State Appropriation (Unrestricted)</u>		<u>FTSE</u>	<u>State Appropriation per FTSE</u>
2022-23	\$	91,195	42,661	\$ 2,138
2021-22		91,195	41,240	2,211
2020-21		94,495	43,553	2,170
2019-20		94,495	52,394	1,804
2018-19		87,723	50,759	1,728
2017-18		87,723	49,323	1,779
2016-17		85,408	48,781	1,751
2015-16		85,408	47,674	1,792

Source: Dallas College Office of Finance 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 COLLEGE
STATISTICAL SUPPLEMENT 6C
STATE APPROPRIATION PER FUNDED CONTACT HOUR
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Appropriation per Funded Contact Hour					
	CH - State Appropriation (Unrestricted)	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	CH - State Appropriation per Funded Contact Hour
2022-23	\$ 75,250,292	17,927	5,793	1,533	25,253	\$ 2.98
2021-22	75,250,292	17,730	5,898	1,252	24,880	3.02
2020-21	83,339,382	19,021	6,290	906	26,217	3.60
2019-20	83,339,382	23,046	6,607	1,785	31,438	3.01
2018-19	78,979,053	22,184	6,477	2,027	30,688	2.86
2017-18	78,979,053	21,680	6,215	2,076	29,971	2.93
2016-17	77,308,120	21,145	5,946	2,894	29,985	2.85
2015-16	77,308,906	20,918	5,533	3,010	29,461	2.90

Source: Dallas College Office of Finance 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 COLLEGE
STATISTICAL SUPPLEMENT 6D
STATE APPROPRIATION PER STUDENT SUCCESS POINT - ANNUALIZED
LAST TEN FISCAL YEARS
(UNAUDITED)

Appropriation per SSP

<u>Fiscal Year</u>	<u>SSP - State Appropriation (Unrestricted)</u>	<u>Year Average Student Success Points</u>	<u>Appropriation per Success Point</u>
2022-23	\$ 15,263,981	N/A	N/A
2021-22	15,263,981	N/A	N/A
2020-21	10,475,426	112,308	93
2019-20	10,475,427	130,383	80
2018-19	8,063,145	123,319	65
2017-18	8,063,145	116,330	69
2016-17	7,419,486	102,421	72
2015-16	7,419,486	96,360	77

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

	Fiscal Year							
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Success Point Elements								
Math Readiness	n/a	n/a	4,198	4,847	5,569	3,323	3,023	3,052
Read Readiness	n/a	n/a	4,900	2,623	1,758	1,853	1,612	1,469
Write Readiness	n/a	n/a	4,130	1,568	870	1,207	1,428	1,375
Students Who Pass FCL Math Course	n/a	n/a	13,192	15,599	13,560	12,487	12,091	11,024
Students Who Pass FCL Read Course	n/a	n/a	19,219	11,643	12,153	12,509	11,024	10,065
Students Who Pass FCL Write Course	n/a	n/a	16,952	11,268	10,513	9,815	8,588	8,205
Students Who Complete 15 SCH	n/a	n/a	19,861	22,227	21,250	20,228	18,685	16,721
Students Who Complete 30 SCH	n/a	n/a	13,061	20,857	18,951	18,227	11,243	10,489
Student Transfers to a 4-Yr Inst	n/a	n/a	5,898	18,699	18,255	16,821	10,700	10,716
Degrees, CCCs, or Certs (Undup)	n/a	n/a	9,579	13,667	13,773	13,311	19,871	19,889
Degrees or Certs in Critical Fields	n/a	n/a	1,318	6,438	7,010	6,549	4,156	3,355
Annual Success Points - Total	n/a	n/a	112,308	129,436	123,662	116,330	102,421	96,360

**DALLAS COLLEGE
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (\$000 omitted)									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Boeing Distribution/Aviall Inc	Aviation	\$ 1,803,331	\$ 1,803,331	\$ 2,266,628	\$ 1,584,926	\$ 1,246,146	\$ 1,260,763	\$ 1,331,756	\$ 1,391,864	\$ 880,195	\$ 970,872
Oncor Electric Delivery	Electric Utility	2,121,267	2,121,267	2,054,597	1,679,107	1,509,118	1,508,284	1,442,296	1,405,137	1,422,920	1,343,904
ATT/Southwestern Bell/Cingular	Telephone Utility	1,040,420	1,040,420	966,992	1,012,002	907,666	939,772	1,102,603	980,206	955,497	999,684
Amazon.com	Distribution	1,604,481	1,604,481	910,209	-	-	-	-	-	-	-
Atmos Energy	Natural Gas Distributor	923,270	923,270	802,600	695,048	-	416,898	397,625	-	-	-
Southwest Airlines	Airline	782,434	782,434	799,056	788,890	690,626	633,988	584,260	575,936	604,995	612,739
Texas Instruments	Manufacturing	888,051	888,051	780,382	793,308	746,139	708,168	667,341	649,076	654,639	697,164
Northpark Land Partners	Real Estate Development	725,978	725,978	678,663	733,710	700,213	675,069	667,810	643,717	624,382	602,355
Wal-Mart	Retail	747,872	747,872	667,911	787,579	754,920	812,274	844,098	868,287	760,546	684,169
Post Apartment Homes LP	Real Estate Development	-	-	599,306	514,486	499,463	484,850	601,337	556,464	581,770	367,828
FM Village Fixed Rate LLC	Real Estate Development	-	-	-	514,687	494,726	495,502	471,339	-	-	-
Verizon/GTE	Telephone Utility	-	-	-	-	-	-	-	490,628	457,225	452,837
Crescent Real Estate	Real Estate Development	-	-	-	-	-	-	-	661,172	756,101	658,123
SP Millenium Center, LP	Real Estate Development	-	-	-	-	-	-	-	-	-	-
Billingsley Arts	Real Estate Development	754,804	754,804	-	-	-	-	-	-	-	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	-	-
DCI Tech Infomart LP	Real Estate Development	-	-	-	-	508,215	-	-	-	-	-
Totals		\$ 11,391,908	\$ 11,391,908	\$ 10,526,344	\$ 9,103,743	\$ 8,057,232	\$ 7,935,568	\$ 8,110,465	\$ 8,222,487	\$ 7,698,270	\$ 7,389,675
Total Taxable Assessed Value		\$ 386,062,501	\$345,099,768	\$271,168,476	\$269,683,890	\$250,711,266	\$228,748,604	\$216,527,977	\$197,279,331	\$182,822,509	\$171,740,620

Source: Dallas County Tax Office

**DALLAS COLLEGE
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)
(CONTINUED)**

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Boeing Distribution/Aviall Inc	Aviation	0.47%	0.52%	0.84%	0.59%	0.50%	0.55%	0.62%	0.71%	0.48%	0.57%
Oncor Electric Delivery	Electric Utility	0.55%	0.61%	0.76%	0.62%	0.60%	0.66%	0.67%	0.71%	0.78%	0.78%
ATT/Southwestern Bell/Cingular	Telephone Utility	0.27%	0.30%	0.36%	0.38%	0.36%	0.41%	0.51%	0.50%	0.52%	0.58%
Amazon.com	Distribution	0.42%	0.46%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Atmos Energy	Natural Gas Distributor	0.24%	0.27%	0.30%	0.26%	0.00%	0.18%	0.18%	0.00%	0.00%	0.00%
Southwest Airlines	Airline	0.20%	0.23%	0.29%	0.29%	0.28%	0.28%	0.27%	0.29%	0.33%	0.36%
Texas Instruments	Manufacturing	0.23%	0.26%	0.29%	0.29%	0.30%	0.31%	0.31%	0.33%	0.36%	0.41%
Northpark Land Partners	Real Estate Development	0.19%	0.21%	0.25%	0.27%	0.28%	0.30%	0.31%	0.33%	0.34%	0.35%
Wal-Mart	Retail	0.19%	0.22%	0.25%	0.29%	0.30%	0.36%	0.39%	0.44%	0.42%	0.40%
Post Apartment Homes LP	Real Estate Development	0.00%	0.00%	0.22%	0.19%	0.20%	0.21%	0.28%	0.28%	0.32%	0.21%
FM Village Fixed Rate LLC	Real Estate Development	0.00%	0.00%	0.00%	0.19%	0.20%	0.22%	0.22%	0.00%	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.26%
Crescent Real Estate	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.41%	0.38%
SP Millenium Center, LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Billingsley Arts	Real Estate Development	0.20%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Galleria Mall Inv LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DCI Tech Infomart LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		2.95%	3.30%	3.88%	3.38%	3.21%	3.47%	3.75%	4.17%	4.21%	4.30%

Source: Dallas County Tax Office

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

Fiscal Year Ended Aug 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage c/b	Prior Coll of Prior Levies (d)	Current Coll of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2023	\$ 400,440	\$ 6,632	\$ 407,072	\$ 401,723	98.69%	\$ -	\$ -	\$ 401,723	98.69%
2022	370,349	6,009	376,358	373,383	99.21%	-	998.00	374,381	99.47%
2021	336,632	21,215	357,847	357,194	99.82%	(1,032)	333.00	356,495	99.62%
2020	334,834	(488)	334,346	332,504	99.45%	477	290.00	333,271	99.68%
2019	311,382	(2,711)	308,671	307,443	99.60%	281	139.00	307,863	99.74%
2018	284,665	(1,592)	283,073	281,796	99.55%	546	82.00	282,424	99.77%
2017	266,593	(4,129)	262,464	261,343	99.57%	527	56.00	261,926	99.80%
2016	244,303	(2,604)	241,699	240,051	99.32%	1,124	35.00	241,210	99.80%
2015	228,474	(3,012)	225,462	223,940	99.32%	1,090	28.00	225,058	99.82%
2014	214,468	(2,542)	211,926	210,443	99.30%	1,174	23.00	211,640	99.87%

Source: Dallas County Appraisal District and Dallas College Office of Finance

- (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 COLLEGE
STATISTICAL SUPPLEMENT 9
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

	For the Fiscal Year Ended August 31 (In Thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Bonded Debt										
General obligation bonds	\$ 353,295	\$ 79,010	\$ 89,490	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 334,957	\$ 354,432
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 353,295	\$ 79,010	\$ 89,490	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 334,957	\$ 354,432
Other Debt										
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,160	\$ 17,335
Tax notes	22,220	31,825	26,260	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	\$ 375,515	\$ 110,835	\$ 115,750	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 350,117	\$ 371,767
General Bonded Debt Ratios										
Per Capita	\$ 131.48	\$ 29.67	\$ 32.79	\$ 55.37	\$ 75.36	\$ 95.11	\$ 112.33	\$ 125.37	\$ 132.97	\$ 142.34
Per FTSE	9,647	1,993	1,894	2,642	3,673	4,704	5,502	6,280	6,762	7,108
As a percentage of Taxable Assessed Value	0.09%	0.02%	0.03%	0.05%	0.08%	0.11%	0.13%	0.16%	0.18%	0.21%
Total Outstanding Debt Ratios										
Per Capita	\$ 139.74	\$ 41.63	\$ 42.41	\$ 55.37	\$ 75.36	\$ 95.11	\$ 112.33	\$ 125.37	\$ 138.99	\$ 149.30
Per FTSE	10,253	2,796	2,449	2,642	3,673	4,704	5,502	6,280	7,068	7,455
As a percentage of Taxable Assessed Value	0.10%	0.03%	0.04%	0.05%	0.08%	0.11%	0.13%	0.16%	0.19%	0.22%

Source: Dallas College Office of Finance

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

Debt per student calculated using full-time equivalent enrollment.

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Taxable Assessed Value	\$ 345,099,767	\$ 299,480,858	\$ 271,168,476	\$ 269,683,890	\$ 250,711,266	\$ 228,748,604	\$ 216,527,977	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 1,725,499	\$ 1,497,404	\$ 1,355,842	\$ 1,348,419	\$ 1,253,556	\$ 1,143,743	\$ 1,082,640	\$ 986,397	\$ 914,113	\$ 858,703
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	1,725,499	1,497,404	1,355,842	1,348,419	1,253,556	1,143,743	1,082,640	986,397	914,113	858,703
Current Year Debt Service Requirements	73,540	59,872	54,482	53,643	50,038	46,278	40,685	36,441	33,562	33,560
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,651,959	\$ 1,437,532	\$ 1,301,360	\$ 1,294,776	\$ 1,203,518	\$ 1,097,465	\$ 1,041,955	\$ 949,956	\$ 880,551	\$ 825,143
Net Current Requirements as a % of Statutory Limit	4.26%	4.00%	4.02%	3.98%	3.99%	4.05%	3.76%	3.69%	3.67%	3.91%

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 COLLEGE
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	
2023	\$ 41,816	\$ 954	\$ 448	\$ 500	\$ 15,799	\$ 59,517	\$ -	\$ -	\$ -	0.00
2022	37,823	814	402	500	1,241	40,780	-	-	-	0.00
2021	40,244	647	933	467	837	43,128	-	-	-	0.00
2020	39,767	623	696	400	5,442	46,928	-	-	-	0.00
2019	42,800	808	969	400	7,731	52,708	-	-	-	0.00
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

Source: Dallas College Office of Finance

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

Calendar Year	Population	Personal Income (In Thousands)	Personal Income per Capita	Unemployment Rate
2023	2,687,159	\$ 186,760,534	\$ 69,501	4.3%
2022	2,662,619	172,389,791	64,774	3.9%
2021	2,729,078	165,854,429	60,773	7.7%
2020	2,667,720	164,854,425	61,796	6.9%
2019	2,637,772	-	-	3.5%
2018	2,618,148	155,610,208	58,993	3.8%
2017	2,574,984	146,737,911	55,947	4.2%
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%

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

DALLAS COLLEGE
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2013 THROUGH 2022
(UNAUDITED)

Employer	Number of Employees									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Wal-Mart Stores, Inc.	38,000	37,000	37,000	37,000	37,000	34,000	34,000	25,534	22,700	21,100
Baylor Scott & White	25,000	24,000	23,865	23,865	17,097	16,500	16,500	16,860	22,000	19,800
Texas Health Resources	28,000	27,000	23,466	23,466	19,230	22,296	22,296	19,131	16,205	16,850
Amazon	24,000	21,000	-	-	-	-	-	-	-	-
Dallas Independent School District	22,222	22,674	22,674	22,222	18,314	19,740	19,740	20,000	20,793	19,219
Lockheed Martin Aeronautics Co.	21,500	22,000	22,200	22,200	14,126	14,350	13,750	13,700	12,600	12,100
UT Southwestern Medical Center	21,539	21,539	17,000	17,000	13,122	13,048	13,018	(a)	(a)	(a)
University of North Texas System	13,900	13,275	13,620	13,620	-	-	-	-	-	-
Bank of America	13,850	13,850	13,600	16,000	20,000	13,500	13,500	14,465	15,400	16,000
City of Dallas	13,314	14,000	13,114	13,114	12,836	13,350	13,336	13,000	13,000	13,000
JP Morgan Chase	17,000	12,554	12,554	-	13,500	(a)	(a)	12,600	13,000	14,000
AT&T, Inc.	15,500	15,000	-	16,000	15,800	-	-	-	-	-
American Airlines Group	20,000	21,500	-	-	24,700	27,000	27,000	25,000	23,700	20,000
Texas Instruments Inc.	9,750	10,850	-	-	9,100	13,000	13,000	13,000	13,000	14,500
Total Top Ten	283,575	276,242	199,093	204,487	214,825	186,784	186,140	173,290	172,398	166,569

Employer	Percentage of Total Employment									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Wal-Mart Stores, Inc.	0.90%	0.90%	1.36%	1.01%	1.00%	0.91%	0.94%	0.72%	0.67%	0.66%
Baylor Scott & White	0.59%	0.58%	0.87%	0.65%	0.46%	0.44%	0.46%	0.48%	0.65%	0.62%
Texas Health Resources	0.66%	0.65%	0.86%	0.64%	0.52%	0.60%	0.62%	0.54%	0.48%	0.53%
Dallas Independent School District	0.53%	0.55%	0.83%	0.61%	0.49%	0.53%	0.55%	0.57%	0.62%	0.60%
Lockheed Martin Aeronautics Co.	0.51%	0.53%	0.81%	0.61%	0.38%	0.39%	0.38%	0.39%	0.37%	0.38%
UT Southwestern Medical Center	0.51%	0.52%	0.62%	0.46%	0.35%	0.35%	0.36%	(a)	(a)	(a)
University of North Texas System	0.33%	0.32%	0.50%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Bank of America	0.33%	0.34%	0.50%	0.44%	0.54%	0.36%	0.37%	0.41%	0.46%	0.50%
City of Dallas	0.31%	0.34%	0.48%	0.36%	0.35%	0.36%	0.37%	0.37%	0.39%	0.41%
JP Morgan Chase	0.40%	0.30%	0.46%	0.00%	0.36%	0.00%	0.00%	0.36%	0.39%	0.44%
AT&T, Inc.	0.37%	0.36%	0.00%	0.44%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
American Airlines Group	0.47%	0.52%	0.00%	0.00%	0.66%	0.73%	0.75%	0.71%	0.70%	0.62%
Texas Instruments Inc.	0.23%	0.26%	0.00%	0.00%	0.24%	0.35%	0.36%	0.37%	0.39%	0.45%
Total Top Ten	6.13%	6.19%	7.30%	5.59%	5.78%	5.03%	5.15%	4.91%	5.11%	5.19%
Total Employment	4,231,700	4,125,700	2,729,078	3,657,500	3,716,000	3,716,000	3,612,900	3,531,000	3,370,500	3,207,300

(a) Not in ten largest employers

Source: Dallas Business Journal Book of Lists North Texas Largest Employers

DestinationDFW Largest Employers in the Dallas-Fort Worth Area

Total Employment from Bureau of Labor Statistics-Dallas, Ft. Worth & Arlington Statistical Area as of August

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Faculty										
Full-Time	919	914	891	907	914	883	868	873	845	866
Part-Time	1,561	1,095	1,295	1,520	2,444	2,434	2,447	2,374	2,260	2,390
Total	2,480	2,009	2,186	2,427	3,358	3,317	3,315	3,247	3,105	3,256
Percent										
Full-Time	37.1%	45.5%	40.8%	37.4%	27.2%	26.6%	26.2%	26.9%	27.2%	26.6%
Part-Time	62.9%	54.5%	59.2%	62.6%	72.8%	73.4%	73.8%	73.1%	72.8%	73.4%
Staff and Administrators										
Full-Time	2,382	2,416	2,209	2,723	2,710	2,670	2,569	2,515	2,448	2,343
Part-Time	697	553	490	908	1,329	1,322	1,459	1,442	1,587	1,527
Total	3,079	2,969	2,699	3,631	4,039	3,992	4,028	3,957	4,035	3,870
Percent										
Full-Time	77.4%	81.4%	81.8%	75.0%	67.1%	66.9%	63.8%	63.6%	60.7%	60.5%
Part-Time	22.6%	18.6%	18.2%	25.0%	32.9%	33.1%	36.2%	36.4%	39.3%	39.5%
Total Employees										
Full-Time	3,301	3,330	3,100	3,630	3,624	3,553	3,437	3,388	3,293	3,209
Part-Time	2,258	1,648	1,785	2,428	3,773	3,756	3,906	3,816	3,847	3,917
Total	5,559	4,978	4,885	6,058	7,397	7,309	7,343	7,204	7,140	7,126
Percent										
Full-Time	59.4%	66.9%	63.5%	59.9%	49.0%	48.6%	46.8%	47.0%	46.1%	45.0%
Part-Time	40.6%	33.1%	36.5%	40.1%	51.0%	51.4%	53.2%	53.0%	53.9%	55.0%
FTSE per Full-Time Faculty	44.9	53.0	53.0	61.7	59.2	59.9	60.6	58.4	58.6	57.6
FTSE per Full-Time Staff Member	17.3	21.4	21.4	20.5	20.0	19.8	20.5	20.3	20.2	21.3
Average Annual Faculty Salary	\$105,110	\$102,710	\$ 97,036	\$ 96,995	\$ 91,487	\$ 91,059	\$ 89,846	\$ 85,678	\$ 85,785	\$ 80,255

Source: Dallas College Office of Finance

DALLAS COLLEGE
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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of Retirees	1,611	1,581	1,481	1,375	1,355	1,315	1,272	1,229	1,200	1,157
Cost of Health Benefits for Retirees	\$13,627,648	\$13,470,123	\$12,789,460	\$11,900,644	\$11,724,677	\$11,220,884	\$10,812,824	\$ 9,828,159	\$ 8,926,494	\$ 7,994,217
Cost per Retiree	\$ 8,459	\$ 8,520	\$ 8,636	\$ 8,655	\$ 8,653	\$ 8,533	\$ 8,501	\$ 7,997	\$ 7,439	\$ 6,909
Number of Active Full-Time Employees	3,375	3,243	3,284	3,662	3,690	3,620	3,496	3,396	3,334	3,242
Cost of Health Benefits for Active Full-Time Employees	\$29,159,534	\$27,420,656	\$30,361,142	\$32,159,245	\$31,837,080	\$31,080,279	\$29,816,889	\$27,282,077	\$24,662,718	\$22,599,984
Cost per Active Employee	\$ 8,640	\$ 8,455	\$ 9,245	\$ 8,782	\$ 8,628	\$ 8,586	\$ 8,529	\$ 8,034	\$ 7,397	\$ 6,971
State Appropriation for Health Insurance	\$19,168,536	\$19,170,252	\$19,672,337	\$19,672,337	\$19,492,899	\$18,648,112	\$16,620,205	\$15,475,496	\$14,641,581	\$13,641,648
Net Cost to Dallas College	\$23,618,646	\$21,720,527	\$23,512,795	\$24,387,552	\$24,068,858	\$23,653,051	\$24,009,508	\$21,634,740	\$18,947,631	\$16,952,553
Dallas College % of total premium	55.2%	53.1%	54.5%	55.4%	55.3%	55.9%	59.1%	58.3%	56.4%	55.4%
Total employees	4,986	4,824	4,765	5,037	5,045	4,935	4,768	4,625	4,534	4,399
State funding per total employee	\$ 3,844	\$ 3,974	\$ 4,129	\$ 3,906	\$ 3,864	\$ 3,779	\$ 3,486	\$ 3,346	\$ 3,229	\$ 3,101
Dallas College cost per total employee	\$ 4,737	\$ 4,503	\$ 4,934	\$ 4,842	\$ 4,771	\$ 4,793	\$ 5,036	\$ 4,678	\$ 4,179	\$ 3,854
Cost of Providing Retirement Benefits										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actual Cost of TRS and ORP Benefits	\$22,341,124	\$19,543,648	\$19,395,694	\$19,395,694	\$17,223,224	\$16,438,431	\$15,404,550	\$14,669,866	\$13,866,958	\$13,096,063
Dallas College's Contribution	\$12,252,925	\$10,855,177	\$10,909,270	\$10,909,270	\$9,879,370	\$9,410,721	\$8,925,116	\$7,002,933	\$8,007,973	\$7,555,276
State's Contribution	\$10,088,199	\$8,688,471	\$8,486,424	\$8,486,424	\$7,343,853	\$7,027,710	\$6,479,434	\$7,666,933	\$5,858,985	\$5,540,787
Cost of Providing All Benefits										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Dallas College's Contribution	\$35,871,571	\$32,575,704	\$34,422,065	\$35,296,822	\$33,948,228	\$33,063,772	\$32,934,624	\$28,637,673	\$26,955,604	\$24,507,829
State's Contribution	29,256,735	27,858,723	28,158,761	28,158,761	26,836,752	25,675,822	23,099,639	23,142,429	20,500,566	19,182,435
Total	\$65,128,306	\$60,434,427	\$62,580,826	\$63,455,583	\$60,784,980	\$58,739,594	\$56,034,263	\$51,780,102	\$47,456,170	\$43,690,264
Cost of Providing All Benefits Percentage Share										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Dallas College	55.1%	53.9%	55.0%	55.6%	55.8%	56.3%	58.8%	55.3%	56.8%	56.1%
State	44.9%	46.1%	45.0%	44.4%	44.2%	43.7%	41.2%	44.7%	43.2%	43.9%

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

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

Student Classification	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0-30 hours	54,709	82.32%	48,877	69.51%	41,596	54.53%	39,301	46.29%	33,496	40.30%
31-60 hours	6,954	10.46%	14,070	20.01%	20,076	26.32%	23,773	28.00%	22,713	27.33%
>60 hours	4,797	7.22%	7,369	10.48%	14,607	19.15%	21,834	25.71%	26,905	32.37%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.00%	83,114	100.00%

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	2,086	3.14%	1,945	2.77%	2,141	2.81%	2,295	2.70%	1,506	1.81%
3-5 semester hours	17,865	26.88%	19,578	27.84%	20,504	26.88%	22,586	26.60%	22,649	27.25%
6-8 semester hours	17,621	26.51%	19,394	27.58%	19,773	25.92%	21,569	25.40%	22,310	26.84%
9-11 semester hours	11,437	17.21%	11,846	16.85%	12,885	16.89%	13,654	16.09%	13,753	16.55%
12-14 semester hours	13,359	20.10%	13,543	19.26%	15,892	20.83%	18,892	22.25%	17,652	21.24%
15-17 semester hours	3,472	5.22%	3,432	4.88%	4,348	5.70%	4,699	5.53%	4,204	5.06%
18 and over	620	0.94%	578	0.82%	736	0.97%	1,213	1.43%	1,040	1.25%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.00%	83,114	100.00%

Average course load	7.8	7.7	7.9	8.0	7.9
---------------------	-----	-----	-----	-----	-----

Tuition Status	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	50,486	75.96%	47,862	68.06%	51,146	67.05%	58,019	68.33%	56,857	68.41%
Texas Resident (out-of-district)	13,260	19.95%	20,424	29.05%	22,706	29.77%	23,577	27.77%	22,069	26.55%
Non-Resident Tuition	2,714	4.09%	2,030	2.89%	2,427	3.18%	3,312	3.90%	4,188	5.04%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.00%	83,114	100.00%

Source: Dallas College Office of Finance

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 College 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 COLLEGE
STATISTICAL SUPPLEMENT 17
STUDENT PROFILE
LAST FIVE FISCAL YEARS
(UNAUDITED)**

Gender	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	39,352	59.21%	42,356	60.24%	46,399	60.83%	49,420	58.20%	48,186	57.98%
Male	27,108	40.79%	27,960	39.76%	29,880	39.17%	35,488	41.80%	34,928	42.02%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.00%	83,114	100.00%

Ethnic Origin	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	10,089	15.18%	11,294	16.06%	12,873	16.87%	14,570	17.15%	15,063	18.12%
Hispanic	33,850	50.93%	34,754	49.43%	36,690	48.10%	40,482	47.68%	37,816	45.50%
African American	13,154	19.79%	14,865	21.14%	15,970	20.94%	17,395	20.49%	17,092	20.56%
Asian	5,015	7.55%	5,234	7.44%	5,897	7.73%	6,987	8.23%	7,543	9.08%
Foreign	135	0.20%	127	0.18%	196	0.26%	262	0.31%	359	0.43%
Native American	166	0.25%	185	0.26%	205	0.27%	222	0.26%	256	0.31%
Other	4,051	6.10%	3,857	5.49%	4,448	5.83%	4,990	5.88%	4,985	6.00%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.00%	83,114	100.00%

Age	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	14,486	21.80%	7,137	10.15%	1,966	2.58%	8,244	9.71%	80	0.10%
18-21	25,218	37.94%	26,741	38.03%	27,782	36.42%	13,594	16.01%	11,480	13.81%
22-24	9,318	14.02%	13,171	18.73%	18,088	23.71%	25,384	29.90%	23,472	28.24%
25-30	7,776	11.70%	10,750	15.29%	13,858	18.16%	19,929	23.48%	26,423	31.80%
31-35	3,482	5.24%	4,734	6.73%	5,611	7.36%	6,942	8.18%	8,494	10.22%
36-50	4,433	6.67%	5,823	8.28%	6,909	9.06%	8,285	9.76%	9,487	11.41%
51 and over	1,747	2.63%	1,960	2.79%	2,065	2.71%	2,530	2.98%	3,678	4.42%
Total	66,460	100.00%	70,316	100.00%	76,279	100.00%	84,908	100.02%	83,114	100.00%

Average Age	23	24	25	27	28
-------------	----	----	----	----	----

Source: Dallas College Office of Finance

DALLAS COLLEGE
STATISTICAL SUPPLEMENT 18
TRANSFERS TO SENIOR INSTITUTIONS
2022 FALL STUDENTS AS OF FALL 2023
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of Dallas College Transfer Students	% of Dallas College Transfer Students
University of Texas - Arlington	2047	154	2201	18.93%
University of Texas - Dallas	1945	110	2055	17.67%
University of North Texas	1450	108	1558	13.40%
University of Texas - Austin	1069	24	1093	9.40%
Texas A&M University - College Station	897	17	914	7.86%
Texas Woman's University	717	44	761	6.54%
University of North Texas - Dallas	485	58	543	4.67%
Texas Tech University	504	19	523	4.50%
Texas A&M University - Commerce	322	32	354	3.04%
Texas State University	198	6	204	1.75%
University of Houston	188	4	192	1.65%
Prairie View A&M University	156	10	166	1.43%
Tarleton State University	125	10	135	1.16%
Sam Houston State University	111	8	119	1.02%
Texas Southern University	95	10	105	0.90%
University of Texas - Tyler	92	11	103	0.89%
Midwestern State University	89	12	101	0.87%
Stephen F. Austin State University	84	7	91	0.78%
Texas Tech University Health Science Center	42	13	55	0.47%
University of Texas - San Antonio	51	4	55	0.47%
Texas A&M University - Corpus Christi	31	3	34	0.29%
Lamar University Institute of Technology	30	1	31	0.27%
Texas A&M University System Health Science Center	25	1	26	0.22%
West Texas A&M University	22	4	26	0.22%
Texas A&M University - Galveston	22	0	22	0.19%

DALLAS COLLEGE
STATISTICAL SUPPLEMENT 18
TRANSFERS TO SENIOR INSTITUTIONS
2022 FALL STUDENTS AS OF FALL 2023
(Continued)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of Dallas College Transfer Students	% of Dallas College Transfer Students
University of North Texas Health Science Center - Fort Worth	16	0	16	0.14%
University of Texas - El Paso	13	2	15	0.13%
University of Texas - Permian Basin	13	2	15	0.13%
Texas A&M University -Texarkana	14	0	14	0.12%
Texas A&M University - Central Texas	12	1	13	0.11%
Angelo State University	12	0	12	0.10%
University of Texas Medical Branch Galveston	10	0	10	0.09%
University of Texas -Rio Grande Valley	8	0	8	0.07%
University of Houston - Victoria	7	0	7	0.06%
University of Texas Health Science Center - Houston	7	0	7	0.06%
Texas Tech University Health Science Center - El Paso	1	5	6	0.05%
University of Houston - Clear Lake	5	1	6	0.05%
University of Texas Health Science Center - San Antonio	6	0	6	0.05%
University of Houston - Downtown	4	1	5	0.04%
University of Texas Southwestern Medical Center - Dallas	5	0	5	0.04%
University of Texas M.D Anderson Cancer Center	4	0	4	0.03%
Texas A&M University - Kingsville	2	1	3	0.03%
Texas A&M University - San Antonio	3	0	3	0.03%
Baylor College of Medicine	2	0	2	0.02%
Sul Ross State University	2	0	2	0.02%
Sam Houston State University-Medical School	1	0	1	0.01%
University of Texas at Austin Dell Medical School	1	0	1	0.01%
Texas A&M International University	0	0	0	0.00%
University of Houston - University Park	0	0	0	0.00%
University of Texas - Pan American	0	0	0	0.00%
	10,945	683	11,628	100.00%

Source:

Source: THECB Report *Students Pursuing Additional Education*

DALLAS COLLEGE
STATISTICAL SUPPLEMENT 19
CAPITAL ASSET INFORMATION
FISCAL YEARS 2014 THROUGH 2023
(UNAUDITED)

	Fiscal Year									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academic buildings	93	89	89	89	89	89	89	89	89	89
Square footage	4,228,400	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
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	420,505	420,505	420,505
Administrative and support buildings	8	8	8	8	8	8	8	8	8	8
Square footage	354,915	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215
Dining Facilities										
Square footage	69,923	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	48	43	43	43	43	43	43	43	43	43
Gymnasiums	9	8	8	8	8	8	8	8	8	8
Fitness centers	10	10	10	10	10	10	10	10	10	10
Tennis courts	42	22	22	22	22	22	22	22	22	22
Plant facilities	20	3	3	3	3	3	3	3	3	3
Square footage	95,941	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
Transportation										
Cars / SUV's	49	55	55	48	48	29	75	56	36	36
Light trucks/vans	85	77	77	109	109	93	94	94	79	79
Buses	11	14	14	9	9	8	6	8	8	8
Total Square Footage	5,148,994	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801

Source: Dallas College Office of Finance

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**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Dallas College

We have audited, in accordance with the 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 governmental activities, the business-type activities and the discretely presented component unit of Dallas College (the "College") as of and for the year ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 5, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 financial statements. 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 that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001.



McConnell Jones

The College's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs as Finding No. 2023-001. The College's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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 College'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 College's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

McConnell Jones LLP

Dallas, Texas
December 5, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Dallas College

Report on Compliance for each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the compliance of Dallas College, (the "College") with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the State of Texas Uniform Management Standards (UGMS) that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2023. The College's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Management Standards (UGMS). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, UGMS and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



McConnell Jones

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, UGMS, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 UGMS. Accordingly, this report is not suitable for any other purpose.

McConnell Jones LLP

Dallas, Texas
December 5, 2023

DALLAS COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023
SCHEDULE E

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
U.S. Department of Education				
Direct Programs:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grant	84.007A (1)	P007A219619 P007A229619 P007A239619	\$ 2,568,923	\$ -
Federal Work-Study Program	84.033A (1)	P033A229619 P033A239619	1,661,138	-
Federal Work-Study Program	84.033A (1)	P033A229619 P033A239619	70,715	-
Federal PELL Grant Program	84.063P (1)	P063P226818 P063P216818 P063P206818 P063P192269 P063P236818 P063Q216818(ACA 21/22) P063Q226818(ACA 22/23)	63,658,576	-
Federal Direct Student Loans	84.268 (1)	P268K236818 P268K246818	25,275,066	-
Total Student Financial Assistance			93,234,418	-
TRIO				
TRIO Student Support Services	84.042A (2)	P042A210299 P042A20-1077,1737,1873	1,165,877	-
TRIO Talent Search	84.044A (2)	P044A211048	246,339	-
TRIO Upward Bound	84.047A (2)	P047A17-1489,0826,0908, P047A22-0757,0852	553,845	-
TRIO Veterans Upward Bound	84.047V (2)	P047V170229	1,281	-
Total TRIO			1,967,342	-
Coronavirus Aid, Relief, and Economic Security Act				
HEERF Education Stabilization Fund	84.425F (7)	P425F202345	48,549,340	-
HEERF Education Stabilization Fund	84.425T (7)	P425T220471	2,768,449	-
Total Direct Coronavirus Aid, Relief, and Economic Security Act			51,317,789	-
Other Direct Programs				
Higher Education Institutional Aid	84.031C (5)	P031C16-0035,0113 P031S210233 P031S20-0026,0116,0172	479,792	49,785
Higher Education Institutional Aid	84.031S (5)	P031S170019	2,686,827	-
Strengthening Minority Serving Institutions	84.382A (5)	P382A150037	9,870	-
Total Other Direct Programs			3,176,489	49,785
Total Direct U. S. Department of Education			149,696,038	49,785

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

DALLAS COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
Pass-Through From:				
Texas Higher Education Coordinating Board				
Career and Technical Education- Basic Grants to States	84.048	21937	\$ 395	\$ -
Career and Technical Education- Basic Grants to States	84.048	27618	1,440,269	-
Career and Technical Education- Basic Grants to States	84.048	20757, 22091, 24196	52,723	-
ESF Education Stabilization Fund	84.425C (7)	28569	219,964	-
ESF Education Stabilization Fund	84.425C (7)	25704	4,458	-
ESF Education Stabilization Fund	84.425C (7)	25705	782,521	341,449
ESF Education Stabilization Fund	84.425C (7)	28717	265,524	-
ESF Education Stabilization Fund	84.425C (7)	27571	2,559	-
ESF Education Stabilization Fund	84.425C (7)	26540	18,359	-
ESF Education Stabilization Fund	84.425C (7)	26150	30,816	-
ESF Education Stabilization Fund	84.425C (7)	26547	59,955	-
ESF Education Stabilization Fund	84.425C (7)	24086	109,863	-
Total Pass-Through Texas Higher Education Coordinating Board			2,987,406	341,449
Dallas County Local Workforce Development Board				
Adult Education -Basic Grants to States - Program Year 2021	84.002A	DCCCD - AEL 2018-1	(565)	-
Adult Education -Basic Grants to States - Program Year 2022	84.002A	DCCCD - AEL 2018-1	3,541,724	-
Adult Education -Basic Grants to States - Program Year 2023	84.002A	DCCCD - AEL 2018-1	639,036	-
Total Pass-Through Dallas County Local Workforce Development Board			4,180,195	-
Total Pass-Through U.S. Department of Education			7,167,601	341,449
Total U. S. Department of Education			156,863,639	391,234
U.S. Department of Commerce				
Direct Programs:				
Economic Adjustment Assistance	11.307	ED22HDQ3070118	352,295	234,365
Total U.S. Department of Commerce			352,295	234,365
U.S. Department of Housing and Urban Development				
Pass-Through From:				
City of Garland				
Community Development Block Grants / Entitlement Grants	14.218 (6)	B-20-MW-480011	11,335	-
Total U.S. Department of Housing and Urban Development			11,335	-
U.S. Department of Labor				
Direct Programs:				
H-1B Job Training Grants	17.268	HG-35908-21-60-A-48	2,536,039	-
H-1B Job Training Grants	17.268	HG-33032-19-60-A-48	2,160,959	-
Apprenticeship USA Grants	17.285	AP-38631-22-60-A-48	85,547	-
Total Direct U. S. Department of Labor			4,782,545	-

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

DALLAS COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-
Pass-Through From:				
Dallas County Local Workforce Development Board				
WIA/WIOA Youth Activities	17.259 (3)	RLC 3-2019	\$ 57,363	\$ -
WIA/WIOA Youth Activities	17.259 (3)	RLC 4-2019	409,805	-
WIA/WIOA Youth Activities	17.259 (3)	DC 1-2023	116,453	-
Total Pass-Through Dallas County Local Workforce Development Board			583,621	-
Texas Workforce Commission				
WIA Dislocated Worker Formula Grants	17.278 (3)	0622ATP002	13,518	12,260
Apprenticeship USA Grants	17.285	0621ATG001	54,410	-
Total Pass-Through Texas Workforce Commission			67,928	12,260
San Jacinto College				
H-1B Job Training Grants	17.268	DOL531719003	(6,900)	-
American Association of Community Colleges				
Apprenticeship USA Grants	17.285	AP-33025-19-75-A-11	(266)	-
Total Pass-Through U.S. Department of Labor			644,383	12,260
Total U.S. Department of Labor			5,426,928	12,260
U.S. Department of State				
Pass-Through From:				
AEECA/ESF PD Programs	19.900	22010484	2,863	-
Total U.S. Department of State			2,863	-
U.S. Department of the Treasury				
Pass-Through From:				
Texas Higher Education Coordinating Board				
Coronavirus State and Local Fiscal Recovery Funds	21.027	27271	496,893	-
Coronavirus State and Local Fiscal Recovery Funds	21.027	27272	942,807	422,006
Total U.S. Department of the Treasury			1,439,700	422,006
National Endowment for the Arts				
Direct Programs:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	1886958-59-21	(2,444)	-
Total National Endowment for the Arts			(2,444)	-
National Science Foundation				
Direct Programs:				
Education and Human Resources	47.076 (5)	DUE-1902318	18,172	-
Mathematical and Physical Sciences	47.049 (5)	2223745	5,116	-
Total Direct National Science Foundation			23,288	-
Pass-Through From:				
Texas Tech University				
Education and Human Resources	47.076 (5)	21P684-02	74,660	-
Texas A&M University - Commerce				
Education and Human Resources	47.076 (5)	RMY3LXEM29P3	90,846	-
Total Pass-Through National Science Foundation			165,506	-
Total National Science Foundation:			188,794	-

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

DALLAS COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
U. S. Small Business Administration				
Direct Programs:				
COVID-19 - Small Business Development Centers	59.037	0-603001-EZ-0119	\$ 59,590	\$ 8,269
Small Business Development Centers	59.037	1-603001-EZ-00278	27,097	-
Small Business Development Centers	59.037	2-603001EZ-01966	1,481,709	1,245,332
Small Business Development Centers	59.037	3-603001-EZ-03834	1,508,275	1,118,209
Total Direct U. S. Small Business Administration			3,076,671	2,371,810
Pass-Through From:				
Dallas Entrepreneurship Center				
Community Navigator Pilot Program	59.077	2-601001-EZ-02038	66,666	-
Total Pass-Through U. S. Small Business Administration			66,666	-
Total U. S. Small Business Administration			3,143,337	2,371,810
U.S. Department of Veterans Affairs				
Direct Program:				
Post-9/11 Veterans Educational Assistance	64.027		1,217,744	-
Total U.S. Department of Veterans Affairs			1,217,744	-
U.S. Department of Health & Human Services				
Direct Program:				
Nurse Education, Practice, Quality and Retention Grants	93.359	6-USGHP47224-01-01	129,649	-
Total Direct U.S. Department of Health & Human Services			129,649	-
Pass-Through From:				
Dallas County Local Workforce Development Board				
Child Care and Development Block Grant - Program Year 22	93.575 (4)	DCCCD-CQI 2-2020	14,279	-
Child Care and Development Block Grant - Program Year 23	93.575 (4)	DCCCD-CQI 2-2020	224,429	-
Total Pass-Through Dallas County Local Workforce Development Board			238,708	-
Texas Workforce Commission				
Child Care and Development Block Grant	93.575 (4)	0622CAT001	253,527	-
Child Care and Development Block Grant	93.575 (4)	0623CAT001	40,497	-
Total Pass-Through Texas Workforce Commission			294,024	-
Total Pass-Through Department of Health & Human Services			532,732	-
Total Department of Health & Human Services			662,381	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 169,306,572	\$ 3,431,675

- (1) Clustered Student Financial Aid Programs \$ 93,234,418
- (2) Clustered TRIO Programs \$ 1,967,342
- (3) Clustered WIA Programs \$ 597,139
- (4) Clustered CCDF Programs \$ 532,732
- (5) Clustered R&D Programs \$ 3,365,283
- (6) Clustered Entitlement Programs \$ 11,335
- (7) Education Stabilization Fund \$ 52,811,808

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

DALLAS COLLEGE

SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023 SCHEDULE F

State Grantor / Program Title	Grant #	Expenditures
Texas Higher Education Coordinating Board		
Texas Education Opportunity Grant	36002	\$ 3,925,738
College Work-Study Program	22339	204,347
Work Study Student Mentorship Program	22349	62,801
Nursing Shortage Reduction Program	NSRP Regular 2019	2
Nursing Shortage Reduction Program	NSRP Regular 2019-2023	20
Nursing Shortage Reduction Program	NSRP Over 70 2021	17,644
Nursing Shortage Reduction Program	24546 FY 2021	71,486
Nursing Shortage Reduction Program	24547 FY 2021	15,360
Nursing Shortage Reduction Program	28848	5,251
Total Texas Higher Education Coordinating Board		<u>4,302,649</u>
Texas Workforce Commission		
Skills Development Funds		
Skills Development Fund - Lockheed Martin	0621SDF002	297,516
Skills Development Fund - AT&T	0622SDF001	945,770
Skills Development Fund - Construction Consortium	0622SDF002	2,001,847
Skills Development Fund - Gainwell Tech	0623SDF001	278,212
Total Skills Development Funds		<u>3,523,345</u>
Skills for Small Business		
Skills for Small Business	0622SSD001	4,600
Skills for Small Business	0622SSD003	74,499
Skills for Small Business	0623SSD002	67,500
Total Skills for Small Business		<u>146,599</u>
Total Texas Workforce Commission		<u>3,669,944</u>
Texas Office of the Governor		
Bullet-Resistant Shield	4609701	27,299
Total Texas Office of the Governor		<u>27,299</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 7,999,892</u>

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

DALLAS COLLEGE

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards ("Schedules") present the activity of all Federal and State award programs of Dallas College ("College"). The reporting entity of the College is defined in the notes to the financial statements of the College. 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 College's fiscal year ended August 31, 2023. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the College 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 College 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 College for the fiscal year ended August 31, 2023, as follows:

	Federal	State
Total revenues per Schedule A	\$ 54,556,753	\$ 7,977,862
Federal revenue, non-operating per Exhibit 2	116,776,935	-
Federal direct student loans	25,275,066	-
Fall tuition-related grants deferred to next year	(27,302,182)	22,030
Total expenditures for federal/state awards	<u>\$ 169,306,572</u>	<u>\$ 7,999,892</u>

DALLAS COLLEGE

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

4. AMOUNTS PASSED THROUGH TO OTHERS

Amounts Passed Through by the College – Federal:

The following amounts were passed through to the listed sub-recipients by the College.

These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, ALN 59.037. (Award 2-603001-EZ-01966 and 3-603001-EZ-03834)

Collin College	\$	317,370
Grayson College		151,189
McLennan College		292,117
Navarro College		152,281
North Central Texas College		324,989
Northeast Texas Community College		194,238
Paris Junior College		122,922
Tarrant County College		190,349
Trinity Valley Community College		60,731
Tyler Junior College		243,233
University of Texas at Tyler		314,122

\$ 2,363,541

These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, ALN 59.037. (Award 0-603001-EZ-0119) COVID-19

Paris Junior College	\$	8,269
----------------------	----	-------

\$ 8,269

These amounts were funded by the U.S. Department of Treasury, ALN 21.027. (Award 27272)

Amarillo College	\$	186,945
Navarro College		235,061

\$ 422,006

DALLAS COLLEGE

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

These amounts were funded by the U.S. Department of Education for the HSI STEM IPSS, ALN 84.031C. (Award P031C160035)

University of North Texas at Dallas	\$ 49,785
-------------------------------------	-----------

These amounts were funded by the Department of Labor for the WIOA Dislocated Worker Program, ALN 17.278. (Award 0622ATP002)

Finishing Trades Institute of District Council 88	\$ 3,120
Lubbock Chapter of the Independent Electrical Contractors, Inc.	9,140
	<u>\$ 12,260</u>

These amounts were funded by the Department of Commerce for the EDA Grow the Biotech Workforce ALN 11.307. (Award ED22HDQ3070118)

Collin College	\$ 120,371
BioNorth Texas Foundation	23,712
Dallas Fort Worth Hospital Council	7,130
University of Texas Arlington	83,152
	<u>\$ 234,365</u>

These amounts were funded by the Department of Education ALN 84.425. (Award 25705)

Paris Junior College	\$ 263,131
Tarrant County College	78,318
	<u>\$ 341,449</u>

Total Amounts Passed Through – Federal	<u>\$ 3,431,675</u>
--	---------------------

DALLAS COLLEGE

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

Amounts Passed Through by the College – State:

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

Collin College	\$ 56,109
Grayson College	23,897
McLennan Community College	61,233
Navarro College	51,367
North Central Texas College	27,896
Northeast Texas Community College	57,487
Paris Junior College	18,762
Tarrant County College	58,126
Trinity Valley Community College	31,055
Tyler Junior College	51,641
University of Texas at Tyler	47,322
	<hr/> \$ 484,895 <hr/>
 Total Amounts Passed Through - State	 <hr/> \$ 484,895 <hr/>
 Total Amounts Passed Through – Federal and State	 <hr/> \$ 3,916,570 <hr/>

DALLAS COLLEGE

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

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 *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 2023 fiscal year are \$144,031,506.

Federal Grantor ALN Number/ Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
Department of Education 84.268 Direct Loans	\$ 25,275,066	\$ -	\$ 25,275,066

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 College 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 College has a negotiated indirect cost rate approved by a federal agency, therefore, the College is not eligible to elect the 10% de minimis indirect cost rate.

DALLAS COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2023

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?	Yes

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No

State Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the State of Texas <i>Single Audit Circular</i> ?	No

DALLAS COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2023

Identification of major programs:

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

Major Federal Programs:

84.425	Higher Education Emergency Relief Fund
--------	--

Major State Programs:

N/A	Skills Development Fund
-----	-------------------------

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000 for federal programs \$300,000 for state programs
---	--

Auditee qualified as low-risk auditee for federal programs?	Yes
--	-----

Auditee qualified as low-risk auditee for state programs?	Yes
--	-----

DALLAS COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2023

**SECTION II - FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS
REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Finding No. 2023-001: Compliance on allotment spending in program

Condition: During the course of our audit, we noted that Richland Collegiate High School (the “School”), a school operated by the College under a charter issued by the Texas Education Agency (TEA), did not meet minimum spending requirement for the TEA program intent code (PIC) 22 in the current fiscal year, or the three-year running average. The School spent \$285,744 for PIC 22 during fiscal year 2023 year, and the three-year average amounted to \$435,102.

Criteria: TEA PIC requires the following spending of allotment:

PIC	Allotment	% Spending Required	\$ Required
22	\$601,295	55%	\$330,712
Three-Year Average PIC 22	\$810,310	55%	\$445,671

Cause: The School did not monitor the spending for PIC 22 to ensure the School met the spending requirements as of year-end.

Effect: The School is not in compliance with TEA spending requirement for PIC 22.

Recommendation: We recommend that the School designs and implements procedures to follow the allotment spending as required by TEA program intent code.

Views of Responsible Officials and Planned Corrective Actions:

Management agrees with this finding. The Texas Education Agency (TEA) funds Career and Technical Education (CTE) courses based on a weighted funding model. Allowable CTE expenditures include educational and/or other services which prepare students for gainful employment and advanced technical training. Richland Collegiate High School incurs CTE-related expenses through tuition reimbursement, textbook purchases and staff dedicated to CTE instruction. The inability to meet the required spending threshold results from increased funding and static allowable expenses exacerbated by declining enrollment.

Richland Collegiate High School will closely monitor current year and the three-year average of revenues and expenses. The school has recently filled vacancies in advising and realigned job responsibilities to include the implementation of a CTE coordinator.

DALLAS COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2023

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

None noted.

DALLAS COLLEGE

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2023

None noted.

THIS PAGE INTENTIONALLY LEFT BLANK.

