

Comprehensive Annual Financial Report



For the Fiscal Years Ended
August 31, 2019 and 2018

Dallas County, Texas



Dallas County
Community College District

Education That Works.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS COUNTY, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

PREPARED BY

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE OF BUSINESS AFFAIRS

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

BOARD OF TRUSTEES

OFFICERS

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

MEMBERS

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

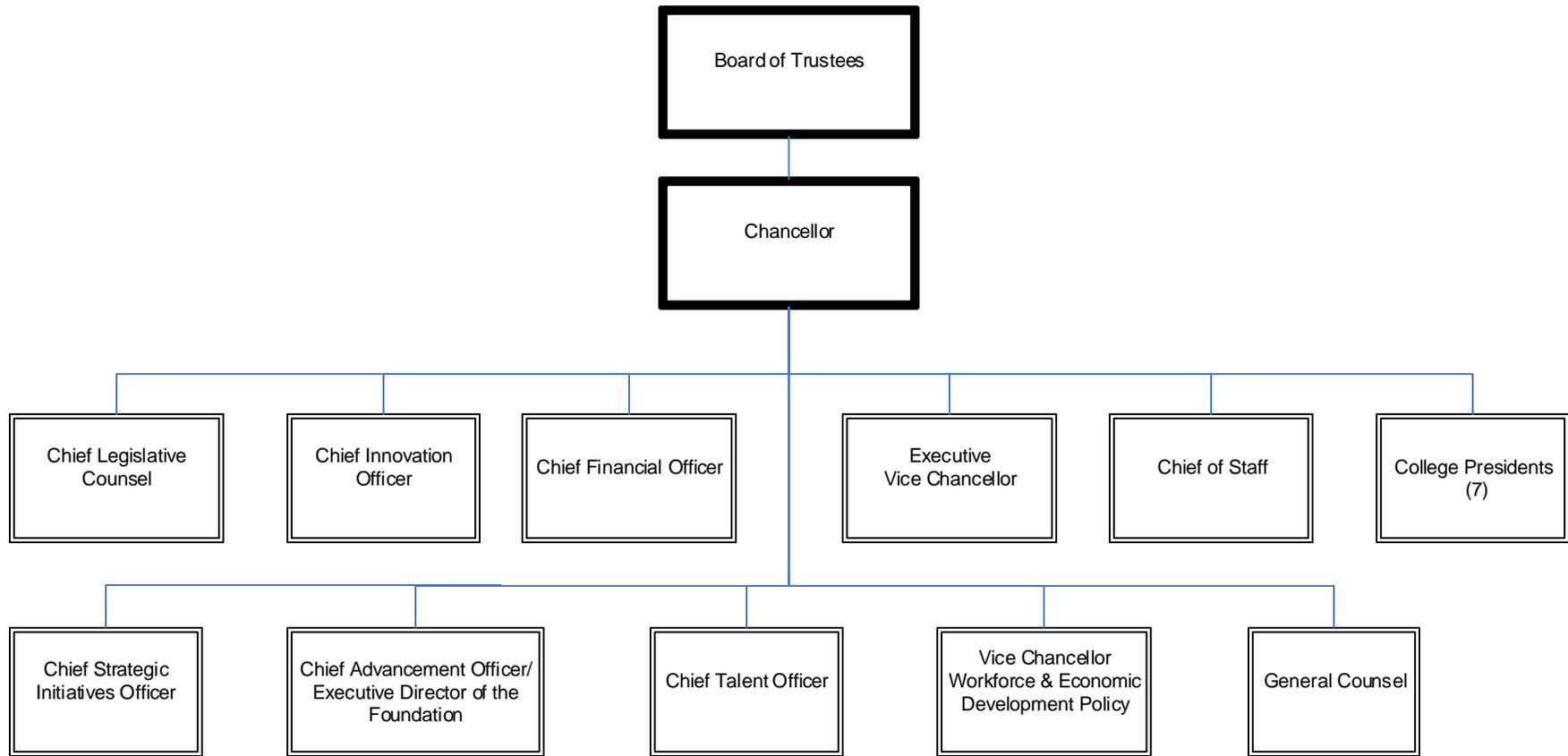
DISTRICT ADMINISTRATIVE OFFICERS

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

COLLEGE PRESIDENTS

Jose Adames	El Centro College
Vacant	Brookhaven College
Eddie Tealer	Eastfield College
Kathryn Eggleston	Richland College
Beatriz Joseph	Mountain View College
Joseph Seabrooks	Cedar Valley College
Christa Slejko	North Lake College

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
2018-2019**





**Dallas County
Community College District**

December 3, 2019



Joe D. May

On behalf of the Dallas County Community College District and the community of Dallas County, I am pleased to submit to the members of the DCCCD Board of Trustees our Comprehensive Annual Financial Report for the fiscal years which ended August 31, 2019 and 2018.

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

- DCCCD has partnered with 14 school districts and charter school systems to offer dual credit learning opportunities, with a 30.5% increase in dual credit headcount from 2017-18 to 2018-19 (from to 19,569 to 25,546 students enrolled). In August 2019, the Texas Education Agency approved 36 DCCCD Early College High Schools (ECHS), including 22 Pathways in Technology Early College High School (P-TECH) programs. The over 7,600 ECHS enrolled students from Dallas ISD alone, are able to pursue both a high school diploma and an associate's degree at no cost to them or their parents.
- DCCCD was awarded two Department of Labor Apprenticeship grants; one for \$12 million for specific skill sets in the health related industry; and another collaborating with San Jacinto College for \$1.4 million for information technology skills.
- For over 30 years, DCCCD has operated as one entity with seven separately accredited colleges. In August, the Board of Trustees authorized the move to a single-college district with seven branch campuses. This consolidation requires approval by the Southern Association of Colleges and Schools and that process will consume most of the coming year with the vote of approval expected to occur in December 2020.
- The Dallas County Promise program saw its first class of over 2,000 students for the first time in the fall 2018 semester and grew to over 5,300 students for the fall 2019 semester. This "last-dollar" program provides free tuition to graduating seniors from Dallas County who make the commitment to pursue a post-secondary certification or degree. In partnership with the DCCCD Foundation, the Dallas County Promise program is open to

A Letter from the Chancellor

high school seniors from the 57 area high schools. In conjunction with the Dallas County Promise program, a Parent Promise was added to provide free tuition for the parent of Promise students.

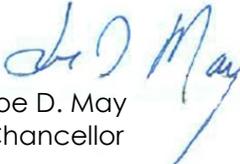
- The Board of Trustees authorized an election for the issuance of \$1.1 billion of general obligation bonds that was overwhelmingly supported by the taxpayers of Dallas County. The bonds will be issued over the next two to eight years in order to maintain the same debt service tax rate. The proceeds will be used to add a new instructional building due to the growth in our programs and develop a new downtown master planned education and innovation center to support the needs of Dallas area businesses and entrepreneurs.

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

As I have mentioned on many occasions, the jobs and workforce of the future will all require some postsecondary education. DCCCD 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.

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

Respectfully,



Joe D. May
Chancellor



Dallas County Community College District

December 3, 2019

To the Board of Trustees:

Respectfully submitted for your review is the comprehensive annual financial report for the Dallas County Community College District ("DCCCD") for the fiscal years ended August 31, 2019 and 2018. The purpose of this report is to provide detailed information about the financial condition and performance of DCCCD. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

Comprehensive Annual Financial Report

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

Reporting Entity

DCCCD is a special-purpose government engaged solely in business-type activities (BTA). In compliance with GASB Statements No. 34 and No. 35, 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 County Community College District Foundation, Inc. ("Foundation") has been discretely presented in DCCCD's statements as a component unit by inclusion of the statements and footnotes of the Foundation in DCCCD's statements and footnotes. Because the financial statements of the Foundation are presented in a different format from DCCCD and are incompatible with DCCCD's financial statements, the Foundation's financial statements are presented on separate pages from DCCCD's financial statements. The Foundation is a non-profit organization established in 1973 with its sole purpose being to provide benefits such as scholarships and grants to DCCCD.

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

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

Organization of DCCCD

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

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

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

Mission and Values

The mission of DCCCD 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:

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

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

Together, our colleges enroll more undergraduate (freshman and sophomore) students than any other college, university or community college system in the State of Texas. Since 1965, we have served more than 3 million students by providing:

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

Our student population is 17.5 percent Anglo, 40.4 percent Hispanic, 20.8 percent African American, 6.1 percent Asian, and 15.2 percent all others combined. DCCCD's workforce is becoming

increasingly diverse: 42.9 percent Anglo, 19.2 percent Hispanic, 25 percent African American, 7 percent Asian, and 5.9 percent all others combined.

Economic Conditions and Outlook

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

- Ad Valorem Taxes – increased by \$25 million due to the taxable assessed value increasing by 9.6%. The maintenance and operations tax rate remained unchanged.
- Net Tuition and Fees – decreased by \$5 million due to an increase in tuition waivers from the Early College High School enrollment increase.
- State Appropriations – decreased by \$1.2 million due to decreases in funding for health and retirement benefits. Instructional related state funding remained flat.

Taxable property values increased by 9.6% in fiscal year 2019 driven primarily by commercial and business personal property increases, especially in the central business district of Dallas.

In fiscal year 2019, credit student headcount increased by approximately 2.1%. DCCCD expects that enrollments will increase in fiscal year 2020 and in future years as the District invests in dual credit programs, workforce initiatives, and targets non-consumer markets.

The State Legislature completed the budget process for the 2020-2021 biennium and overall Texas Community Colleges had an increase of 5.9% as compared to the 2018-2019 biennium. DCCCD's portion increased by \$13.4 million for the biennium due to increases in enrollment and an increase in the student success point rate.

Operating expenses increased \$24.7 million in fiscal year 2019 primarily due to compensation increases and an increase in central services and Districtwide student initiatives.

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

Financial Planning and Budgeting

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

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

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

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

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

The Facilities Master Plan is developed on a rolling five-year basis and presented to the Board of Trustees. The District completed Facility Master Plans for all colleges, which were consolidated into a Districtwide plan, prioritized by student needs.

Major Initiatives

In May 2019, the voters authorized \$1.1 billion of general obligation bonds to fund the consolidated Districtwide projects.

- All projects will be phased over a 6-8 year time period.
- The first phase of \$297.2 million of projects is expected to be completed by 2022.

The Board also approved another major initiative, which includes improvements to public safety and security and updates to all information technology equipment and infrastructure.

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DCCCD for its comprehensive annual financial report for the fiscal year ended August 31, 2018, for the seventh consecutive year. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our comprehensive annual financial report for the fiscal year ended August 31, 2019 continues to meet the Certificate of Achievement program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Financial Transparency

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

Acknowledgements

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

GRANT THORNTON LLP

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#1800
Dallas, Texas 75201

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F +1 214 561 2370

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Dallas County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component units of Dallas County Community College District, (the "District") as of and for the year ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District as of August 31, 2019 and 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 29 and the Required Supplementary Information on pages 112 through 118, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2019, as required by Title 2 U.S. Code of Federal and State Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal and State Awards, and the State of Texas Uniform Grant Management Standards on pages 153 through 172, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 121 through 124, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The introductory section and statistical section on pages 2 through 10 and on pages 126 through 151, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 3, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Grant Thornton LLP

Dallas, Texas
December 3, 2019

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

Management's discussion and analysis of the annual financial statements of the Dallas County Community College District ("DCCCD") is designed to help readers understand some of the conditions and events contributing to the current financial position of DCCCD as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, DCCCD's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with DCCCD. For purposes of the summary and discussion, the terms "2019", "2018" and "2017" refer to fiscal years ended August 31, 2019, August 31, 2018, and August 31, 2017, respectively.

FINANCIAL HIGHLIGHTS FOR 2019

- Total assets for 2019 were \$1,127.9 million, increasing by \$29.7 million from 2018 due to increases in cash and cash equivalents. Total liabilities increased \$40.6 million during 2019 as a result of increases in the net pension and other post-employment benefit liabilities of \$53 million and \$36.8 million, respectively. These increases were offset by a reduction in bonds payable of \$50.2 million. Deferred outflows were \$157.9 million and deferred inflows were \$116.1 million.
- Net position at August 31, 2019 was \$497.9 million, of which, \$50.8 million was unrestricted and may be used to meet DCCCD's ongoing obligations.
- Total operating revenues in 2019 were \$108.7 million, down \$4.4 million primarily due to a decrease in net tuition of \$5 million. The decrease in net tuition is due to increases in tuition waivers from the Early College High School (ECHS) enrollment increase. Operating expenses were \$554.1 million, up \$24.7 million from 2018 primarily due to compensation increases and an increase in central services and districtwide student initiatives. Net non-operating revenues were \$503.1 million, an increase of \$29.9 million primarily attributed to increases in ad valorem tax revenue and investment income.
- Total bond payments for 2019 increased by \$4.0 million. General Obligation Refunding bond payments increased by \$15.4 million for 2019 while General Obligation bond payments decreased \$11.4 million reflecting the advance refundings in 2018 and 2017. Total bonds payable decreased by \$50.2 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

(UNAUDITED)

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

The financial position is presented as of August 31, 2019 and 2018 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. As required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, an accrual basis of accounting is employed. This means that transactions are recorded as incurred rather than when cash changes hands.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

Statements of Net Position

The focus of the Statements of Net Position is to illustrate the financial position at a point in time. These statements present the current financial resources (short-term spendable assets) along with assets planned to be held for more than a year. It also shows amounts owed against those assets and reveals the amount of remaining net position available to DCCCD for further endeavors. In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2017 through 2019 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
ASSETS					
Current Assets	\$ 350.5	\$ 239.0	\$ 227.7	\$ 111.5	\$ 11.3
Capital Assets, net of depreciation	629.7	631.4	631.7	(1.7)	(0.3)
Other Non-current Assets	147.7	227.8	210.2	(80.1)	17.6
Total Assets	1,127.9	1,098.2	1,069.6	29.7	28.6
DEFERRED OUTFLOWS OF RESOURCES	157.9	50.5	29.0	107.4	21.5
LIABILITIES					
Current Liabilities	161.6	152.7	144.6	8.9	8.1
Non-current Liabilities	510.1	478.4	307.9	31.7	170.5
Total Liabilities	671.7	631.1	452.5	40.6	178.6
DEFERRED INFLOWS OF RESOURCES	116.1	77.3	24.2	38.8	53.1
NET POSITION					
Net investment in Capital Assets	446.5	402.5	368.5	44.0	34.0
Restricted	0.6	4.8	1.8	(4.2)	3.0
Unrestricted	50.8	33.0	251.6	17.8	(218.6)
Total Net Position	\$ 497.9	\$ 440.3	\$ 621.9	\$ 57.6	\$ (181.6)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

Changes in Assets

Current assets increased by \$111.5 million in 2019 compared to 2018 as a result of a \$106.9 million increase in cash and cash equivalents. Interest rates in the investment pools were higher than the rates on securities so as securities matured the funds were reinvested in the pools. As a result, long-term investments decreased \$76.4 million from 2018. Short-term investments increased \$3 million.

Changes in Deferred Outflows

Deferred outflows increased by \$107.4 million in 2019. The deferred outflows related to other post-employment benefits increased by \$72.3 million while deferred outflows related to pensions increased \$36.8 million in 2019. Deferred loss on bond refunding decreased \$1.6 million for 2019 as scheduled amortization of losses from prior advanced refundings continue.

Changes in Liabilities

Current liabilities increased by \$8.9 million in 2019 due to a \$5.6 million increase in current bonds payable and a \$2.5 million increase in current portion of net other post-employment benefits (OPEB). Accounts payable and accrued liabilities increased by \$1 million.

Non-current liabilities increased by \$31.7 million in 2019 due to a \$53 million increase in net pension liability and a \$34.3 million increase in net other post-employment benefits liability, offset by the long-term bonds decrease of \$55.8 million. The net pension liability increased due to changes in demographic assumptions, economic assumptions and the lowering of the projected long-term rate of return from 8% to 7.25%. The net OPEB liability increase was due to a change in methodology by the Employees Retirement System (ERS). Long-term bonds continue principal reductions attributable to the advance refundings in 2018 and 2017.

Changes in Deferred Inflows

Deferred inflows in 2019 increased \$38.8 million due to an increase in deferred inflows related to other post-employment benefits of \$48.1 million. This increase was offset by a decrease in deferred inflows related to pensions of \$9.8 million.

Changes in Net Position

At August 31, 2019, the difference in assets and liabilities was \$497.9 million. While at August 31, 2018, the difference was \$440.3 million, an increase of \$57.6 million. The beginning Net Position for 2018 was restated as DCCCD implemented GASB Statement No. 75, related to OPEB.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

(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	
	2019	2018	2017	2019 to 2018	2018 to 2017
Operating Revenues					
Tuition and Fees (Net)	\$ 71.2	\$ 76.2	\$ 75.1	\$ (5.0)	\$ 1.1
Grants and Contracts	32.9	32.2	30.2	0.7	2.0
Auxiliary Enterprises	1.8	2.0	2.1	(0.2)	(0.1)
Other Operating Revenues	2.8	2.7	2.3	0.1	0.4
Total Operating Revenues	108.7	113.1	109.7	(4.4)	3.4
Operating Expenses	554.1	529.4	497.1	24.7	32.3
Operating Loss	(445.5)	(416.3)	(387.4)	(29.2)	(28.9)
Non-Operating Revenues and (Expenses)					
State Appropriations	117.4	118.6	118.6	(1.2)	0.0
Ad Valorem Taxes	307.2	282.2	262.1	25.0	20.1
Federal Revenue	73.3	75.0	70.9	(1.7)	4.1
Investment Income	12.5	5.8	3.4	6.7	2.4
Interest on Capital-Related Debt	(6.8)	(7.9)	(8.4)	1.1	0.5
Other Non-Operating Revenue (Expense)	(0.5)	(0.5)	(6.0)	0.0	5.5
Net Non-Operating Revenues	503.1	473.2	440.6	29.9	32.6
Increase in Net Position	57.6	56.9	53.2	0.7	3.7
Net Position - Beginning of Year	440.3	621.9	568.7	(181.6)	53.2
Cumulative effect of GASB Statement No. 75	-	(238.5)	-	238.5	(238.5)
Net Position - End of Year	\$ 497.9	\$ 440.3	\$ 621.9	\$ 57.6	\$ (181.6)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(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 decreased by \$5 million in 2019 due to an increase in credit tuition waivers and early college high school waivers. Grants and contracts provided 30.3% of operating revenue for 2019, which is a 1.8% increase compared to 2018. Auxiliary revenues, bookstore commissions, vending and food service providers, decreased slightly in 2019. In 2019, the District continued its efforts begun in 2017 to reduce textbook costs to students.

Non-Operating Revenues

State appropriations decreased \$1.2 million in 2019 when compared to 2018. Instructional related state funding and special items remained flat while funding for health care and retirement benefits decreased \$1.2 million during the same period.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2019 by \$25 million as the taxable assessed value increased 9.6% and the rate for maintenance and operations (M&O) was maintained at \$0.104 per \$100 valuation. Ad Valorem Tax revenue is the DCCCD's primary funding source in all three fiscal years shown, representing over half of the total non-operating revenues.

The investment income increase of \$6.7 million in 2019 over 2018 was attributable to higher average short-term investment and pool balances and increased return rates available in 2019.

In 2019, DCCCD elected to transfer \$0.3 million of funds held in its quasi-endowment fund to the Foundation for student scholarships. In fiscal year 2018, the District elected to transfer \$0.2 million of funds held in its quasi-endowment fund and \$738,245 of unrestricted funds to the Foundation for student scholarships. The total amounts transferred are included in Non-Operating Revenue (Expense).

Revenues by Source

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

(UNAUDITED)

federal financial aid is classified as non-operating revenue by GASB even though the portion that relates to tuition is required to be reported as a tuition discount against operations.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

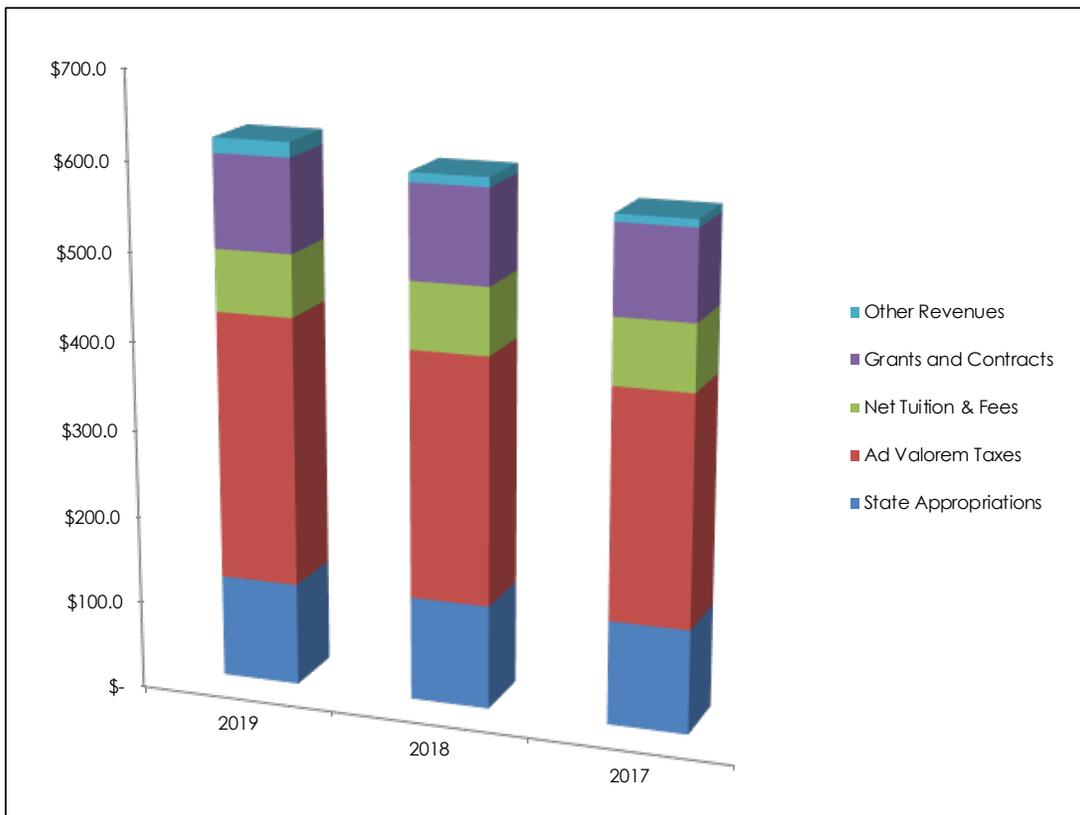
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
State Appropriations	\$ 117.4	\$ 118.6	\$ 118.6	\$ (1.2)	\$ -
Ad Valorem Taxes	307.2	282.2	262.1	25.0	20.1
Net Tuition & Fees	71.2	76.2	75.1	(5.0)	1.1
Grants and Contracts	106.2	107.2	101.1	(1.0)	6.1
Investments	12.5	5.7	3.4	6.8	2.3
Auxiliary Enterprises	1.8	2.0	2.1	(0.2)	(0.1)
Other Revenues	2.9	3.3	3.4	(0.4)	(0.1)
Total Revenues	\$ 619.2	\$ 595.2	\$ 565.8	\$ 24.0	\$ 29.4

REVENUE BY SOURCE
Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

Operating Expenses

Total Operating Expenses were \$554.1 million in 2019 and \$529.4 million in 2018 for an increase of \$24.7 million due largely to employees' salary increases of approximately 3% and an increase in central services and districtwide student initiatives.

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

Natural Classification

In 2019, salary expense increased as the Board of Trustees approved employee salary and staffing increases. Salaries increased \$12.1 million over 2018. Benefits increased in 2019 due to the effect of the salary increases on variable benefits and the increase in pension and other post-employment obligations costs (GASB Statement No. 75). As a percentage of salary expenses, benefits were 28.2% in 2019, 24.5% in 2018, and 23.4% in 2017. See Table 4 and Figure 2.

Functional Classification

As would be expected, the bulk of operating expenses are for instruction, which increased \$2.5 million in 2019 as compared to 2018 with the salary increases. The same is true for the other functional classifications as employee expense is the largest single type of expense. Institutional support increased \$12.6 million due to continuing safety and security initiatives approved by the Board and the impact of GASB Statement No. 75 on benefit costs. Depreciation decreased by \$0.9 million as compared to 2018 as more of our buildings continue to age past 50 years of service (i.e. become fully depreciated). See Table 5 and Figure 3.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

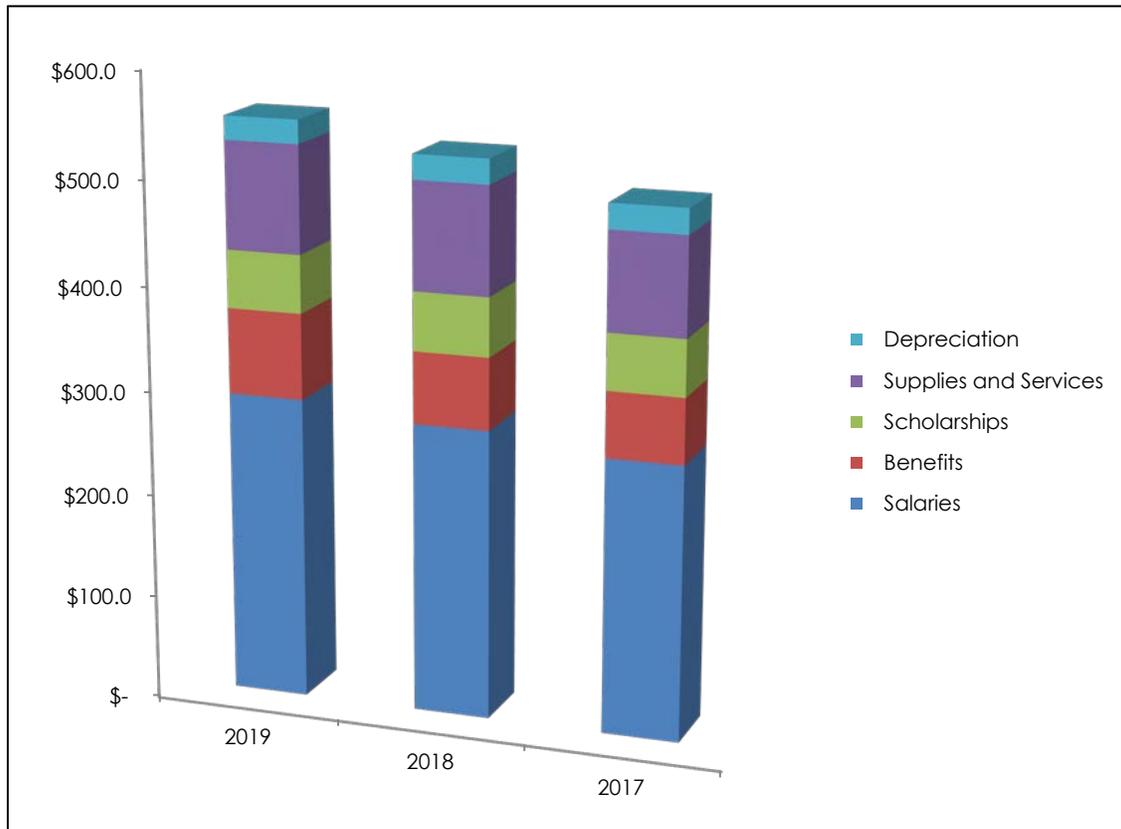
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
Salaries	\$ 291.0	\$ 278.9	\$ 264.4	\$ 12.1	\$ 14.5
Benefits	82.2	68.3	61.9	13.9	6.4
Scholarships	55.5	56.0	53.5	(0.5)	2.5
Supplies and Services	102.8	102.6	93.3	0.2	9.3
Depreciation	22.6	23.6	24.0	(1.0)	(0.4)
Total Operating Expenses	\$ 554.1	\$ 529.4	\$ 497.1	\$ 24.7	\$ 32.3

OPERATING EXPENSES – NATURAL CLASSIFICATION
Figure 2



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

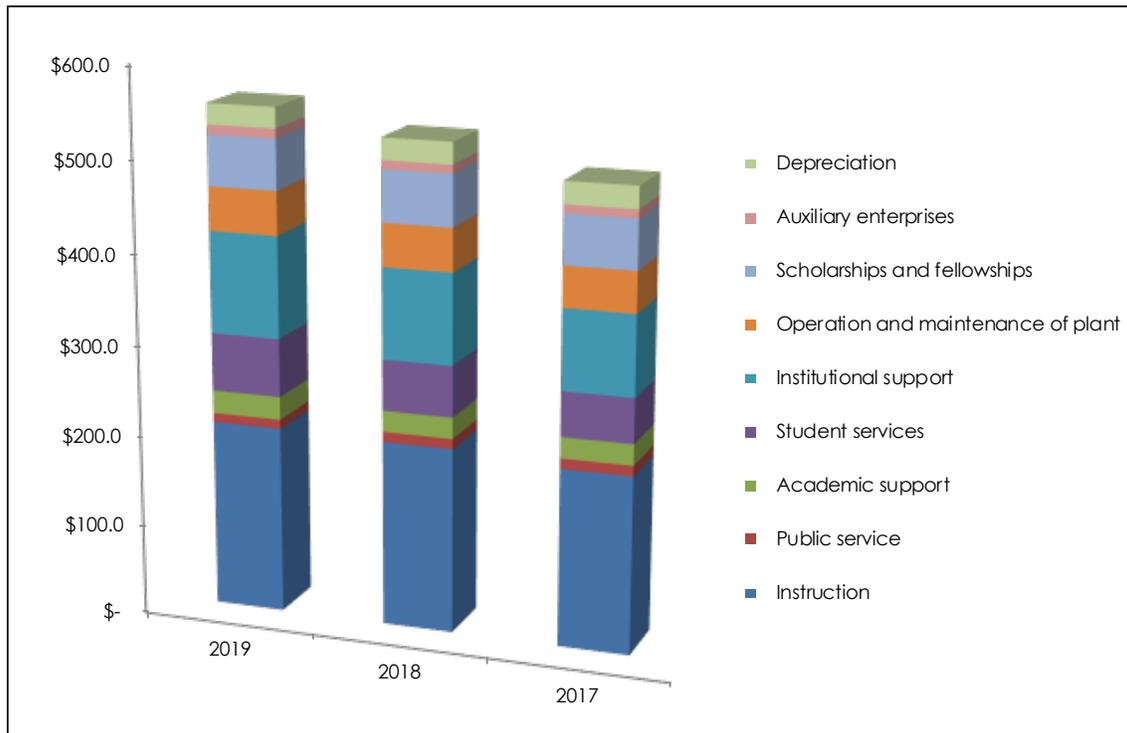
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
Instruction	\$ 206.2	\$ 203.7	\$ 195.0	\$ 2.5	\$ 8.7
Public service	10.1	11.2	11.4	(1.1)	(0.2)
Academic support	25.3	23.3	23.1	2.0	0.2
Student services	63.7	55.7	48.8	8.0	6.9
Institutional support	111.9	99.3	87.7	12.6	11.6
Operation and maintenance of plant	48.2	47.0	44.3	1.2	2.7
Scholarships and fellowships	55.5	56.1	53.5	(0.6)	2.6
Auxiliary enterprises	10.5	9.5	9.3	1.0	0.2
Depreciation	22.7	23.6	24.0	(0.9)	(0.4)
Total Operating Expenses	\$ 554.1	\$ 529.4	\$ 497.1	\$ 24.7	\$ 32.3

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION
Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

(UNAUDITED)

The Foundation

For the fiscal year ended August 31, 2019, the Foundation's net assets were \$57.8 million. The Foundation's net assets were \$56.5 million at August 31, 2018. The income from the Foundation is partially used to fund scholarships and grants for the students and employees of DCCCD. However, most of the Foundation's net assets are restricted; and therefore, not available for DCCCD's direct use. Net assets of the Foundation with donor restrictions that are perpetual in nature were \$33.7 million and \$33.0 million for the fiscal years ended August 31, 2019 and 2018, 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 DCCCD on the availability and ultimate change in the amount of cash from one year to the next. The cash provided or used by operations, capital and non-capital financing, and investing activities combine to show the net change in cash and cash equivalents. The final portion of the Statements of Cash Flows reconciles the net loss from operations to the cash used by operating activities.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2019, net capital assets decreased by \$1.7 million. More information on Capital Assets can be found in Note 5 and Notes 6-9 for Long-Term Debt activity.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
CAPITAL ASSETS:					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	885.8	893.4	891.5	(7.6)	1.9
Land Improvements	59.2	38.7	33.6	20.5	5.1
Equipment, Furniture, and Software	90.9	87.9	84.4	3.0	3.5
Library Books	8.2	8.0	7.7	0.2	0.3
Construction In Progress	30.2	27.0	16.0	3.2	11.0
Total	1,113.2	1,093.9	1,072.1	19.3	21.8
Less Accumulated Depreciation	(483.5)	(462.5)	(440.4)	(21.0)	(22.1)
Net Capital Assets	\$ 629.7	\$ 631.4	\$ 631.7	\$ (1.7)	\$ (0.3)

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

In November 2018, DCCCD completed a private placement of \$27,280,000 general obligation refunding bonds. The refunding proceeds with contributed District funds paid off \$31.6 million of the District's 2010 general obligation bonds.

Subsequent to fiscal 2019, DCCCD completed a private placement of \$22,210,000 general obligation refunding bonds. The refunding proceeds paid off \$22.2 million of the District's 2010 general obligation refunding bonds.

Principal and interest for bond payments are shown below:

TABLE 7: BOND PAYMENTS
(In Millions)

	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
GO Bonds	\$ 7.1	\$ 18.5	\$ 20.2	\$ (11.4)	\$ (1.7)
GO Refunding Bonds	42.9	27.5	19.1	15.4	8.4
Total	\$ 50.0	\$ 46.0	\$ 39.3	\$ 4.0	\$ 6.7

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

(UNAUDITED)

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

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

	Fiscal Year			Change	
	2019	2018	2017	2019 to 2018	2018 to 2017
GO Bonds	\$ -	\$ 40.0	\$ 56.9	\$ (40.0)	\$ (16.9)
GO Refunding Bonds	198.8	209.0	232.3	(10.2)	(23.3)
Totals	\$ 198.8	\$ 249.0	\$ 289.2	\$ (50.2)	\$ (40.2)

Standard & Poor's Rating Services, Moody's Investors Service, Inc., and Fitch Ratings all assigned their highest credit rating of "AAA" for the District's General Obligation bonds. Some of the reasons cited for the rating were (1) a strong tax base, (2) flexible revenue sources, and (3) strong fiscal management. There are only a handful of community colleges in the country that have the highest rating from all three rating agencies. Fitch Ratings, Moody's and Standard & Poor's reaffirmed their ratings in 2017.

Currently Known Facts, Decisions and Conditions

The certified tax assessed value increased for fiscal year 2020 by 7.6% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate also remained the same at \$0.02000 per \$100 valuation.

In fiscal year 2019, District voters authorized \$1.1 billion of general obligation bonds to fund Districtwide projects which were prioritized by student needs. Projects will be phased over a six to eight year period. The first phase of \$297.2 million of projects is expected to be completed in 2022.

Additionally, the board approved an initiative which includes improvements to Information Technology infrastructure and Public Safety and Security at all locations.

Contacting DCCCD's Financial Management

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

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

FINANCIAL STATEMENTS

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET POSITION
AUGUST 31, 2019 AND 2018
EXHIBIT 1**

ASSETS	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	\$ 255,726,815	\$ 148,733,898
Short-term investments	29,958,907	26,906,477
Accounts receivable (net of allowance for uncollectible accounts)	18,714,791	20,987,257
Tuition and fees receivable (net of allowance for uncollectible accounts)	18,129,629	17,350,186
Taxes receivable (net of allowance for uncollectible accounts)	1,817,984	1,763,662
Accrued charges, net	23,318,011	20,028,372
Inventories	230,280	228,882
Prepaid expenses	2,594,620	3,026,351
	<hr/>	<hr/>
Total current assets	350,491,037	239,025,085
NON-CURRENT AND RESTRICTED ASSETS:		
Restricted cash and cash equivalents	12,169,222	15,903,013
Long-term investments	135,511,912	211,874,789
Capital assets, net		
Not subject to depreciation	69,100,847	65,894,714
Subject to depreciation	560,583,853	565,562,943
	<hr/>	<hr/>
Total non-current assets	777,365,834	859,235,459
	<hr/>	<hr/>
TOTAL ASSETS	1,127,856,871	1,098,260,544
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	5,678,779	7,320,285
Deferred outflows related to pensions	74,113,728	37,323,962
Deferred outflows related to OPEB	78,107,561	5,846,957
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	14,272,526	12,910,988
Accrued liabilities	9,130,340	9,507,627
Accrued interest	352,087	462,430
Accrued compensable absences	9,699,555	9,138,228
Funds held for others	1,501,955	1,596,826
Unearned revenues	74,225,898	74,873,847
Net OPEB liability—current portion	3,546,837	1,036,866
Bonds payable—current portion	48,743,785	43,124,898
Capital lease payable—current portion	105,948	96,853
	<hr/>	<hr/>
Total current liabilities	161,578,931	152,748,563
NON-CURRENT LIABILITIES:		
Accrued compensable absences	5,086,274	4,825,074
Net pension liability	117,105,618	64,010,885
Net OPEB liability	237,573,512	203,307,847
Bonds payable	150,044,763	205,893,643
Capital leases payable	319,192	425,140
	<hr/>	<hr/>
Total non-current liabilities	510,129,359	478,462,589
	<hr/>	<hr/>
TOTAL LIABILITIES	671,708,290	631,211,152
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on bond refunding	529,240	-
Deferred inflows related to pensions	22,257,684	32,085,000
Deferred inflows related to OPEB	93,329,032	45,181,596
NET POSITION		
Net investment in capital assets	446,459,560	402,522,068
Restricted for:		
Debt service	616,810	4,742,179
Unrestricted	50,856,323	33,009,753
	<hr/>	<hr/>
TOTAL NET POSITION (Schedule D)	\$ 497,932,693	\$ 440,274,000

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2019 AND 2018
EXHIBIT 1A

ASSETS	2019	2018
Cash and cash equivalents	\$ 2,043,909	\$ 8,847,601
Accrued interest and dividends receivable	217,631	150,026
Contributions receivable, net	260,031	195,148
Other assets	6,700	6,700
Prepaid Expense	3,203	3,203
Investments	<u>55,473,287</u>	<u>48,926,326</u>
Total assets	<u>\$58,004,761</u>	<u>\$58,129,004</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Due to affiliate	\$ 126,704	\$ 1,609,099
Accounts payable	<u>65,451</u>	<u>34,183</u>
Total liabilities	<u>192,155</u>	<u>1,643,282</u>
Net assets:		
Without Donor Restrictions	<u>4,487,313</u>	<u>4,868,613</u>
With Donor Restrictions:		
Purpose Restrictions	19,656,876	18,596,531
Perpetual in nature	<u>33,668,417</u>	<u>33,020,578</u>
	<u>53,325,293</u>	<u>51,617,109</u>
Total net assets	<u>57,812,606</u>	<u>56,485,722</u>
Total liabilities and net assets	<u>\$58,004,761</u>	<u>\$58,129,004</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018
EXHIBIT 2**

	2019	2018
OPERATING REVENUES:		
Tuition and charges (net of discounts of \$58,718,652 and \$56,827,578, respectively)	\$ 71,216,814	\$ 76,150,038
Federal grants and contracts	19,880,365	18,209,482
State grants and contracts	7,379,884	12,081,882
Non-governmental grants and contracts	5,582,300	1,962,931
Sales and services of educational activities	536,775	572,175
Auxiliary enterprises	1,797,938	2,035,561
General operating revenues	2,272,523	2,096,579
Total operating revenues (Schedule A)	108,666,599	113,108,648
OPERATING EXPENSES:		
Instruction	206,217,665	203,691,621
Public service	10,079,242	11,185,849
Academic support	25,313,009	23,314,808
Student services	63,746,939	55,694,043
Institutional support	111,966,081	99,268,138
Operation and maintenance of plant	48,209,381	47,073,154
Scholarships and fellowships	55,474,178	56,038,132
Auxiliary enterprises	10,492,543	9,544,000
Depreciation	22,643,523	23,575,310
Total operating expenses (Schedule B)	554,142,561	529,385,055
OPERATING LOSS	(445,475,962)	(416,276,407)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	117,381,430	118,624,053
Ad valorem taxes (net of bad debt and collection fee of \$3,402,735 and \$3,011,173, respectively)	307,214,922	282,181,833
Federal revenue, non-operating	73,348,365	74,999,089
Gifts	29,459	106,238
Investment income (loss)	12,536,696	5,752,448
Interest on capital related debt	(6,832,769)	(7,920,169)
Gain (loss) on disposal of fixed assets & easement rights	(217,736)	(184,604)
Other non-operating revenue	64,690	560,356
Other non-operating expense	(390,402)	(941,225)
Net non-operating revenues (Schedule C)	503,134,655	473,178,019
INCREASE IN NET POSITION	57,658,693	56,901,612
NET POSITION:		
Net Position—Beginning of Year	440,274,000	621,902,470
Cumulative effect of change in accounting principle (Note 2)	-	(238,530,082)
Net Position—Beginning of Year, as restated	440,274,000	383,372,388
Net Position—End of Year	\$ 497,932,693	\$ 440,274,000

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
 YEAR ENDED AUGUST 31, 2019
 EXHIBIT 2A

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Contributions	\$ 80,038	\$ 3,606,421	\$ 3,686,459
Interest and dividend income	803,564	1,219,993	2,023,557
Contributed salaries	1,267,806	-	1,267,806
Net realized and unrealized gains on investments, net	(829,581)	(1,283,506)	(2,113,087)
Net assets released from restrictions	<u>1,837,910</u>	<u>(1,837,910)</u>	<u>-</u>
Total revenues	3,159,737	1,704,998	4,864,735
EXPENSES			
Program services:			
Scholarship awards	(356,695)	-	(356,695)
Grants	<u>2,251,355</u>	<u>-</u>	<u>2,251,355</u>
Total program services	<u>1,894,660</u>	<u>-</u>	<u>1,894,660</u>
Non-program services:			
Management and general	918,967	-	918,967
Fundraising	<u>724,224</u>	<u>-</u>	<u>724,224</u>
Total non-program services	<u>1,643,191</u>	<u>-</u>	<u>1,643,191</u>
Total expenses	<u>3,537,851</u>	<u>-</u>	<u>3,537,851</u>
Transfers between funds, based on donor instructions	<u>(3,186)</u>	<u>3,186</u>	<u>-</u>
Change in net assets	(381,300)	1,708,184	1,326,884
Net assets, beginning of year	<u>4,868,613</u>	<u>51,617,109</u>	<u>56,485,722</u>
Net assets, end of year	<u>\$4,487,313</u>	<u>\$53,325,293</u>	<u>\$57,812,606</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018

EXHIBIT 2A
(CONTINUED)

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES			
Contributions	\$ 255,317	\$ 2,758,161	\$ 3,013,478
Interest and dividend income	673,772	921,647	1,595,419
Contributed salaries	1,202,765	-	1,202,765
Net realized and unrealized gains on investments, net	1,700,322	1,826,538	3,526,860
Net assets released from restrictions	<u>3,963,480</u>	<u>(3,963,480)</u>	<u>-</u>
Total revenues	<u>7,795,656</u>	<u>1,542,866</u>	<u>9,338,522</u>
EXPENSES			
Program services:			
Scholarship awards	2,084,385	-	2,084,385
Grants	<u>1,923,467</u>	<u>-</u>	<u>1,923,467</u>
Total program services	<u>4,007,852</u>	<u>-</u>	<u>4,007,852</u>
Non-program services:			
Management and general	843,606	-	843,606
Fundraising	<u>710,408</u>	<u>-</u>	<u>710,408</u>
Total non-program services	<u>1,554,014</u>	<u>-</u>	<u>1,554,014</u>
Total expenses	<u>5,561,866</u>	<u>-</u>	<u>5,561,866</u>
Transfers between funds, based on donor instructions	<u>(99,511)</u>	<u>99,511</u>	<u>-</u>
Change in net assets	2,134,279	1,642,377	3,776,656
Net assets, beginning of year	<u>2,734,334</u>	<u>49,974,732</u>	<u>52,709,066</u>
Net assets, end of year	<u>\$4,868,613</u>	<u>\$51,617,109</u>	<u>\$56,485,722</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018
EXHIBIT 3**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 61,312,388	\$ 77,747,961
Receipts from grants and contracts	45,694,606	19,309,804
Payments to suppliers for goods and services	(100,618,095)	(99,843,452)
Payments to or on behalf of employees	(332,921,548)	(318,566,925)
Payments for scholarships and fellowships	(58,353,873)	(55,395,742)
Collection of loans to students	12,208	(987)
Other receipts	2,260,315	2,096,579
Net cash used by operating activities	(382,613,999)	(374,652,762)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	310,240,836	285,301,360
Payments for collection of taxes	(3,080,238)	(2,942,506)
Receipts from state appropriations	96,329,763	96,697,916
Receipts from federal grants for non-operating activities	73,320,387	75,050,920
Receipts from federal student direct loan program	37,410,691	40,726,735
Payments of federal direct loans to students	(37,382,713)	(40,778,566)
Receipts from student organizations and other agency transactions	1,669,630	1,764,109
Payments to student organizations and other agency transactions	(1,764,501)	(1,857,397)
Receipt of insurance proceeds for building damages	64,690	490,832
Transfer of funds to related party for scholarships	(300,000)	(938,245)
Net cash provided by non-capital financing activities	476,508,545	453,515,158
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds from the sale of capital assets	2,500	47
Purchases of capital assets	(21,078,802)	(22,945,329)
Payments on capital debt - refunding	(4,996,848)	-
Payments on capital debt - principal	(41,326,853)	(34,829,690)
Payments on capital debt - interest	(8,865,916)	(11,551,991)
Net cash used by capital and related financing activities	(76,265,919)	(69,326,963)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	290,500,000	129,305,000
Proceeds from interest on investments	9,410,435	6,510,848
Purchases of investments	(214,279,936)	(164,084,220)
Net cash provided (used) by investing activities	85,630,499	(28,268,372)
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	103,259,126	(18,732,939)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	164,636,911	183,369,850
CASH AND CASH EQUIVALENTS, AUGUST 31	\$ 267,896,037	\$ 164,636,911

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

**EXHIBIT 3
(CONTINUED)**

	2019	2018
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (445,475,962)	\$ (416,276,407)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	22,643,523	23,575,310
Bad debt expense	1,503,100	1,255,200
Payments made directly by State for benefits	22,766,856	23,720,272
Change in fair value of investments		
Changes in assets and liabilities:		
Receivables (net)	190,273	(15,133,613)
Accrued charges	(3,289,639)	1,170,992
Inventories	(1,398)	(5,112)
Prepaid expenses	431,731	(642,067)
Accounts payable	1,361,538	1,353,509
Accrued liabilities	(377,287)	2,623,908
Compensable absences	822,527	1,072,340
Pension liability	53,094,733	9,338,832
Other Post Employment Benefits Liability	36,775,636	(39,803,767)
Deferred outflows - pension	(40,545,090)	(23,060,275)
Deferred outflows - other post employment benefits	(72,260,604)	1,353,854
Deferred outflows - debt	1,641,506	1,890,559
Deferred inflows - pension	(9,827,316)	7,878,969
Deferred inflows - other post employment benefits	48,147,436	45,181,596
Deferred inflows - debt	529,240	-
Capital lease payable	(96,853)	-
Unearned revenue	(647,949)	(146,862)
Net cash used by operating activities	\$ (382,613,999)	\$ (374,652,762)
 Non-cash investing, capital and financing activities:		
Loss on refunding, net of amortization	\$ 1,641,506	\$ 1,890,559
Gain on refunding, net of amortization	529,240	-
Change in fair value of investments	(1,850,126)	979,550
Gifts of depreciable and non-depreciable assets	29,459	106,238
Capital lease of equipment	-	521,993
Amortization of premium on bonds	4,679,993	5,446,288
Net non-cash investing, capital and financing activities	\$ 5,030,072	\$ 8,944,628

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

1. REPORTING ENTITY

The Dallas County Community College District (the "District") was established in 1965 in accordance with the laws of the State of Texas to serve the educational needs of Dallas County and the surrounding communities. The District is considered to be a special purpose, primary government involved in business-type activities in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus--An Amendment of GASB Statements No. 14 and No. 3*. While the District receives funding from local, state, and federal sources and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

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

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

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units, including the Dallas County Community College District Foundation, Inc. (the "Foundation"). The Foundation is a separate non-profit organization, and its sole purpose is to provide benefits such as scholarships and grants to the students, faculty and staff of the District, as well as raise money to support capital projects. The Foundation is a legally separate entity which does not provide a financial benefit or impose a financial burden on the District. The District does not appoint any of the Foundation's board members. The financial position and results of operations of the Foundation are included in these financial statements in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 61, *The Financial Reporting Entity: Omnibus--An Amendment of GASB Statements No. 14 and No. 34*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, as an affiliated entity because the Foundation's sole function is to fund the District and its students. The complete financials of the Foundation are located on their website at: <http://www.foundation.dcccd.edu/financials> or request a copy by writing to: DCCCD Foundation, 1601 South Lamar St., Dallas, TX. 75215-1816.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines—The District is classified as a special-purpose government engaged in business-type activities. The Statements of Net Position display the financial position of the District at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of the District for the fiscal years ended August 31, 2019 and 2018. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

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

Budgetary Data—Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees (the "Board") adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with THECB, Legislative Budget Board, Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Tuition Discounting

Texas Public Education Grant (TPEG)

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition revenue amounts on Schedule A as a separate amount (Texas Education Code §56.0333). When the award for tuition is used by the student, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Administration (HEA) Program Funds

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Other Tuition Discounts

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

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

Cash and Cash Equivalents—The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments—In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments consist of investments that have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

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

Accrued Charges—Current accrued charges of \$23,318,011 and \$20,028,372 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2019 and 2018, respectively.

The District defers and amortizes the production costs associated with instructional television programs and other related materials on a straight-line basis over the estimated useful life of such media, which ranges from two to five years. These materials are produced and used both internally for instruction and for lease by the District to other educational institutions. At August 31, 2019 and 2018, respectively, the District had no deferred production costs.

Capital Assets—Capital assets are stated at cost as of the date of acquisition. Donated capital assets are stated at acquisition value in accordance with GASB Statement No. 72, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The District reports depreciation under a single-line item as a business-type unit. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Library

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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.

Pension—The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multi-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Unearned Revenues—Tuition of \$42,838,479 and \$44,605,380 and federal, state, and local grants of \$31,387,419 and \$30,268,467 have been reported by the District as unearned revenues at August 31, 2019 and 2018, respectively.

Deferred Outflows of Resources—The Statements of Net Position include a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by GASB. For 2019 and 2018, the deferred loss on bond refunding and the future

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

expense related to pension and OPEB are presented as Deferred Outflows of Resources.

Deferred Inflows of Resources—The Statements of Net Position also include a section for deferred inflows of resources, which represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by GASB. For 2019 and 2018, the Deferred Inflows of Resources were due to future revenues related to the pension and OPEB.

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

Operating and Non-Operating Revenues and Expenses Policy—The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and contracts and grants. Other Operating Revenues consist of a variety of miscellaneous revenues that include such items as payments for parking citations, room rental income, ticket sales, credit by exam income, and other miscellaneous income not applicable to any other category. The major non-operating revenues are state appropriations, property tax collections, and Title IV federal revenues not discounted against tuition. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of the bookstore and food service are performed by a third party contracted by the District.

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

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

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

Prior Year Restatement—The District makes a prior year restatement, as necessary, in accordance with Accounting Principle Board Opinion No. 20.

Restatement to Beginning Net Position—Effective fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("OPEB"). Accordingly, a restatement to beginning net position was required for the

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

recording of the beginning net OPEB liability and for the recording of deferred outflows of resources related to OPEB for contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

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

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

	2019	2018
Increase in net position	\$ 57,658,693	\$ 56,901,612
NET POSITION:		
Net Position--Beginning of Year	440,274,000	621,902,470
Cumulative effect of change in accounting principle for:		
Other post employment benefits liability	-	(244,148,480)
Deferred outflows of resources	-	5,618,398
Total cumulative effect of change	-	(238,530,082)
Net Position--Beginning of Year, as restated	440,274,000	383,372,388
Net Position--End of Year	\$ 497,932,693	\$ 440,274,000

GASB Pronouncements—Effective with fiscal year 2018, the District implemented the following:

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

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

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

GASB Statement No. 85, *Omnibus 2017*

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

Effective with fiscal year 2019, the District implemented the following:

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

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 90, *Majority Interests — an amendment of GASB Statements No. 14 and No. 61*

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

GASB Statement No. 87, *Leases*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Project*

Effective with fiscal year 2022, the District will implement the following:

GASB Statement No. 91, *Conduit Debt Obligations*

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

3. AUTHORIZED INVESTMENTS

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

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

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

Investment in any and all types of derivatives is prohibited.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

4. DEPOSITS AND INVESTMENTS

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

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

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

The carrying amount of the District's deposits with financial institutions as of August 31, 2019 was \$7,476,086, and the bank balance was \$11,455,148. The carrying amount of the District's deposits with financial institutions as of August 31, 2018 was \$6,184,072, and the bank balance was \$10,092,741. At August 31, 2019 and 2018, all of the District's non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third-party agreements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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

	<u>2019</u>	<u>2018</u>
Bank deposits		
Local funds - demand	\$ 7,448,882	\$ 6,155,682
Total deposits	7,448,882	6,155,682
Cash on hand	27,204	28,390
Cash equivalents		
Investment in TexPool	273,241	267,033
Investment in TexSTAR	8,960,389	8,756,788
Investment in LOGIC	83,096,814	49,679,084
Investment in Lone Star	73,531,492	42,293,602
Investment in Texas CLASS	47,516,582	29,176,687
Investment in Texas Term	47,041,433	28,279,645
Total cash equivalents	<u>260,419,951</u>	<u>158,452,839</u>
Total cash and cash equivalents	<u>\$ 267,896,037</u>	<u>\$ 164,636,911</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 District is authorized to invest in obligations and instruments as defined in applicable sections of the current Texas Education Code and the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than “A” by a national investment rating firm, (4) certificates of deposit, (5) Commercial paper with maximum maturity of 181 days, and (6) other instruments and obligations authorized by statute. The investment policies of the District are governed by formally adopted procedures and allow investments as permitted under state laws for public institutions. Permissible investments under District policy include U.S. Treasury notes, certificates of deposit purchased from FDIC-insured state or nationally chartered U.S. banks, fully collateralized repurchase agreements and reverse repurchase agreements, investment pools, and securities issued by U.S. government agencies or municipalities.

At August 31, 2019 and 2018, long-term investments consisted of U.S. government and agency securities.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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At August 31, 2019, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 145,511,022	\$ 9,999,110	\$ 5,031,415	\$ 46,806,468	\$ 37,623,925	\$ 46,050,104	\$ -
Commercial paper	19,959,797	19,959,797	-	-	-	-	-
Investment Pools:							
TexPool	273,241	273,241	-	-	-	-	-
TexSTAR	8,960,389	8,960,389	-	-	-	-	-
LOGIC	83,096,814	83,096,814	-	-	-	-	-
Lone Star	73,531,492	73,531,492	-	-	-	-	-
Texas CLASS	47,516,582	47,516,582	-	-	-	-	-
Texas Term	47,041,433	47,041,433	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 425,890,770</u>	<u>\$ 290,378,858</u>	<u>\$ 5,031,415</u>	<u>\$ 46,806,468</u>	<u>\$ 37,623,925</u>	<u>\$ 46,050,104</u>	<u>\$ -</u>

At August 31, 2018, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 218,823,381	\$ 6,948,592	\$ 29,910,204	\$ 41,744,426	\$ 82,602,727	\$ 33,185,957	\$ 24,431,475
Commercial paper	19,957,885	19,957,885	-	-	-	-	-
Investment Pools:							
TexPool	267,033	267,033	-	-	-	-	-
TexSTAR	8,756,788	8,756,788	-	-	-	-	-
LOGIC	49,679,084	49,679,084	-	-	-	-	-
Lone Star	42,293,602	42,293,602	-	-	-	-	-
Texas CLASS	29,176,687	29,176,687	-	-	-	-	-
Texas Term	28,279,645	28,279,645	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 397,234,105</u>	<u>\$ 185,359,316</u>	<u>\$ 29,910,204</u>	<u>\$ 41,744,426</u>	<u>\$ 82,602,727</u>	<u>\$ 33,185,957</u>	<u>\$ 24,431,475</u>

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District's investment policy sets guidelines for the maximum percent of portfolio for any one type of investment. However, all of the District's investments are backed by the U.S. Government and are not subject to concentration of credit risk. Investment in investment pools,

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as the largest component of the portfolio, comprises 62.2% of the District's total portfolio at August 31, 2019 and meets the District's guideline of no more than 85% of the portfolio being investment pools.

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	Fair Value August 31, 2019	Fair Value August 31, 2018
Total cash and cash equivalents	\$ 267,896,037	\$ 164,636,911
Total investments	165,470,819	238,781,266
 Total	 \$ 433,366,856	 \$ 403,418,177
 Cash and cash equivalents (Exhibit 1)	 \$ 255,726,815	 \$ 148,733,898
Restricted cash and cash equivalents (Exhibit 1)	12,169,222	15,903,013
Short-term investments (Exhibit 1)	29,958,907	26,906,477
Long-term investments (Exhibit 1)	135,511,912	211,874,789
 Total	 \$ 433,366,856	 \$ 403,418,177

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2019 or 2018.

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

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

Local Government Investment Cooperative (LOGIC) is managed by JP Morgan Chase and Hilltop Securities, Inc. in compliance with the Texas Public Funds Investment Act. LOGIC carries Standard & Poor's AAAM rating. In addition to investing in U.S. Treasury and Agency Securities,

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LOGIC provides additional diversification by investing in repurchase agreements and prime commercial paper. Investments in LOGIC are included within cash and cash equivalents in the accompanying Statements of Net Position.

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

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

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

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

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

Fair Value of Financial Instruments

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

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

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The three levels of the fair value hierarchy are as follows:

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

Because the District's 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, 2019 and 2018 are:

	Fiscal Year 2019			Fiscal Year 2018
	Level 1	Level 2	Level 3	Total
U.S. Government Agencies	\$ 145,511,022	\$ -	\$ -	\$ 145,511,022
Commercial Paper	-	19,959,797	-	19,957,885
Total fair value	\$ 145,511,022	\$ 19,959,797	\$ -	\$ 165,470,819

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2019
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	<u>26,975,652</u>	<u>15,926,436</u>	<u>(12,720,303)</u>	<u>30,181,785</u>
Total not depreciated	65,894,714	15,926,436	(12,720,303)	69,100,847
Capital assets subject to depreciation:				
Buildings and building improvements	893,445,513	-	-	893,445,513
Land improvements	38,762,002	12,728,245	-	51,490,247
Furniture, machinery, vehicles, and other equipment	87,916,306	4,922,327	(1,893,999)	90,944,634
Library books	<u>7,973,436</u>	<u>234,095</u>	<u>-</u>	<u>8,207,531</u>
Total depreciated	1,028,097,257	17,884,667	(1,893,999)	1,044,087,925
Accumulated depreciation:				
Buildings and building improvements	(366,856,894)	(16,895,430)	-	(383,752,324)
Land improvements	(21,912,828)	(623,610)	-	(22,536,438)
Furniture, machinery, vehicles, and other equipment	(68,365,116)	(4,701,646)	1,673,763	(71,392,999)
Library books	<u>(5,399,476)</u>	<u>(422,835)</u>	<u>-</u>	<u>(5,822,311)</u>
Total accumulated depreciation	<u>(462,534,314)</u>	<u>(22,643,521)</u>	<u>1,673,763</u>	<u>(483,504,072)</u>
Net capital assets subject to depreciation	565,562,943	-	-	560,583,853
Net capital assets	<u>\$ 631,457,657</u>	<u>\$ 11,167,582</u>	<u>\$ (12,940,539)</u>	<u>\$ 629,684,700</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

6. NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019	Current Portion
Series 2009 General Obligation Bonds	\$ 4,845,000	\$ -	\$ (4,845,000)	\$ -	\$ -
Series 2010 General Obligation Bonds	33,730,000	-	(33,730,000)	-	-
Series 2010 General Obligation Refunding Bonds	29,720,000	-	(3,670,000)	26,050,000	3,840,000
Series 2016 General Obligation Refunding Bonds	103,990,000	-	(15,300,000)	88,690,000	16,950,000
Series 2017 General Obligation Refunding Bonds	56,065,000	-	(12,600,000)	43,465,000	13,875,000
Series 2018 General Obligation Refunding Bonds	-	27,280,000	(2,685,000)	24,595,000	10,455,000
Unamortized bond premium	20,668,541	-	(4,679,993)	15,988,548	3,623,785
Subtotal bonds	<u>249,018,541</u>	<u>27,280,000</u>	<u>(77,509,993)</u>	<u>198,788,548</u>	<u>48,743,785</u>
Accrued interest	462,430	352,087	(462,430)	352,087	352,087
Capital lease payable	521,993	-	(96,853)	425,140	105,948
Compensable absences	13,963,302	10,794,086	(9,971,559)	14,785,829	9,699,555
Net pension liability	64,010,885	60,261,917	(7,167,184)	117,105,618	-
Net OPEB liability	204,344,713	95,227,894	(58,440,723)	241,120,349	3,546,837
Total	<u>\$ 532,321,864</u>	<u>\$ 193,915,984</u>	<u>\$ (153,648,742)</u>	<u>\$ 572,577,571</u>	<u>\$ 62,448,212</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

7. DEBT AND LEASE OBLIGATIONS

The District has authorized debt of General Obligation (GO) bonds. GO bonds are authorized by the Board and approved by the voters of the District's service area and secured by an ad valorem tax rate Interest & Sinking (I&S) portion to cover the debt service of the bonds.

In May 2019, the taxpayers of the District voted to authorize \$1.1 billion of GO bonds to fund districtwide projects. In June 2019, a lawsuit was filed against Dallas County contesting the election. The District was not named as a defendant in the case, however DCCCD is currently unable to issue bonds under this authorization until the lawsuit is resolved.

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

	<u>General Obligation Bonds</u>		<u>Capital Lease</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ended August 31:						
2020	\$ 45,120,000	\$ 7,073,685	\$ 105,948	\$ 39,921	\$ 45,225,948	\$ 7,113,606
2021	17,085,000	5,633,235	115,897	29,972	17,200,897	5,663,207
2022	15,970,000	4,829,135	126,779	19,089	16,096,779	4,848,224
2023	16,665,000	4,036,255	76,516	7,185	16,741,516	4,043,440
2024	15,645,000	3,267,815	-	-	15,645,000	3,267,815
2025 - 2030	<u>72,315,000</u>	<u>5,792,430</u>	<u>-</u>	<u>-</u>	<u>72,315,000</u>	<u>5,792,430</u>
Total	<u>\$ 182,800,000</u>	<u>\$ 30,632,555</u>	<u>\$ 425,140</u>	<u>\$ 96,167</u>	<u>\$ 183,225,140</u>	<u>\$ 30,728,722</u>

Included in operating expenses is \$3,407,335 and \$2,976,686 of rent paid during fiscal years 2019 and 2018, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2019 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2020	\$ 2,821,714
2121	2,133,700
2022	1,659,317
2023	<u>141,725</u>
Total	<u>\$ 6,756,456</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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8. BONDS PAYABLE

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

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

On September 4, 2008, the District issued its second tranche of GO bonds approved by voters in the May 2004 \$450 million bond election. With a par amount of \$211,975,000, these bonds, Series 2008 Bonds, were sold with a reoffering premium of \$9,629,583 and accrued interest of \$983,667. The bonds were sold in \$5,000 increments with interest rates varying from 3.5% to 5.0% and maturity dates from February 15, 2009 to February 15, 2028. A call option can be exercised for maturities after February 15, 2019. The cost of issuance and underwriter's discount totaled \$1,513,305. Proceeds of the bond were utilized to refund the \$125,000,000 outstanding of commercial paper, which matured on September 4, 2008, the same day as the bond proceeds were received. Remaining bond proceeds of \$95,000,000 were utilized for constructing and equipping buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas. Part of these bonds were advance refunded in 2016 (See Advance Refunding Bonds Note 9).

On June 4, 2009, the District issued the third tranche of GO bonds, Series 2009 Bonds, for the \$450 million bond election. The Series 2009 Bonds have a par amount of \$102,985,000 and were sold with a reoffering premium of \$7,904,650 and accrued interest of \$439,704. The bonds were sold in \$5,000 increments with interest rates varying from 1.5% to 5.0% and maturity dates from February 15, 2010 to February 15, 2029. The cost of issuance and underwriter's discount totaled \$869,233. Proceeds of the bonds were utilized to continue the constructing and equipping of buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas. Part of these bonds were advance refunded in 2017 (See Advance Refunding Bonds Note 9).

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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equipping of buildings in the District. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

In 2019, the District incurred \$6,777,139 in interest cost, of which \$6,777,139 was expensed. In 2018, the District incurred \$7,867,427 in interest cost, of which \$7,867,427 was expensed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

9. ADVANCE REFUNDING BONDS

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

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

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

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On November 29, 2018, the District advance refunded \$31,600,000 of its outstanding Series 2010 General Obligation Bonds ("Series 2010 Bonds") by issuing \$27,280,000 of Series 2018 General Obligation Refunding Bonds ("Series 2018 Refunding Bonds"). All Series 2018 Refunding Bonds have been issued to date. The average interest rate is 3.20% with coupons of 3.20%. After payment of \$88,454 in issuance costs, all resources from the Series 2018 Refunding Bonds, including a transfer of \$4,996,845 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 2010 Bonds. The Series 2010 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 2010 Bonds reduces the District's debt service by \$10,854,093. An economic gain of \$5,857,248 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 \$631,099 deferred inflow 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
2010	General Obligation Refunding Bonds	\$ 49,290,000	2.00%-5.00%	2011	2025	2/15/2021
2016	General Obligation Refunding Bonds	122,415,000	3.00% - 5.00%	2017	2028	2/15/2027
2017	General Obligation Refunding Bonds	60,665,000	3.00% - 5.00%	2018	2029	2/15/2028
2018	General Obligation Refunding Bonds	27,280,000	3.20%	2019	2030	2/15/2021

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10. DEFEASED BONDS OUTSTANDING

As of August 31, 2019 the District had no defeased General Obligation bonds outstanding. As of August 31, 2018, the District had \$64,105,000 defeased General Obligation bonds outstanding.

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11. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas – Defined Benefit Plan

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

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

Pension Plan Fiduciary Net Position - Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

Contributions - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time 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 COUNTY COMMUNITY COLLEGE DISTRICT

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Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2019 and 2018.

<u>Contribution Rates</u>	<u>2019</u>	<u>2018</u>
Member rates	7.70%	7.70%
Non-employer contributing entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
Fiscal Year 2019 Member contributions	\$7,150,219	
Fiscal Year 2019 State of Texas on-behalf contributions	\$5,134,514	
Fiscal Year 2019 District Contributions	\$7,167,184	

The District's contributions to the TRS pension plan Fiscal 2019 were \$7,167,184 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2019 were \$5,134,514.

- As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

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

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

Actuarial Assumptions – The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	8/31/2017 rolled forward to August 31, 2018
Actuarial cost method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial assumptions:	
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2018	3.69% *
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05% 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".

Actuarial methods and assumptions were updated based on a study of actual experience for the three-year period ending August 31, 2017, and were adopted in July 2018, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan.

The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

Discount Rate – The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the District's target asset allocation as of August 31, 2018, are summarized in the following chart.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns*
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. developed	13.00%	6.90%	0.90%
Emerging markets	9.00%	8.95%	0.80%
Directional hedge funds	4.00%	3.53%	0.14%
Private equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute return	0.00%	0.00%	0.00%
Stable value hedge funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global inflation linked bonds	3.00%	0.70%	0.02%
Real assets	14.00%	5.21%	0.73%
Energy and natural resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation expectation			2.30%
Volatility Drag			-0.79%
Total	100.00%		7.25%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2018 Comprehensive Annual Financial Report

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At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows 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	\$ 729,940	\$ 2,873,309
Changes in actuarial assumptions	42,222,216	1,319,445
Difference between projected and actual investment earnings	6,085,895	8,307,891
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	17,355,575	9,757,039
Contributions paid to TRS subsequent to the measurement date (calculated by the District)	7,720,102	-
Total	\$ 74,113,728	\$ 22,257,684

\$7,720,102 reported as deferred outflows of resources related to pensions resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2020. Other amounts in the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2019	\$ 10,182,139
2020	5,506,156
2021	4,522,007
2022	9,052,888
2023	9,812,711
Thereafter	5,060,041
Total	\$ 44,135,942

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Optional Retirement Plan – Defined Contribution Plan

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

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

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

Optional Retirement Plan Contribution Rates	2019*	2018*
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.60%
District Contribution of Participant's Annual Compensation for:		
Participants Enrolled Prior to September 1, 1995	1.90%	1.90%
Participants Enrolled After September 1, 1995	0.00%	0.00%

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

The total ORP expense to the State for the District was \$1,715,189 and \$1,794,134 for fiscal years 2019 and 2018, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the college.

Year Ended August 31	Total Payroll for All District Employees	District's Payroll Covered by TRS	District's Payroll Covered by ORP	State's Contribution for ORP
2019	\$ 290,978,372	\$ 196,305,385	\$ 53,526,118	\$ 1,715,189
2018	278,783,440	181,268,624	56,192,643	1,794,134

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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12. DEFERRED COMPENSATION PLAN

The District has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code §609.001. For the fiscal years ended August 31, 2019 and 2018, the District had one employee participating in the program.

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

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NOTES TO THE FINANCIAL STATEMENTS
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13. COMPENSABLE ABSENCES

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

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2019	2018
Balance as of September 1,	\$ 13,963,303	\$ 12,890,962
Leave Accruals/Adjustments	10,794,085	10,499,893
Leave Used	(8,812,067)	(8,480,852)
Accrued Leave Paid Terminated Employees	(1,159,492)	(946,700)
Balance as of August 31,	<u>\$ 14,785,829</u>	<u>\$ 13,963,303</u>
Current Liability	\$ 9,699,555	\$ 9,138,228
Non-Current Liability	\$ 5,086,274	\$ 4,825,074

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14. HEALTH CARE AND LIFE INSURANCE BENEFITS

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

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

<u>HealthSelect of Texas Plan</u>	<u>2019 State/Employer Contribution</u>	<u>2019 Annualized Contribution</u>
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

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

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

<u>Cost of Providing Health Care Insurance</u>	<u>2019</u>	<u>2018</u>
Number of Retirees	1,355	1,315
Cost of Health Benefits for Retirees	\$ 11,724,677	\$ 11,220,884
Number of Active Full-Time Employees	3,690	3,620
Cost of Health Benefits for Active Full-Time Employees	31,837,080	31,080,279
State Appropriation for Health Insurance-Retirees	5,630,161	5,434,427
State Appropriation for Health Insurance-Active	13,862,738	13,213,685
Net Cost to DCCCD	24,068,858	23,653,050

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

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

The District is dependent upon information provided by the ERS Plan for recognizing the OPEB liability, deferred inflows of resources, deferred outflows of resources and expense information. The ERS Plan information provided to the District used retiree data for the restatement in fiscal year 2018. Contributions made subsequent to the measurement date by the District for retirees have been recorded as a deferred outflow of resources as of August 31, 2019 and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2019. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

Funding Policy—Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the plan for the fiscal year ended August 31, 2019 were \$6,094,516, which equaled the required contributions each year under the pay-as-you-go policy set by the State of Texas. The pay-as-you-go policy does not fully fund actuarial determined required contributions to the plan.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

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

Contributions—Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

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

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2018

Retiree only	\$ 621.90
Retiree & spouse	1,334.54
Retiree & children	1,099.06
Retiree & family	1,811.70

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

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2019 and 2018

<u>Contribution Rates</u>	<u>2019</u>	<u>2018</u>
Member contributions	\$1,652,525	\$1,174,398
State of Texas on-behalf contributions	5,630,161	5,200,073
District Contributions	6,094,516	5,618,398

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

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation date	August 31, 2018
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	3.96%
Projected annual salary increase	2.50% to 9.50%, including inflation
Annual healthcare trend rate	7.30 % for FY2020, 7.40% for FY2021, 7.00% for FY2022, decreasing 0.5% per year to 4.5% for FY2027 and later years
Inflation assumption rate	2.50%
Ad hoc post-employment benefit changes	None

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

Investment Policy—The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

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 3.51%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96%, which amounted to an increase of .45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return applicable is zero years.

Discount Rate Sensitivity Analysis—The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (3.96%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.96%)	Discount Rate (3.96%)	1% Increase in Discount Rate (4.96%)
District's proportionate share of the net OPEB liability	\$ 286,265,984	\$ 241,120,349	\$ 206,950,222

Healthcare Trend Rate Sensitivity Analysis—The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (7.3% decreasing to 4.5%) in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rates (6.30% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (7.30% decreasing to 4.50%)	1% Increase in Healthcare Cost Trend Rates (8.30% decreasing to 5.50%)
District's proportionate share of the net OPEB liability	\$ 203,465,589	\$ 241,120,349	\$ 288,750,592

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—At August 31, 2019, the District reported liability of \$241,120,349 for its proportionate share of the ERS's net OPEB Liability. This liability reflects a reduction for

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the State support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 241,120,349
State's proportionate share that is associated with District	<u>190,256,699</u>
Total	<u>\$ 431,377,048</u>

The net OPEB liability was measured as of August 31, 2018 and the total OPEB liability was used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At the measurement date of August 31, 2018, the employer's proportion of the collective net OPEB liability was 0.81355841%, which was higher than the proportion measured at August 31, 2017 of 0.599726%.

For the year ended August 31, 2019, the District recognized OPEB expense of \$1,131,002 and revenue of \$1,131,002 for support provided by the State.

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

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

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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

At August 31, 2019, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 8,833,872
Changes in actuarial assumptions	-	84,495,160
Difference between projected and actual investment earnings	65,789	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	75,702,580	-
Contributions paid to ERS subsequent to the measurement date (calculated by the District)	2,339,192	-
Total	<u>\$ 78,107,561</u>	<u>\$ 93,329,032</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

\$2,339,192 reported as deferred outflows of resources related to OPEB resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2020. Other amounts of the employer's balances of deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2020	\$ (7,289,768)
2021	(7,289,768)
2022	(7,289,768)
2023	420,124
2024	3,888,517
Total	<u>\$ (17,560,663)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

16. COMMITMENTS AND CONTINGENCIES

Commitments—The District has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses within the District. Commitments remaining under such contracts at August 31, 2019 are \$14,872,406.

Pending Lawsuits and Claims—On August 31, 2019, various claims and lawsuits involving the District are pending. In the opinion of District administration, the potential loss on all claims and lawsuits, to the extent not provided for by insurance or otherwise, will not be significant to the financial statements of the District.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Ad valorem taxes	\$ 9,420,872	\$ 9,044,051
Student tuition and charges	20,326,844	19,512,160
Accounts Receivable		
Federal grants	6,745,405	17,418,282
State grants	211,442	641,506
Local grants	946,035	1,442,865
Interest on investments	861,697	645,054
Other receivables	10,471,862	871,158
Total receivables	<u>48,984,157</u>	<u>49,575,076</u>
Less allowances for uncollectible amounts		
Ad valorem taxes	(7,602,888)	(7,280,389)
Student tuition and charges	(2,197,215)	(2,161,974)
Other receivables	(521,650)	(31,608)
Total allowances	<u>(10,321,753)</u>	<u>(9,473,971)</u>
Total receivables, net of allowances	<u>\$ 38,662,404</u>	<u>\$ 40,101,105</u>

Payables—Accounts Payable for the fiscal years ended August 31, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Vendors payable	\$ 11,052,148	\$ 10,065,587
Salaries and benefits payable	43,941	60,157
Students payable	<u>3,176,437</u>	<u>2,785,244</u>
Total accounts payable	<u>\$ 14,272,526</u>	<u>\$ 12,910,988</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

18. FUNDS HELD IN TRUST BY OTHERS

The District holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amounts of \$1,501,955 and \$1,596,826 for 2019 and 2018, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

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 2019 and 2018 for which monies have not been received nor funds expended totaled \$45,843,507 and \$41,475,177, respectively.

These amounts are comprised of the following:

Contracts and Grant Awards	2019	2018
Federal	\$ 39,384,894	\$ 33,806,346
State	5,985,301	7,237,487
Local	473,312	431,344
Total Contracts and Grant Awards	<u>\$ 45,843,507</u>	<u>\$ 41,475,177</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

20. SELF-INSURED PLANS

The District is exposed to various risks of loss related torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has assessed its risks and selected a combination of insurance coverages and self-insurance to mitigate losses in these areas.

The District after deductibles fully insures its buildings, structures, contents, and equipment with the purchase of commercial property insurance and also procures general and excess liability insurance coverages for operating errors and omissions. Settlements with claimants for torts, property thefts and damage, and errors and omissions during the fiscal years ended August 31, 2019, 2018, and 2017 did not exceed insurance coverages after deductibles.

The District self-insures for injuries to employees (workers' compensation) and autos. At August 31, 2019 and 2018, the District accrued against losses \$3,514 for auto claims.

Prior to August 31, 1998, the District was self-insured for workers' compensation. Effective September 1, 1998, the District implemented a guaranteed cost workers' compensation insurance program to handle employee injury claims. The District returned to a self-insured plan effective September 1, 2002 and is backed with excess workers' compensation coverage. The accrued liability balance is based upon third party actuarial information for expected future payments on incurred claims. Future payments for the incurred claims will be paid from the accrued liability. Settlements of workers' compensation claims during the fiscal years ended August 31, 2019, 2018, and 2017 did not exceed minimum dollar amounts required to invoke excess workers' compensation coverages.

Self-insurance activity for the workers' compensation plan prior to 1998 for the fiscal years ended August 31, 2019 and 2018 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
2019	\$ 244,361	\$ -	\$ -	\$ 244,361
2018	244,361	-	-	244,361

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Self-insurance activity for the current workers' compensation plan for the fiscal years ended August 31, 2019 and 2018 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
2019	\$ 450,000	\$ 524,140	\$ (499,140)	\$ 475,000
2018	350,000	536,404	(436,404)	450,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

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, 2019 and 2018 were \$311,382,074 and \$284,665,380, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2019 and 2018 are as follows:

	2019		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$ 0.50000	\$ 0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$ 0.02000	\$ 0.12400

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

At August 31, 2019 and 2018 certified valuation for property taxed by the District was as follows:

	2019	2018
Assessed valuation of DCCCD	\$ 319,258,573,660	\$ 289,539,455,090
Less exempt property	28,682,820,730	26,440,233,100
Less exemptions and Capped Loss	39,864,487,143	34,350,617,726
Net assessed valuation of DCCCD	\$ 250,711,265,787	\$ 228,748,604,264

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

Gross taxes collected for fiscal year 2019:

<u>Gross Taxes Collected - 2019</u>	<u>Maintenance & Operations</u>	<u>Interest & Sinking</u>	<u>2019 Total</u>
Current	\$ 257,633,328	\$ 49,882,493	\$ 307,515,821
Delinquent	1,375,560	7,920	1,383,480
Penalties and interest	1,718,356	-	1,718,356
Total Gross Collections	<u>\$ 260,727,244</u>	<u>\$ 49,890,413</u>	<u>\$ 310,617,657</u>
Less:			
Appraisal & Collection Fees	2,714,729	365,508	3,080,237
Bad Debt Expense	282,180	40,318	322,498
Total Net Collections	<u>\$ 257,730,335</u>	<u>\$ 49,484,587</u>	<u>\$ 307,214,922</u>

Gross taxes collected for fiscal year 2018:

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

Tax collections for the fiscal years ended August 31, 2019 and 2018 were approximately 99% of the current tax levy for both years. Allowances for uncollectible taxes (See Note 4) are based upon historical experience in collecting ad valorem taxes.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

22. TAX INCREMENT FINANCING DISTRICTS

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

<u>TIF Title</u>	<u>Percentage of Incremental Tax Committed</u>	<u>Expiration Date</u>	<u>Taxes Forgone in 2019</u>	<u>Taxes Forgone in 2018</u>
City of Grand Prairie #1	100%	2020	\$ 389,840	\$ 292,639
City of Garland #1	100%	2024	51,378	42,876
City of Dallas State-Thomas	100%	2005	(46,816)	-
City of Irving	100%	2014	-	(1,266)
Total taxes forgone			<u>\$ 394,402</u>	<u>\$ 334,249</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

23. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The District had no material unrelated business income tax liability for the fiscal years ended August 31, 2019 or 2018.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

24. COMPONENT UNITS

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

Dallas County Community College District Foundation, Inc. (the "Foundation") was established as a separate non-profit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus--An Amendment of GASB Statements No. 14 and No. 34*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in the District's comprehensive annual financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for August 31, 2018 and 2017.

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

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

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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

General

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting. The Foundation reports information regarding its financial position and activities according to 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. When restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents include all cash in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fixed income securities and mutual funds are measured at net asset value (NAV). Realized and unrealized gains and losses are reported in the statements of activities.

Investment managers manage the Foundation’s investments in a manner consistent with the investment goals and policies established by the Foundation’s Board of Directors.

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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

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-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, 2019 and 2018.

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

Federal Income Taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) of 1986, as amended, as an organization described in Section 501(c)(3) of the Code.

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

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

The Foundation is subject to federal and state income taxes to the extent it has unrelated business income. In accordance with the guidance for uncertainty in income taxes, management has evaluated their material tax positions and determined that there are no income tax effects with respect to its financial statements. The Foundation is no longer subject to examination by federal authorities for years prior to August 31, 2016. For state authorities, the statute of limitations is generally three or four years; however, the statute of limitations will remain open for any state returns not filed.

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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

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

Use of Estimates

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

Change in Accounting Principle

In August 2016, The Financial Accounting Standards Board (FASB) issued ASU 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 amends the current reporting model for non-profit organizations and enhances their required disclosures. The changes impacting the Foundation include: (1) requiring the presentation of only two classes of net assets now titled "net assets with donor restriction" and "net assets without donor restriction", (2) requiring that all non-profits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (3) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (4) presenting investment return net of external investment expenses, and (5) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of non-profit financial statements. The Foundation has adopted ASU 2016-14 as of and for the year ended August 31, 2019, with retrospective application for the 2018 financial statements. The Foundation also changed its presentation of net asset classes and expanded disclosures as required by ASU 2016-14.

Functional Expenses

The Foundation's expenses are summarized and categorized based upon their functional classification as either program services or non-program services (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, legal and investment management. Scholarship awards as of August 31, 2018 totaled \$2,084,385. Subsequent to August 31, 2018, the District determined that it could fund a portion of these scholarships with other student aid funds in the amount of \$1,137,905. Due to the fact that the Foundation recognized this expense in the previous fiscal year, the Foundation recorded this amount as "scholarships to be funded by the District" in the 2019 statement of activities.

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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

Reclassifications

Certain accounts in the 2018 financial statements have been reclassified to conform with the current year financial statement presentation. Unrestricted net assets have been renamed net assets without donor restrictions. Temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	2019		2018	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 3,123,046	\$ 5,808,069	\$ 3,134,632	\$ 5,282,206
Equity investments	5,115,296	5,792,670	4,520,662	6,225,719
Mutual funds	34,408,990	36,872,072	32,068,109	36,421,993
Certificates of Deposit	6,750,000	6,750,973	500,000	499,978
U.S. Treasury Notes	<u>249,583</u>	<u>249,503</u>	<u>492,485</u>	<u>496,430</u>
Total Investments	<u>\$49,646,915</u>	<u>\$55,473,287</u>	<u>\$40,715,888</u>	<u>\$48,926,326</u>

Investment securities are exposed to various risks, such as interest, 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.

For the years ended August 31, 2019 and 2018, the components of investment earnings are:

	2019	2018
Interest and dividend income	\$ 2,023,557	\$1,595,419
Net gain (loss) on investments carried at fair value	<u>(2,113,087)</u>	<u>3,526,860</u>
Total return on investments	<u>\$ (89,530)</u>	<u>\$5,122,279</u>

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give:

	<u>August 31,</u>	
	<u>2019</u>	<u>2018</u>
Contributions receivable	\$271,000	\$200,000
Less unamortized discounts at August 31, 2019 and 2018	<u>(10,969)</u>	<u>(4,852)</u>
	<u>\$260,031</u>	<u>\$195,148</u>

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

	<u>2019</u>	<u>2018</u>
Maturing in less than one year	\$171,000	\$100,000
Maturing between one and five years	<u>89,031</u>	<u>95,148</u>
Total contributions receivable	<u>\$260,031</u>	<u>\$195,148</u>

NOTE D - DONOR RESTRICTED NET ASSETS

Donor restricted net assets are available for the following purposes:

	<u>August 31,</u>	
	<u>2019</u>	<u>2018</u>
Student scholarships for tuition and books	\$41,567,272	\$40,112,034
Professional development, student related activities, and program support	<u>11,758,021</u>	<u>11,505,075</u>
Total donor restricted net assets	<u>\$53,325,293</u>	<u>\$51,617,109</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 \$1,837,910 and \$3,963,480 for the years ended August 31, 2019 and 2018, 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 County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE G - RELATED PARTY TRANSACTIONS AND CONTRIBUTED SERVICES

The Foundation's payments to the District for scholarships and grants totaled \$2,044,364 and \$1,438,008 for fiscal years 2019 and 2018, respectively. At August 31, 2019 and 2018, the Foundation recorded a total of \$126,704 and \$1,609,099, respectively, for scholarships and grants payable to the District.

The salaries of Foundation employees have been donated by the District. The estimated fair value of these contributed services is \$1,267,806 and \$1,202,765 for fiscal years 2019 and 2018, respectively, and has been included in contributed salaries in revenue and management and general expenses in the accompanying statements of activities. The District also provided office space and equipment at no cost to the Foundation. Because the Foundation does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts have been reflected in the Foundation's financial statements.

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 fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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, 2019	<u>Fair Value Measurement Using Input Considered as:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity investments	\$5,792,670	\$ -	\$ -	\$5,792,670
Certificates of Deposit	-	6,750,973	-	6,750,973
U.S. Treasury Notes	<u>-</u>	<u>249,503</u>	<u>-</u>	<u>249,503</u>
	<u>\$5,792,670</u>	<u>\$7,000,476</u>	<u>\$ -</u>	<u>\$12,793,146</u>
Investments measured at NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,680,141</u>
Investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$55,473,287</u>

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

August 31, 2018	<u>Fair Value Measurement Using Input Considered as:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity investments	\$6,225,719	\$ -	\$ -	\$ 6,225,719
Certificates of Deposit	-	499,978	-	499,978
U.S. Treasury Bills	<u>-</u>	<u>496,430</u>	<u>-</u>	<u>496,430</u>
	<u>\$6,225,719</u>	<u>\$996,408</u>	<u>\$ -</u>	<u>\$ 7,222,127</u>
Investments measured at NAV	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,704,199</u>
Investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$48,926,326</u>

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

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

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.

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.

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE I - ENDOWMENTS - Continued

Strategies Employed for Achieving Objectives

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

Spending Policy

The Foundation will make earnings available each year for use by endowment supported funds. The available funds will be up to 5% of the three year average of the aggregate investment portfolio market value at December 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, 2019:

	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$46,199,292	\$46,199,292
Total	<u>\$ -</u>	<u>\$46,199,292</u>	<u>\$46,199,292</u>
Endowment net assets, beginning of year	\$ -	\$45,764,652	\$45,764,652
Contributions	-	635,861	635,861
Investment income:			
Dividends and interest	-	1,216,788	1,216,788
Net realized and unrealized gains on investments	-	(1,284,020)	(1,284,020)
Net transfers	-	27,181	27,181
Amount appropriated for expenditures	<u>-</u>	<u>(161,170)</u>	<u>(161,170)</u>
Endowment net assets, end of year	<u>\$ -</u>	<u>\$46,199,292</u>	<u>\$46,199,292</u>

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2019 and 2018

NOTE I - ENDOWMENTS - Continued

Endowment Net Asset Composition by Type of Fund as of August 31, 2018:

	Without Donor Restrictions	With Donor Restrictions	<u>Total</u>
Donor restricted endowment funds	\$ <u> -</u>	\$ <u>45,764,652</u>	\$ <u>45,764,652</u>
Total	\$ <u> -</u>	\$ <u>45,764,652</u>	\$ <u>45,764,652</u>
Endowment net assets, beginning of year	\$ -	\$ 44,348,840	\$ 44,348,840
Contributions	-	219,181	219,181
Investment income:			
Dividends and interest	-	920,229	920,229
Net realized and unrealized gains on	-	-	-
investments	-	1,823,761	1,823,761
Net transfers	-	(993,003)	(993,003)
Amount appropriated for expenditures	<u> -</u>	<u>(554,356)</u>	<u>(554,356)</u>
Endowment net assets, end of year	\$ <u> -</u>	\$ <u>45,764,652</u>	\$ <u>45,764,652</u>

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, 2019 are comprised of the following:

Cash and cash equivalents	\$2,043,909
Short term investments	<u>7,000,475</u>
Total financial assets available	9,044,384
Less financial assets held to meet donor-imposed restrictions	<u>4,557,071</u>
Financial assets available for general expenditure within one year	<u>\$4,487,313</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 December 3, 2019, the date financial statements were available to be issued.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018**

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

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

The Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, a Statements of Cash Flows, a Schedule of Expenses, and a Schedule of Capital Assets for the fiscal years ended August 31, 2019 and 2018 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2019.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 and 2018
EXHIBIT 1

DATA CONTROL		2019	2018
CODES	ASSETS		
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 3,982,619	\$ 3,499,958
1120	Short-term Investments	-	-
1240	Accounts receivable (net) - governments	-	-
1290	Accounts receivable (net) - others	-	-
	Total current assets	3,982,619	3,499,958
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	37,473	40,585
1910	Investments	-	-
1900	Total non-current assets	37,473	40,585
1000	TOTAL ASSETS	4,020,092	3,540,543
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	-	-
2123	Funds Held for Others	763	1,430
2501	Due to District (parent organization)	-	-
	Total current liabilities	763	1,430
2000	TOTAL LIABILITIES	763	1,430
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Invested in capital assets, net of related debt	37,473	32,586
3600	Unrestricted	3,981,857	3,506,528
3000	TOTAL NET POSITION	\$ 4,019,330	\$ 3,539,114

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 and 2018
EXHIBIT 2

District Presentation		
	2019	2018
OPERATING REVENUES:		
Federal grants and contracts	\$ -	\$ -
Total operating revenues	-	-
OPERATING EXPENSES:		
Instruction	2,318,052	2,073,427
Public Service	547,222	444,280
Academic support	458,714	367,213
Student services	619,829	477,207
Institutional support	848,245	987,338
Plant Maintenance and operation	20	28,632
Depreciation	3,112	2,315
Total operating expenses	4,795,194	4,380,412
OPERATING LOSS	(4,795,194)	(4,380,412)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	5,171,255	5,046,263
Investment income	104,154	55,250
Net non-operating revenues	5,275,409	5,101,513
INCREASE IN NET POSITION	480,216	721,101
NET POSITION:		
Net Position—Beginning of Year	3,539,114	2,818,013
Net Position—End of Year	\$ 4,019,330	\$ 3,539,114

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 and 2018

EXHIBIT 2
(CONTINUED)

		TEA Classifications	
Data Control Codes		2019	2018
OPERATING REVENUES:			
5929	Federal grants revenue distributed by TEA	\$ -	\$ -
5020	Total operating revenues	-	-
OPERATING EXPENSES:			
0011	Instruction	2,865,274	2,517,707
0012	Instructional resources and media services	110,055	71,233
0013	Curriculum development & instructional	339,071	212,114
0023	School leadership	470,493	539,747
0031	Guidance, counseling and evaluation services	561,949	429,295
0033	Health services	40,975	32,712
0034	Student transportation	-	-
0035	Food service	18,204	16,499
0036	Co-Curricular/Extra-curricular	-	-
0041	General administration	374,291	335,557
0051	Plant maintenance and operation	1,833	29,648
0052	Security and monitoring services	3,461	112,034
0053	Data processing services	9,588	83,866
6030	Total operating expenses	4,795,194	4,380,412
1100	OPERATING LOSS	(4,795,194)	(4,380,412)
NON-OPERATING REVENUES (EXPENSES):			
5800	State appropriations	5,171,255	5,046,263
5742	Investment income	104,154	55,250
	Net non-operating revenues	5,275,409	5,101,513
1200	INCREASE IN NET POSITION	480,216	721,101
NET POSITION:			
0100	Net Position—Beginning of Year	3,539,114	2,818,013
3000	Net Position—End of Year	\$ 4,019,330	\$ 3,539,114

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 and 2018
EXHIBIT 3

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ -	\$ -
Payments to suppliers for goods and services	<u>(4,792,748)</u>	<u>(4,415,535)</u>
Net cash used in operating activities	(4,792,748)	(4,415,535)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	<u>5,171,255</u>	<u>5,046,263</u>
Net cash provided by non-capital financing activities	5,171,255	5,046,263
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>(7,998)</u>
Net cash used by capital and related financing activities	-	(7,998)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	104,154	55,250
Purchase of investments	-	-
Sale of investments	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	104,154	55,250
Increase (decrease) in cash and cash equivalents	482,661	677,980
Cash and cash equivalents - September 1	<u>4,177,938</u>	<u>3,499,958</u>
Cash and cash equivalents - August 31	<u>\$ 4,660,599</u>	<u>\$ 4,177,938</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (4,795,194)	\$ (4,380,412)
Depreciation	3,112	2,315
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	-	29,729
Inventories	-	-
Due to District	-	(29,729)
Accounts payable	-	(37,438)
Funds held for others	<u>(667)</u>	<u>-</u>
Net cash used in operating activities	<u>\$ (4,792,748)</u>	<u>\$ (4,415,535)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Actual to Budget Variance</u>	<u>Percent Actual to Final Budget</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Local Support:					
5740 Local and intermediate sources	\$ 30,000	\$ 65,000	\$ 104,154	\$ (39,154)	-60.24% ^a
3600 Decrease/use of fund balance	-	-	-	-	n/a
State program revenues:					
5810 Foundation School Program Act Revenues	4,998,366	5,169,923	5,171,255	(1,332)	-0.03%
Federal program revenues:					
5910 Federal program revenues	-	-	-	-	0.00%
Total revenues	<u>\$ 5,028,366</u>	<u>\$ 5,234,923</u>	<u>\$ 5,275,409</u>	<u>\$ (40,486)</u>	<u>-0.77%</u>
EXPENDITURES					
State program expenditures					
0011 11 Instruction	3,021,666	3,143,421	2,865,274	278,147	8.85%
0012 12 Instructional resources and media services	73,500	116,920	110,055	6,865	5.87%
0013 13 Curriculum and staff development	290,000	375,000	339,071	35,929	9.58%
0023 23 School leadership	517,000	521,295	470,493	50,802	9.75%
0031 31 Guidance, counseling and evaluation services	560,000	578,600	561,949	16,651	2.88%
0033 33 Health services	56,000	45,363	40,975	4,388	9.67%
0034 34 Student Transportation					
0035 35 Food Service	13,000	21,000	18,204	2,797	13.32% ^b
0041 41 General administration	400,000	412,242	374,291	37,951	9.21%
0051 51 Facilities maintenance and operations	5,000	6,359	1,833	4,526	71.18% ^b
0052 52 Security and monitoring services	5,200	4,090	3,461	629	15.38% ^c
0053 53 Data processing services	87,000	10,633	9,588	1,045	9.83%
Total expenditures	<u>5,028,366</u>	<u>5,234,923</u>	<u>4,795,194</u>	<u>439,729</u>	<u>8.40%</u>
1200 Net change in fund balances	-	-	480,216	480,216	n/a
0100 Fund balance--beginning	3,539,114	3,539,114	3,539,114	-	0.00%
3600 Decrease/Use of fund balance	-	-	-	-	n/a
3000 Fund balance--ending	<u>\$ 3,539,114</u>	<u>\$ 3,539,114</u>	<u>\$ 4,019,330</u>	<u>\$ 480,216</u>	<u>13.57%</u>

Variance Explanations

- ^a Reflects unrealized market gains
- ^b Anticipated expenses were not realized
- ^c Final budget over projected

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
 SCHEDULE OF EXPENSES
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Expenses	Totals	
	2019	2018
6100 Payroll Costs	\$ 1	\$ 1
6200 Professional and Contracted Services	3,834,983	3,737,437
6300 Supplies and Materials	899,372	612,175
6400 Other Operating Costs	60,837	30,799
Total Expenses	<u>\$4,795,194</u>	<u>\$4,380,412</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

RICHLAND COLLEGIATE HIGH SCHOOL
 SCHEDULE OF CAPITAL ASSETS
 FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

Asset Object	Local Ownership Interest	
	2019	2018
1531 Vehicles	\$ 7,757	\$ 8,627
1539 Furniture and Equipment	29,716	31,958
	<u>\$ 37,473</u>	<u>\$ 40,585</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

26. Related Parties

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

The Foundation's payments to the District for scholarships and grants amounted to \$2,044,364 and \$1,438,008 for fiscal years 2019 and 2018, respectively. At August 31, 2019 and 2018, the Foundation recorded a total of \$126,704 and \$1,609,099 respectively, for scholarships and grants payable to the District.

The District paid the salaries and benefits of certain Foundation employees. The value of these contributed services is \$1,267,806 and \$1,202,765 for fiscal years 2019 and 2018, respectively. Also, the District provided office space and equipment at no cost to the Foundation. Because DCCCD does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts can be disclosed.

In fiscal year 2019, the District elected to transfer \$300,000 of funds held in its quasi-endowment fund to the Foundation for student scholarships. In fiscal year 2018, the District elected to transfer \$200,000 of funds held in its quasi-endowment fund and \$738,245 of unrestricted funds to the Foundation for student scholarships. The quasi-endowment fund was used to fund student scholarships prior to the transfer. The quasi-endowment was funded with designated receipts from a land lease agreement of one of its properties. As collections continue on the land lease agreement, the District will transfer additional funds to the Foundation in the period collected.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 AND 2018

27. SUBSEQUENT EVENTS

On October 29, 2019, the District completed a private placement of \$22,210,000 par value general obligation refunding bonds, series 2019, with an average interest rate of 1.72%. The refunding proceeds paid off \$22,210,000 of the District's 2010 general obligation refunding bonds.

Management has evaluated subsequent events through December 3, 2019. The financial statements were available on this date. No additional changes are necessary to be made to the financial statements as a result of this evaluation.

**REQUIRED
SUPPLEMENTARY INFORMATION**

**REQUIRED SCHEDULES FOR
NET PENSION LIABILITY**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
SCHEDULE G**

<u>Fiscal Year Ending August 31*,</u>	<u>2018**</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportional share of collective net pension liability (%)	0.2127551871%	0.2001928395%	0.14467900%	0.18790100%	0.20021710%
District's proportional share of collective net pension liability (\$)	\$ 117,105,618	\$ 64,010,885	\$ 54,672,053	\$ 66,420,502	\$ 53,480,756
State's proportional share of net pension liability associated with District	83,945,791	43,126,165	36,957,144	35,699,280	39,533,837
Total	<u>\$ 201,051,409</u>	<u>\$ 107,137,050</u>	<u>\$ 91,629,197</u>	<u>\$ 102,119,782</u>	<u>\$ 93,014,593</u>
District's covered payroll amount	\$ 181,268,264	\$ 153,203,688	\$ 153,203,688	\$ 139,925,162	\$ 128,344,611
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	64.60%	41.78%	35.69%	47.47%	41.67%
TRS net position as percentage of total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 THROUGH 2019
SCHEDULE H**

<u>Fiscal Year Ending August 31*</u>	<u>2019 **</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Legally required contributions	\$ 13,348,766	\$ 12,326,266	\$ 11,204,991	\$ 10,423,826	\$ 9,515,262	\$ 8,725,830
Actual contributions	13,348,766	12,326,266	11,204,991	10,423,826	9,515,262	8,725,830
Contributions deficiency (excess)	<u>\$ -</u>					
District's covered payroll amount	\$ 196,305,385	\$ 181,268,624	\$ 164,785,196	\$ 153,203,688	\$ 139,925,162	\$ 128,344,611
Ratio of actual contributions/ER covered payroll amount	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES FOR NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

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

The District's pension liability is measured as of August 31st of each year preceding the most recent fiscal year end. Pension expense, and positions of liability, deferred inflows and deferred outflows recognized in the fiscal year presented is based on the preceding year's August 31st measurement date. Contributions made on behalf by the State and payments of contributions made by the District in Fiscal 2019 will be measured as of August 31, 2020 and recognized in the Fiscal 2020 financial statements.

Changes in Benefit Terms include:

- There were no changes in benefit terms for the fiscal year ended August 31, 2019.

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

- There were no changes in size or composition of the population covered by the benefit terms for the fiscal year ended August 31, 2019.

Changes of Assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.

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

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

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

<u>Fiscal Year</u>	<u>Covered Payroll Amount</u>	<u>Change</u>	<u>% Change</u>	<u>Legally Required Contributions</u>	<u>Change</u>	<u>% Change</u>
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%
2015	139,925,162	n/a	n/a	9,515,262	n/a	n/a

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF DISTRICT'S SHARE OF NET OTHER POST
EMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
SCHEDULE I

<u>Fiscal Year Ending August 31*</u>	<u>2018**</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportional share of collective net OPEB liability (%)	0.81355841%	0.59972600%	n/a	n/a
District's proportional share of collective net OPEB liability (\$)	\$ 241,120,349	\$ 204,344,713	n/a	n/a
State's proportional share of net OPEB liability associated with District	190,256,699	189,046,665	n/a	n/a
Total	<u>\$ 431,377,048</u>	<u>\$ 393,391,378</u>	<u>n/a</u>	<u>n/a</u>
District's covered payroll amount	\$ 237,461,267	\$ 237,461,267	\$ 221,755,590	\$210,417,154
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	101.54%	86.05%	n/a	n/a
ERS net position as percentage of total OPEB liability	1.27%	2.04%	n/a	n/a

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO OTHER POST
EMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 THROUGH 2019
SCHEDULE J

<u>Fiscal Year Ending August 31*,</u>	<u>2019**</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 18,977,419	\$ 16,282,310	n/a	\$ 8,725,830
Actual contributions	11,724,677	10,818,471	n/a	8,725,830
Contributions deficiency (excess)	<u>\$ 7,252,742</u>	<u>\$ 5,463,839</u>	<u>n/a</u>	<u>\$ -</u>
District's covered payroll amount	\$ 249,831,504	\$ 237,461,267	\$ 221,755,590	\$ 128,344,611
Ratio of actual contributions/ER covered payroll amount	7.60%	6.86%	n/a	6.80%

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES FOR OTHER POST
EMPLOYMENT BENEFITS LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

Change in Benefit Terms – Under Q/A #4.107 of GASB's *Implementation Guide No. 2017-2, Financial Reporting for Post-Employment Benefit Plans other than Pension Plans*, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, the latest valuation reflects the benefit changes that became effective September 1, 2018, since these changes were communicated to plan members in advance of the preparation of the latest valuation report.

The only benefit change for HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed Health Select (CDHP). This minor benefit change is provided for in the FY 2019 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

Changes in Assumptions –

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

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

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

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

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

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

SUPPLEMENTARY INFORMATION

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF OPERATING REVENUES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
(WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2018)
SCHEDULE A**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2019	2018
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 66,029,296	\$ -	\$ 66,029,296	\$ -	\$ 66,029,296	\$ 62,176,080
Out-of-district resident tuition	21,261,423	-	21,261,423	-	21,261,423	20,517,238
Non-resident tuition	23,991,357	-	23,991,357	-	23,991,357	27,856,169
TPEG - credit (set aside) *	5,568,402	-	5,568,402	-	5,568,402	5,479,006
State-funded continuing education	7,971,031	-	7,971,031	-	7,971,031	10,080,608
TPEG - non-credit (set aside) *	884,732	-	884,732	-	884,732	1,119,663
Non-state funded educational programs	3,420,965	-	3,420,965	-	3,420,965	4,859,512
Total Tuition	129,127,206	-	129,127,206	-	129,127,206	132,088,276
Fees:						
Installment plan fees	808,260	-	808,260	-	808,260	888,980
Contract training fees	-	-	-	-	-	360
Prior year tuition and fees	-	-	-	-	-	-
Total fees	808,260	-	808,260	-	808,260	889,340
Scholarship allowances and discounts:						
Bad debt allowance	(1,054,300)	-	(1,054,300)	-	(1,054,300)	(1,191,100)
Remissions and exemptions - state	(1,861,247)	-	(1,861,247)	-	(1,861,247)	(1,889,880)
Remissions and exemptions - local	(20,217,317)	-	(20,217,317)	-	(20,217,317)	(16,459,877)
Title IV federal grants	(24,645,317)	-	(24,645,317)	-	(24,645,317)	(25,393,112)
Other federal grants	(3,167,186)	-	(3,167,186)	-	(3,167,186)	(3,087,300)
State grants	(2,825,194)	-	(2,825,194)	-	(2,825,194)	(6,271,860)
TPEG awards	(4,273,029)	-	(4,273,029)	-	(4,273,029)	(2,361,497)
Rising Star program	(199,281)	-	(199,281)	-	(199,281)	(173,057)
Other local grants	(475,781)	-	(475,781)	-	(475,781)	105
Total scholarship allowances	(58,718,652)	-	(58,718,652)	-	(58,718,652)	(56,827,578)
Total net tuition and fees	71,216,814	-	71,216,814	-	71,216,814	76,150,038
Additional operating revenues:						
Federal grants and contracts	1,245,642	18,534,797	19,780,439	99,926	19,880,365	18,209,482
State grants and contracts	5,717	7,374,167	7,379,884	-	7,379,884	12,081,882
Non-governmental grants and contracts	1,984	5,580,316	5,582,300	-	5,582,300	1,962,931
Sales and services of educational activities	536,775	-	536,775	-	536,775	572,175
Other operating revenues	2,272,523	-	2,272,523	-	2,272,523	2,096,579
Total additional operating revenues	4,062,641	31,489,280	35,551,921	99,926	35,651,847	34,923,049
Auxiliary Enterprises:						
Bookstore	-	-	-	356,231	356,231	359,387
Food Service	-	-	-	612,561	612,561	633,255
Center for Educational Telecommunications	-	-	-	321,035	321,035	413,818
Business Incubation Center	-	-	-	83,613	83,613	82,262
Student Programs	-	-	-	424,498	424,498	546,839
Total net auxiliary enterprises	-	-	-	1,797,938	1,797,938	2,035,561
Total Operating Revenues	\$ 75,279,455	\$ 31,489,280	\$ 106,768,735	\$ 1,897,864	\$ 108,666,599	\$ 113,108,648
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$6,453,134 and \$6,598,669 for the fiscal years August 31, 2019 and 2018, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

DALLAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)
 SCHEDULE B

	Operating Expenses				2019	2018
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED - Educational Activities						
Instruction	\$ 146,867,070	\$ -	\$ 16,915,861	\$ 22,276,206	\$ 186,059,137	\$ 182,252,088
Public Service	2,648,740	-	510,932	460,001	3,619,673	4,675,185
Academic Support	16,325,693	-	3,212,913	4,123,868	23,662,474	21,665,983
Student Services	37,196,746	-	9,674,766	10,368,841	57,240,353	49,300,826
Institutional Support	60,322,418	-	21,962,125	20,174,705	102,459,248	90,372,250
Operation and Maintenance of Plant	11,043,158	-	3,980,043	33,186,180	48,209,381	47,073,154
Total unrestricted educational activities	274,403,825	-	56,256,640	90,589,801	421,250,266	395,339,486
RESTRICTED - Educational Activities						
Instruction	\$ 4,949,152	\$ 12,825,272	\$ 892,272	\$ 1,491,832	\$ 20,158,528	\$ 21,439,533
Public Service	1,203,433	-	235,475	5,020,661	6,459,569	6,510,664
Academic Support	189,277	1,425,653	38,120	(2,515)	1,650,535	1,648,825
Student Services	2,238,554	3,248,233	459,801	559,998	6,506,586	6,393,217
Institutional Support	2,682,649	5,267,698	553,755	1,002,731	9,506,833	8,895,888
Scholarships and Fellowships	-	-	-	55,474,178	55,474,178	56,038,132
Total restricted educational activities	11,263,065	22,766,856	2,179,423	63,546,885	99,756,229	100,926,259
TOTAL EDUCATIONAL ACTIVITIES	285,666,890	22,766,856	58,436,063	154,136,686	521,006,495	496,265,745
AUXILIARY ENTERPRISES	5,311,482	-	1,027,787	4,153,274	10,492,543	9,544,000
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	17,519,042	17,519,042	18,277,431
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,124,481	5,124,481	5,297,879
TOTAL OPERATING EXPENSES	\$ 290,978,372	\$ 22,766,856	\$ 59,463,850	\$ 180,933,483	\$ 554,142,561	\$ 529,385,055
				(Exhibit 2)	(Exhibit 2)	

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)
 SCHEDULE C

	Unrestricted	Restricted	Auxiliary Enterprises	2019	2018
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 87,752,249	\$ -	\$ -	\$ 87,752,249	\$ 87,754,224
State group insurance	-	12,743,271	-	12,743,271	18,648,112
State retirement matching	-	10,023,585	-	10,023,585	5,072,159
SBDC state match	-	1,356,435	-	1,356,435	1,763,829
Starlink	-	291,489	-	291,489	293,426
Hazlrwood state reimbursement	43,146	-	-	43,146	46,040
Foundation school program	5,171,255	-	-	5,171,255	5,046,263
Total state appropriations	<u>\$ 92,966,650</u>	<u>\$ 24,414,780</u>	<u>\$ -</u>	<u>\$ 117,381,430</u>	<u>\$ 118,624,053</u>
Ad valorem taxes	257,730,336	49,484,586	-	307,214,922	282,181,833
Federal revenue, non-operating	-	73,348,365	-	73,348,365	74,999,089
Gifts	29,459	-	-	29,459	106,238
Investment income	11,410,579	222,210	903,907	12,536,696	5,752,448
Gain on disposal of capital assets	-	-	-	-	-
Other non-operating revenue	64,690	-	-	64,690	560,356
Total non-operating revenues	<u>362,201,714</u>	<u>147,469,941</u>	<u>903,907</u>	<u>510,575,562</u>	<u>482,224,017</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	6,832,769	-	-	6,832,769	7,920,169
Loss on disposal of capital assets	217,736	-	-	217,736	184,604
Other non-operating expense	390,402	-	-	390,402	941,225
Total non-operating expenses	<u>7,440,907</u>	<u>-</u>	<u>-</u>	<u>7,440,907</u>	<u>9,045,998</u>
NET NON-OPERATING REVENUES	<u>\$ 354,760,807</u>	<u>\$ 147,469,941</u>	<u>\$ 903,907</u>	<u>\$ 503,134,655</u> (Exhibit 2)	<u>\$ 473,178,019</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2018)
 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	\$ (64,811,591)	\$ -	\$ -	\$ -	\$ (64,811,591)	\$ (64,811,591)	\$ -
Auxiliary enterprises	22,041,025	-	-	-	22,041,025	22,041,025	-
Restricted	-	-	-	-	-	-	-
Loan	150,131	-	-	-	150,131	-	150,131
Endowment:							
Quasi:							
Unrestricted	266,667	-	-	-	266,667	-	266,667
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	93,210,091	-	-	-	93,210,091	-	93,210,091
Debt Service	-	616,810	-	-	616,810	-	616,810
Investment in Plant	-	-	-	446,459,560	446,459,560	-	446,459,560
TOTAL NET POSITION--							
August 31, 2019	50,856,323	616,810	-	446,459,560	497,932,693 (Exhibit 1)	(42,770,566)	540,703,259
TOTAL NET POSITION--							
August 31, 2018	33,009,753	4,742,179	-	402,522,068	440,274,000 (Exhibit 1)	(52,513,422)	492,787,422
NET INCREASE (DECREASE) IN NET POSITION	\$ 17,846,570	\$ (4,125,369)	\$ -	\$ 43,937,492	\$ 57,658,693 (Exhibit 2)	\$ 9,742,856	\$ 47,915,837

**STATISTICAL SECTION
(UNAUDITED)**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATISTICAL SECTION
TABLE OF CONTENTS**

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

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

- Demographic and Economic Information – Taxing District
- Principal Employers

OPERATING INFORMATION

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

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

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

	For the Fiscal Year Ended August 31,									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Investment in Capital Assets	\$ 446,460	\$ 402,522	\$ 368,475	\$ 343,315	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613
Restricted - expendable	617	4,742	1,837	2,319	8,596	3,422	2,145	1,166	5,828	11,902
Unrestricted	50,856	33,010	251,590	223,071	207,813	237,805	201,861	182,047	169,237	182,738
Total net position	<u>\$ 497,933</u>	<u>\$ 440,274</u>	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>	<u>\$ 456,918</u>	<u>\$ 460,253</u>

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

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

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tuition and charges (net of discounts)	\$ 71,217	\$ 76,150	\$ 75,078	\$ 70,969	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680
Federal grants and contracts	19,880	18,209	17,089	18,071	16,376	14,937	15,671	15,696	20,307	21,647
State grants and contracts	7,380	12,082	9,158	10,587	12,343	9,663	8,578	7,914	6,681	7,733
Non-governmental grants and contracts	5,582	1,963	3,960	2,358	2,511	1,673	1,839	1,356	4,547	2,860
Sales and services of educational activities	537	572	635	591	551	453	607	474	527	627
Auxiliary enterprises	1,798	2,036	2,103	2,066	3,417	4,467	4,521	5,072	5,163	5,409
General operating revenues	2,273	2,097	1,699	1,910	1,626	1,498	1,502	1,858	1,902	2,240
Total Operating Revenues	108,667	113,109	109,722	106,552	101,739	92,641	91,054	88,854	98,262	101,196
State appropriations	117,381	118,624	118,602	116,142	116,564	111,242	109,030	109,268	119,373	123,304
Maintenance ad valorem taxes	307,215	282,182	262,107	240,887	224,008	209,829	190,553	156,741	158,309	159,137
Federal revenue, non-operating	73,348	74,999	70,883	73,159	86,497	86,929	90,602	90,499	87,927	74,419
Gifts	29	106	95	138	112	73	115	499	149	83
Investment income	12,537	5,752	3,436	3,564	4,040	5,821	(4,052)	1,921	3,943	7,385
Gain on sale of investment	-	-	-	-	-	105	59	-	7	-
Contributions in aid of construction	-	-	-	-	-	-	243	-	-	-
Gain on disposal of capital assets & easements	-	-	230	-	-	-	-	50	-	-
Other non-operating revenue	65	560	600	1,998	187	1,232	1,049	218	1,363	1,571
Total Non-operating Revenues	510,575	482,223	455,953	435,888	431,408	415,231	387,599	359,196	371,071	365,899
Total Revenues	\$ 619,242	\$ 595,332	\$ 565,675	\$ 542,440	\$ 533,147	\$ 507,872	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095

For the Fiscal Year Ended August 31,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tuition and charges (net of discounts)	11.50%	12.79%	13.26%	13.08%	12.18%	11.80%	12.19%	12.61%	12.60%	12.99%
Federal grants and contracts	3.21%	3.06%	3.02%	3.33%	3.07%	2.94%	3.27%	3.50%	4.33%	4.63%
State grants and contracts	1.19%	2.03%	1.62%	1.95%	2.32%	1.90%	1.79%	1.77%	1.42%	1.66%
Non-governmental grants and contracts	0.90%	0.33%	0.70%	0.43%	0.47%	0.33%	0.38%	0.30%	0.97%	0.61%
Sales and services of educational activities	0.09%	0.10%	0.11%	0.11%	0.10%	0.09%	0.13%	0.11%	0.11%	0.13%
Auxiliary enterprises	0.29%	0.34%	0.37%	0.38%	0.64%	0.89%	0.95%	1.13%	1.10%	1.16%
General operating revenues	0.37%	0.35%	0.30%	0.35%	0.30%	0.29%	0.31%	0.41%	0.41%	0.48%
Total Operating Revenues	17.55%	19.00%	19.38%	19.63%	19.08%	18.24%	19.02%	19.83%	20.94%	21.66%
State appropriations	18.96%	19.92%	20.97%	21.41%	21.86%	21.90%	22.78%	24.39%	25.44%	26.40%
Maintenance ad valorem taxes	49.61%	47.40%	46.34%	44.41%	42.02%	41.32%	39.81%	34.98%	33.73%	34.07%
Federal revenue, non-operating	11.84%	12.60%	12.53%	13.49%	16.22%	17.12%	18.93%	20.20%	18.73%	15.93%
Gifts	0.01%	0.02%	0.02%	0.03%	0.02%	0.01%	0.03%	0.11%	0.03%	0.02%
Investment income	2.02%	0.97%	0.61%	0.66%	0.76%	1.15%	-0.85%	0.43%	0.84%	1.58%
Gain on sale of investment	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%
Contributions in aid of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	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%	0.00%	0.01%	0.00%	0.00%
Other non-operating revenue	0.01%	0.09%	0.11%	0.37%	0.04%	0.24%	0.22%	0.05%	0.29%	0.34%
Total Non-operating Revenues	82.45%	81.00%	80.62%	80.37%	80.92%	81.76%	80.98%	80.17%	79.06%	78.34%
Total Revenues	100.00%									

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

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	\$ 206,218	\$ 203,692	\$ 194,996	\$ 186,114	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769
Public service	10,079	11,186	11,432	14,325	11,920	12,601	12,393	11,123	12,191	13,503
Academic support	25,313	23,315	23,073	22,517	20,384	18,972	18,154	16,480	19,988	20,065
Student services	63,747	55,694	48,807	47,798	44,666	40,649	37,960	35,092	37,616	38,354
Institutional support	111,966	99,268	87,717	82,314	77,177	68,431	67,357	61,815	69,320	72,466
Operation and maintenance of plant	48,209	47,073	44,236	39,480	35,296	32,454	33,201	33,105	38,844	38,718
Scholarships and fellowships	55,474	56,038	53,531	52,338	65,101	66,243	68,820	71,174	72,415	61,104
Auxiliary enterprises	10,493	9,544	9,281	9,226	9,585	9,547	8,400	8,771	9,439	10,389
Depreciation	22,644	23,575	23,993	25,878	27,815	27,842	29,338	26,167	25,982	22,986
Total Operating Expenses	554,143	529,385	497,066	479,990	472,035	446,131	439,627	417,437	454,124	439,354
Interest on capital debt	6,833	7,920	8,385	11,574	15,098	15,809	16,124	16,862	18,094	16,508
Loss on disposal of capital assets	218	185	-	596	857	173	58	-	35	1,041
Other non-operating expense	390	941	7,026	668	317	4	1,167	741	415	419
Total Non-operating Expenses	7,441	9,046	15,411	12,838	16,272	15,986	17,349	17,603	18,544	17,968
Total Expenses	\$ 561,584	\$ 538,431	\$ 512,477	\$ 492,828	\$ 488,307	\$ 462,117	\$ 456,976	\$ 435,040	\$ 472,668	\$ 457,322

For the Fiscal Year Ended August 31,

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Instruction	36.72%	37.83%	38.05%	37.76%	36.88%	36.66%	35.89%	35.33%	35.61%	35.37%
Public service	1.79%	2.08%	2.23%	2.91%	2.44%	2.73%	2.71%	2.56%	2.58%	2.95%
Academic support	4.51%	4.33%	4.50%	4.57%	4.17%	4.11%	3.97%	3.79%	4.23%	4.39%
Student services	11.35%	10.34%	9.52%	9.70%	9.15%	8.80%	8.31%	8.07%	7.96%	8.39%
Institutional support	19.94%	18.44%	17.12%	16.70%	15.81%	14.81%	14.74%	14.21%	14.67%	15.84%
Operation and maintenance of plant	8.58%	8.74%	8.63%	8.01%	7.23%	7.01%	7.27%	7.61%	8.22%	8.47%
Scholarships and fellowships	9.88%	10.41%	10.45%	10.62%	13.33%	14.33%	15.06%	16.36%	15.32%	13.36%
Auxiliary enterprises	1.87%	1.77%	1.81%	1.87%	1.96%	2.07%	1.83%	2.02%	2.00%	2.27%
Depreciation	4.03%	4.38%	4.68%	5.25%	5.70%	6.02%	6.42%	6.01%	5.50%	5.03%
Total Operating Expenses	98.67%	98.32%	96.99%	97.39%	96.67%	96.54%	96.20%	95.96%	96.09%	96.07%
Interest on capital debt	1.22%	1.47%	1.64%	2.35%	3.09%	3.42%	3.53%	3.87%	3.83%	3.61%
Loss on disposal of capital assets	0.04%	0.03%	0.00%	0.12%	0.18%	0.04%	0.01%	0.00%	0.01%	0.23%
Other non-operating expense	0.07%	0.18%	1.37%	0.14%	0.06%	0.00%	0.26%	0.17%	0.09%	0.09%
Total Non-operating Expenses	1.33%	1.68%	3.01%	2.61%	3.33%	3.46%	3.80%	4.04%	3.93%	3.93%
Total Expenses	100.00%	100.02%	100.00%							

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

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
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%
2012-13	45	83	540	996	0.00%	0.00%
2011-12	45	83	540	996	9.76%	9.21%
2010-11	41	76	492	912	0.00%	0.00%
2009-10	41	76	492	912	5.13%	5.56%

**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
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%
2012-13	132	132	1,584	1,584	0.00%	0.00%
2011-12	132	132	1,584	1,584	9.09%	9.09%
2010-11	121	121	1,452	1,452	0.00%	0.00%
2009-10	121	121	1,452	1,452	5.22%	5.22%

Source: District Office of Business Affairs

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

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

Fiscal Year	(In Thousands)					Ratio to Market Value	Direct Rate per \$100 TAV		
	Market Value	Exempt Property	Exemptions	Capped Value Loss	Assessed Value August 31,		Maintenance & Operations	Debt Service	Total
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
2010-11	204,875,206	(18,788,237)	(22,435,822)	(411,911)	163,239,236	79.68%	0.07780	0.02143	0.09923
2009-10	213,536,629	(17,654,918)	(22,314,066)	(891,966)	172,675,679	80.86%	0.07780	0.01710	0.09490

Source: Dallas County Appraisal District

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

	Fiscal Year					
	<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	\$ 78,979,053	\$ 78,979,053	\$ 77,308,120	\$ 77,308,906	\$ 78,753,201	\$ 78,753,201
State Appropriation Student Success Points	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	500,000	500,000	500,000	500,000
State Appropriation Non-Formula Items	1,928,323	1,928,323	2,138,298	2,138,299	2,138,299	2,138,298
Total	\$ 89,650,927	\$ 89,650,927	\$ 87,365,904	\$ 87,366,691	\$ 89,284,326	\$ 89,284,325

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

Appropriation per FTSE

Fiscal Year	State Appropriation (Unrestricted)	FTSE	State Appropriation per FTSE
2018-19	\$ 87,795	54,119	\$ 1,622
2017-18	85,796	52,933	1,621
2016-17	85,796	52,569	1,632
2015-16	85,655	50,978	1,680
2014-15	87,146	49,535	1,759
2013-14	87,146	49,867	1,748

Source: District Business Affairs End of Semester Student Statistics Report

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 6C
STATE APPROPRIATION PER FUNDED CONTACT HOUR
LAST TEN FISCAL YEARS
 (UNAUDITED)

Appropriation per Funded Contact Hour						
Fiscal Year	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
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	2.86
2016-17	77,308,120	21,145	5,946	2,894	29,985	2.86
2015-16	77,308,906	20,918	5,533	3,010	29,461	2.91
2014-15	78,753,201	20,709	5,779	3,185	29,673	2.94
2013-14	78,753,201	20,729	5,957	2,907	29,593	2.94

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

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>
2018-19	\$ 8,063,145	N/A	N/A
2017-18	8,063,145	111,507	72
2016-17	7,419,486	102,393	72
2015-16	7,419,486	96,360	77
2014-15	7,892,826	96,762	82
2013-14	7,892,826	88,875	89

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

	Fiscal Year					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Success Point Elements						
Math Readiness	n/a	3,323	3,023	3,052	1,836	1,175
Read Readiness	n/a	1,853	1,612	1,469	1,136	1,320
Write Readiness	n/a	1,207	1,428	1,375	1,120	1,377
Students Who Pass FCL Math Course	n/a	12,487	12,091	11,024	11,597	11,145
Students Who Pass FCL Read Course	n/a	12,509	11,024	10,065	9,927	9,697
Students Who Pass FCL Write Course	n/a	9,815	8,588	8,205	8,555	6,555
Students Who Complete 15 SCH	n/a	20,228	18,685	16,721	17,899	16,932
Students Who Complete 30 SCH	n/a	12,151	11,243	10,489	10,727	9,898
Student Transfers to a 4-Yr Inst	n/a	11,214	10,672	10,716	10,276	9,790
Degrees, CCCs, or Certs (Undup)	n/a	22,186	19,871	19,889	19,898	17,400
Degrees or Certs in Critical Fields	n/a	4,534	4,156	3,355	3,791	3,586
Annual Success Points - Total	n/a	111,507	102,393	96,360	96,762	88,875

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (\$000 omitted)									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Oncor Electric Delivery	Electric Utility	\$ 1,509,118	\$ 1,508,284	\$ 1,442,296	\$ 1,405,137	\$ 1,422,920	\$ 1,343,904	\$ 1,271,159	\$ 1,244,176	\$ 1,225,464	\$ 1,226,132
Aviall Inc	Aviation	1,246,146	1,260,763	1,331,756	1,391,864	880,195	970,872	975,394	789,342	720,147	592,642
ATT/Southwestern Bell/Cingular	Telephone Utility	907,666	939,772	1,102,603	980,206	955,497	999,684	947,533	1,281,252	1,226,067	1,337,588
Wal-Mart	Retail	754,920	812,274	844,098	868,287	760,546	684,169	652,358	536,260	453,385	545,857
Texas Instruments	Manufacturing	746,139	708,168	667,341	649,076	654,639	697,164	746,887	812,802	859,002	1,075,514
Northpark Land Partners	Real Estate Development	700,213	675,069	667,810	643,717	624,382	602,355	578,775	645,301	530,065	545,522
Southwest Airlines	Airline	690,626	633,988	584,260	575,936	604,995	612,739	492,901	605,196	519,000	532,463
DCI Tech Infomart LP	Real Estate Development	508,215	-	-	-	-	-	-	-	-	-
Post Apartment Homes LP/	Real Estate Development	499,463	484,850	601,337	556,464	581,770	367,828	-	-	-	-
FM Village Fixed Rate LLC	Real Estate Development	494,726	495,502	471,339	-	-	-	-	-	-	-
Atmos Energy	Natural Gas Distributor	-	416,898	397,625	-	-	-	-	-	-	-
Verizon/GTE	Telephone Utility	-	-	-	490,628	457,225	452,837	303,252	480,121	429,566	508,920
Crescent Real Estate	Real Estate Development	-	-	-	661,172	756,101	658,123	693,300	459,455	353,769	703,343
SP Millenium Center, LP	Real Estate Development	-	-	-	-	-	-	440,259	-	-	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	-	-	-	-	385,595	337,437	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	-	-	-	-	-	-	398,458
Teachers Insurance	Insurance	-	-	-	-	-	-	-	-	-	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	-	-
Totals		\$ 8,057,232	\$ 7,935,568	\$ 8,110,465	\$ 8,222,487	\$ 7,698,270	\$ 7,389,675	\$ 7,101,818	\$ 7,239,500	\$ 6,653,902	\$ 7,466,439
Total Taxable Assessed Value		\$ 250,711,266	\$ 228,748,604	\$ 216,527,977	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 162,239,236

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Oncor Electric Delivery	Electric Utility	0.60%	0.66%	0.67%	0.71%	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%
Aviall Inc	Aviation	0.50%	0.55%	0.62%	0.71%	0.48%	0.57%	0.59%	0.49%	0.44%	0.37%
AT&T/Southwestern Bell/Cingular	Telephone Utility	0.36%	0.41%	0.51%	0.50%	0.52%	0.58%	0.57%	0.79%	0.75%	0.82%
Wal-Mart	Retail	0.30%	0.36%	0.39%	0.44%	0.42%	0.40%	0.40%	0.33%	0.28%	0.34%
Texas Instruments	Manufacturing	0.30%	0.31%	0.31%	0.33%	0.36%	0.41%	0.45%	0.50%	0.53%	0.66%
Northpark Land Partners	Real Estate Development	0.28%	0.30%	0.31%	0.33%	0.34%	0.35%	0.35%	0.40%	0.32%	0.34%
Southwest Airlines	Airline	0.28%	0.28%	0.27%	0.29%	0.33%	0.36%	0.30%	0.37%	0.32%	0.33%
DCI Tech Infomart LP	Real Estate Development	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Post Apartment Homes LP/	Real Estate Development	0.20%	0.21%	0.28%	0.28%	0.32%	0.21%	0.00%	0.00%	0.00%	0.00%
FM Village Fixed Rate LLC	Real Estate Development	0.20%	0.22%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Atmos Energy	Natural Gas Distributor	0.00%	0.18%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.00%	0.00%	0.00%	0.25%	0.25%	0.26%	0.18%	0.30%	0.26%	0.31%
Crescent Real Estate	Real Estate Development	0.00%	0.00%	0.00%	0.34%	0.41%	0.38%	0.42%	0.28%	0.22%	0.43%
SP Millenium Center, LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%	0.00%	0.00%
YPI Thanksgiving Tower/Central	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.21%	0.00%
Gulfstream Aerospace	Aerospace Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%
Teachers Insurance	Insurance	0.00%	0.00%	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%
	Totals	3.21%	3.47%	3.75%	4.17%	4.21%	4.30%	4.31%	4.48%	4.08%	4.60%

Source: Dallas County Tax Office

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

Fiscal Year Ended <u>August 31,</u>	Levy <u>(a)</u>	Cumulative Levy Adjustments	Adjusted Tax Levy <u>(b)</u>	Collections - Year of Levy <u>(c)</u>	Percentage	Prior Coll of Prior Levies <u>(d)</u>	Current Coll of Prior Levies <u>(e)</u>	Total Collections <u>(c+d+e)</u>	Cumulative Collections of Adjusted Levy
2019	\$ 311,382	\$ (797)	\$ 310,585	\$ 307,443	98.99%	\$ -	\$ -	\$ 307,443	98.99%
2018	284,665	(1,520)	283,145	281,796	99.52%	-	(154)	281,642	99.47%
2017	266,593	(4,072)	262,521	261,343	99.55%	(16)	142	261,469	99.60%
2016	244,303	(2,485)	241,818	240,051	99.27%	830	93	240,974	99.65%
2015	228,474	(2,903)	225,571	223,940	99.28%	811	94	224,845	99.68%
2014	214,468	(2,512)	211,956	210,443	99.29%	986	61	211,490	99.78%
2013	196,940	(1,745)	195,195	193,737	99.25%	1,047	47	194,831	99.81%
2012	161,589	(1,191)	160,398	159,000	99.13%	1,110	34	160,144	99.84%
2011	163,181	(1,662)	161,519	159,858	98.97%	1,385	29	161,272	99.85%
2010	163,869	(2,090)	161,779	159,806	98.78%	1,720	23	161,549	99.86%

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

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

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

For the Fiscal Year Ended August 31 (In Thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Bonded Debt										
General obligation bonds	\$ 182,800	\$ 228,350	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 182,800	\$ 228,350	\$ 263,140	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605
Other Debt										
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620
Tax notes	-	-	-	-	-	-	-	2,170	8,460	14,435
Notes	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	\$ 182,800	\$ 228,350	\$ 263,140	\$ 294,050	\$ 336,670	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660
General Bonded Debt Ratios										
Per Capita	\$ 87.22	\$ 87.22	\$ 102.19	\$ 115.16	\$ 127.63	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08
Per FTSE	3,378	4,314	5,006	5,768	6,491	6,799	6,892	7,112	7,265	7,510
As a percentage of Taxable Assessed Value	0.07%	0.10%	0.12%	0.15%	0.18%	0.20%	0.22%	0.23%	0.24%	0.25%
Total Outstanding Debt Ratios										
Per Capita	\$ 87.22	\$ 87.22	\$ 102.19	\$ 115.16	\$ 133.65	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78
Per FTSE	3,378	4,314	5,006	5,768	6,797	7,146	7,284	7,563	7,904	8,334
As a percentage of Taxable Assessed Value	0.07%	0.10%	0.12%	0.15%	0.18%	0.21%	0.23%	0.25%	0.26%	0.27%

Source: District Office of Business Affairs

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

Debt per student calculated using full-time equivalent enrollment.

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxable Assessed Value	\$ 250,711,266	\$ 228,748,604	\$ 216,527,977	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 172,675,679
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 1,253,556	\$ 1,143,743	\$ 1,082,640	\$ 986,397	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	1,253,556	1,143,743	1,082,640	986,397	914,113	858,703	824,538	807,114	816,196	863,378
Current Year Debt Service Requirements	50,038	46,278	40,685	36,441	33,562	33,560	33,557	33,563	33,556	27,516
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,203,518	\$ 1,097,465	\$ 1,041,955	\$ 949,956	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862
Net Current Requirements as a % of Statutory Limit	3.99%	4.05%	3.76%	3.69%	3.67%	3.91%	4.07%	4.16%	4.11%	3.19%

Source: Taxable Assessed Value from Dallas County Appraisal District

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

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

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)						Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	All Fees	Auxiliary Revenue	Lease Revenue	Interest Income	Total	Principal	Interest	Total	
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
2013	34,624	914	2,594	250	2,194	40,576	2,025	900	2,925	13.87
2012	15,059	869	2,701	250	1,693	20,572	4,145	1,005	5,150	3.99
2011	15,267	907	2,737	300	2,538	21,749	4,025	1,128	5,153	4.22
2010	17,942	906	2,971	400	3,938	26,157	3,940	1,240	5,180	5.05

Source: District Office of Business Affairs

Notes: Auxiliary Revenues includes subcontracted Bookstore and Food Service commissions.

In 2013 Pledged Tuition was changed to 25% per student per semester as allowed by law.

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

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

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Personal Income per Capita</u>	<u>Unemployment Rate</u>
2019	2,637,772	N/A	N/A	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%
2013	2,480,331	125,261,395	48,638	6.5%
2012	2,453,843	123,572,465	48,127	7.3%
2011	2,416,014	117,478,986	45,402	8.4%
2010	2,375,207	104,422,506	44,017	8.6%

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

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2010 THROUGH 2019
(UNAUDITED)**

Employer	Number of Employees									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Wal-Mart Stores, Inc.	37,000	34,000	34,000	25,534	22,700	21,100	19,230	24,189	18,672	17,485
AMR Corporation	24,700	27,000	27,000	25,000	23,700	20,000	20,000	20,000	20,000	-
Bank of America	20,000	13,500	13,500	14,465	15,400	16,000	14,126	15,000	14,902	14,100
Texas Health Resources	19,230	22,296	22,296	19,131	16,205	16,850	17,097	17,097	19,677	18,000
Dallas Independent School District	18,314	19,740	19,740	20,000	20,793	19,219	24,700	24,888	20,684	21,935
Baylor Scott & White	17,097	16,500	16,500	16,860	22,000	19,800	18,314	18,868	20,554	20,387
AT&T, Inc.	15,800	-	-	-	-	-	-	-	34,698	37,100
Lockheed Martin Aeronautics Co.	14,126	14,350	13,750	13,700	12,600	12,100	13,122	13,053	-	-
JP Morgan Chase	13,500	(a)	(a)	12,600	13,000	14,000	-	-	-	-
UT Southwestern Medical Center	13,122	13,048	13,018	(a)	(a)	(a)	15,800	17,500	17,482	14,400
City of Dallas	12,836	13,350	13,336	13,000	13,000	13,000	12,836	13,369	13,427	14,613
Texas Instruments Inc.	9,100	13,000	13,000	13,000	13,000	14,500	13,500	13,500	13,000	10,000
Verizon Communications Inc.	-	-	-	-	-	-	-	-	-	14,000
US Postal Service	-	-	-	-	-	-	-	-	-	-
Total Top Ten	214,825	186,784	186,140	173,290	172,398	166,569	168,725	177,464	193,096	182,020

Employer	Percentage of Total Employment									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Wal-Mart Stores, Inc.	1.00%	0.91%	0.94%	0.72%	0.67%	0.66%	0.61%	0.78%	0.62%	0.58%
AMR Corporation	0.66%	0.73%	0.75%	0.71%	0.70%	0.62%	0.64%	0.64%	0.66%	0.00%
Bank of America	0.54%	0.36%	0.37%	0.41%	0.46%	0.50%	0.45%	0.48%	0.49%	0.47%
Texas Health Resources	0.52%	0.60%	0.62%	0.54%	0.48%	0.53%	0.55%	0.55%	0.65%	0.60%
Dallas Independent School District	0.49%	0.53%	0.55%	0.57%	0.62%	0.60%	0.79%	0.80%	0.68%	0.73%
Baylor Scott & White	0.46%	0.44%	0.46%	0.48%	0.65%	0.62%	0.58%	0.61%	0.68%	0.68%
AT&T, Inc.	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	1.24%
Lockheed Martin Aeronautics Co.	0.38%	0.39%	0.38%	0.39%	0.37%	0.38%	0.42%	0.42%	0.00%	0.00%
JP Morgan Chase	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UT Southwestern Medical Center	0.35%	0.35%	0.36%	0.00%	0.00%	0.00%	0.50%	0.56%	0.58%	0.48%
City of Dallas	0.00%	0.36%	0.00%	0.37%	0.00%	0.00%	0.41%	0.43%	0.44%	0.49%
Texas Instruments Inc.	0.24%	0.35%	0.36%	0.00%	0.00%	0.00%	0.00%	0.43%	0.43%	0.33%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%
US Postal Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Top Ten	5.44%	5.03%	4.78%	4.18%	3.96%	3.90%	4.95%	5.71%	6.37%	6.08%
Total Employment	3,716,000	3,716,000	3,612,900	3,531,000	3,370,500	3,207,300	3,135,000	3,106,034	3,029,960	2,992,091

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

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Faculty										
Full-Time	914	883	868	873	845	866	842	792	765	763
Part-Time	2,444	2,434	2,447	2,374	2,260	2,390	2,425	2,349	2,413	2,440
Total	3,358	3,317	3,315	3,247	3,105	3,256	3,267	3,141	3,178	3,203
Percent										
Full-Time	27.2%	26.6%	26.2%	26.9%	27.2%	26.6%	25.8%	25.2%	24.1%	23.8%
Part-Time	72.8%	73.4%	73.8%	73.1%	72.8%	73.4%	74.2%	74.8%	75.9%	76.2%
Staff and Administrators										
Full-Time	2,710	2,670	2,569	2,515	2,448	2,343	2,290	2,235	2,196	2,472
Part-Time	1,329	1,322	1,459	1,442	1,587	1,527	1,507	1,582	1,373	1,555
Total	4,039	3,992	4,028	3,957	4,035	3,870	3,797	3,817	3,569	4,027
Percent										
Full-Time	67.1%	66.9%	63.8%	63.6%	60.7%	60.5%	60.3%	58.6%	61.5%	61.4%
Part-Time	32.9%	33.1%	36.2%	36.4%	39.3%	39.5%	39.7%	41.4%	38.5%	38.6%
Total Employees										
Full-Time	3,624	3,553	3,437	3,388	3,293	3,209	3,132	3,027	2,961	3,235
Part-Time	3,773	3,756	3,906	3,816	3,847	3,917	3,932	3,931	3,786	3,995
Total	7,397	7,309	7,343	7,204	7,140	7,126	7,064	6,958	6,747	7,230
Percent										
Full-Time	49.0%	48.6%	46.8%	47.0%	46.1%	45.0%	44.3%	43.5%	43.9%	44.7%
Part-Time	51.0%	51.4%	53.2%	53.0%	53.9%	55.0%	55.7%	56.5%	56.1%	55.3%
FTSE per Full-Time Faculty	59.2	59.9	60.6	58.4	58.6	57.6	61.2	66.1	69.9	70.1
FTSE per Full-Time Staff Member	20.0	19.8	20.5	20.3	20.2	21.3	22.5	23.4	24.4	21.6
Average Annual Faculty Salary	\$ 91,487	\$ 91,059	\$ 89,846	\$ 85,678	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623

Source: District Office of Business Affairs

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

Cost of Providing Health Care Insurance	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Number of Retirees	1,355	1,315	1,272	1,229	1,200	1,157	1,136	1,135	930	860
Cost of Health Benefits for Retirees	\$11,724,677	\$11,220,884	\$10,812,824	\$ 9,828,159	\$ 8,926,494	\$ 7,994,217	\$ 7,525,732	\$ 6,926,484	\$ 5,082,773	\$ 4,575,726
Cost per Retiree	\$ 8,653	\$ 8,533	\$ 8,501	\$ 7,997	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103	\$ 5,465	\$ 5,321
Number of Active Full-Time Employees	3,690	3,620	3,496	3,396	3,334	3,242	3,142	3,060	3,302	3,399
Cost of Health Benefits for Active Full-Time Employees	\$31,837,080	\$31,080,279	\$29,816,889	\$27,282,077	\$24,662,718	\$22,599,984	\$20,509,715	\$18,583,294	\$19,564,208	\$18,170,701
Cost per Active Employee	\$ 8,628	\$ 8,586	\$ 8,529	\$ 8,034	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073	\$ 5,925	\$ 5,346
State Appropriation for Health Insurance	\$19,492,899	\$18,648,112	\$16,620,205	\$15,475,496	\$14,641,581	\$13,641,648	\$ 9,760,108	\$ 9,258,438	\$15,042,227	\$15,552,849
Net Cost to DCCCD	\$24,068,858	\$23,653,051	\$24,009,508	\$21,634,740	\$18,947,631	\$16,952,553	\$18,275,338	\$16,251,340	\$ 9,604,754	\$ 7,193,578
DCCCD % of total premium	55.3%	55.9%	59.1%	58.3%	56.4%	55.4%	65.2%	63.7%	39.0%	31.6%
Total employees	5,045	4,935	4,768	4,625	4,534	4,399	4,278	4,195	4,232	4,259
State funding per total employee	\$ 3,864	\$ 3,779	\$ 3,486	\$ 3,346	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207	\$ 3,554	\$ 3,652
DCCCD cost per total employee	\$ 4,771	\$ 4,793	\$ 5,036	\$ 4,678	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874	\$ 2,270	\$ 1,689
Cost of Providing Retirement Benefits	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actual Cost of TRS and ORP Benefits	\$17,223,224	\$16,438,431	\$15,404,550	\$14,669,866	\$13,866,958	\$13,096,063	\$12,071,014	\$10,600,889	\$12,397,755	\$12,420,204
DCCCD's Contribution	\$9,879,370	\$9,410,721	\$8,925,116	\$7,002,933	\$8,007,973	\$7,555,276	\$6,317,752	\$5,092,446	\$2,281,648	\$2,295,287
State's Contribution	\$7,343,853	\$7,027,710	\$6,479,434	\$7,666,933	\$5,858,985	\$5,540,787	\$5,753,262	\$5,508,443	\$10,116,107	\$10,124,917
Cost of Providing All Benefits	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
DCCCD's Contribution	\$33,948,228	\$33,063,772	\$32,934,624	\$28,637,673	\$26,955,604	\$24,507,829	\$24,593,090	\$21,343,786	\$11,886,402	\$ 9,488,865
State's Contribution	26,836,752	25,675,822	23,099,639	23,142,429	20,500,566	19,182,435	15,513,370	14,766,881	25,158,334	25,677,766
Total	\$60,784,980	\$58,739,594	\$56,034,263	\$51,780,102	\$47,456,170	\$43,690,264	\$40,106,460	\$36,110,667	\$37,044,736	\$35,166,631
Cost of Providing All Benefits Percentage Share	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
DCCCD	55.8%	56.3%	58.8%	55.3%	56.8%	56.1%	61.3%	59.1%	32.1%	27.0%
State	44.2%	43.7%	41.2%	44.7%	43.2%	43.9%	38.7%	40.9%	67.9%	73.0%

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

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

Gender	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent								
Female	46,739	57.97%	39,572	57.28%	47,534	54.00%	47,550	53.58%	47,289	54.57%
Male	33,888	42.03%	29,517	42.72%	40,488	46.00%	41,189	46.42%	39,376	45.43%
Total	80,627	100.00%	69,089	100.00%	88,022	100.00%	88,739	100.00%	86,665	100.00%

Ethnic Origin	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent								
White	14,088	17.47%	13,168	19.06%	18,021	20.47%	19,562	22.04%	20,386	23.52%
Hispanic	32,587	40.42%	26,128	37.82%	33,686	38.27%	32,361	36.47%	29,813	34.40%
African American	16,797	20.83%	14,213	20.57%	17,548	19.94%	17,669	19.91%	19,058	21.99%
Asian	4,894	6.07%	4,458	6.45%	5,651	6.42%	5,658	6.38%	5,524	6.38%
Foreign	8,478	10.52%	7,850	11.36%	7,869	8.94%	6,230	7.02%	4,976	5.74%
Native American	-	0.00%	313	0.46%	265	0.30%	292	0.33%	287	0.33%
Other	3,783	4.69%	2,959	4.28%	4,982	5.66%	6,967	7.85%	6,621	7.64%
Total	80,627	100.00%	69,089	100.00%	88,022	100.00%	88,739	100.00%	86,665	100.00%

Age	Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014	
	Number	Percent								
Under 18	16,853	20.90%	8,232	11.92%	13,005	14.77%	10,464	11.79%	8,359	9.64%
18-21	29,618	36.73%	27,554	39.88%	30,143	34.25%	28,489	32.11%	27,778	32.05%
22-24	10,618	13.17%	10,502	15.20%	11,672	13.26%	12,031	13.56%	11,659	13.45%
25-30	9,671	12.00%	9,153	13.25%	11,335	12.88%	12,188	13.73%	12,018	13.87%
31-35	5,127	6.36%	4,977	7.20%	6,955	7.90%	7,873	8.87%	7,997	9.23%
36-50	6,682	8.29%	6,677	9.66%	11,100	12.61%	12,879	14.51%	14,125	16.30%
51 and over	2,058	2.55%	1,994	2.89%	3,812	4.33%	4,815	5.43%	4,729	5.46%
Total	80,627	100.00%	69,089	100.00%	88,022	100.00%	88,739	100.00%	86,665	100.00%

Average Age	24	24	25	26	26
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Source: District Office of Business Affairs

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
TRANSFERS TO SENIOR INSTITUTIONS
2017 FALL STUDENTS AS OF FALL 2018
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of DCCCD Transfer Students	% of DCCCD Transfer Students
University of Texas - Arlington	3118	616	3,734	16.13%
University of Texas - Dallas	3158	569	3,727	16.10%
University of North Texas	2507	446	2,953	12.76%
University of Texas - Austin	2111	355	2,466	10.66%
Texas A&M University - College Station	1561	245	1,806	7.80%
Texas Woman's University	1455	311	1,766	7.63%
University of North Texas - Dallas	1190	246	1,436	6.20%
Texas Tech University	909	118	1,027	4.44%
Texas A&M University - Commerce	804	197	1,001	4.33%
Texas State University	471	79	550	2.38%
Stephen F. Austin State University	265	49	314	1.36%
Tarleton State University	244	62	306	1.32%
Sam Houston State University	207	40	247	1.07%
Midwestern State University	197	43	240	1.04%
Prairie View A&M University	191	32	223	0.96%
University of Houston	175	33	208	0.90%
University of Texas - Tyler	135	30	165	0.71%
University of Texas - San Antonio	106	19	125	0.54%
Texas Tech University Health Science Center	75	44	119	0.51%
Texas Southern University	74	24	98	0.42%
Lamar University Institute of Technology	53	11	64	0.28%
Texas A&M University System Health Science Center	44	12	56	0.24%
Texas A&M University - Corpus Christi	47	7	54	0.23%
University of North Texas Health Science Center - Fort Worth	41	8	49	0.21%
University of Texas - Permian Basin	39	7	46	0.20%

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 18
 TRANSFERS TO SENIOR INSTITUTIONS
 2017 FALL STUDENTS AS OF FALL 2018
 (CONTINUED)**

	Transfer Student Count Academic	Transfer Student Count Technical	Total of DCCCD Transfer Students	% of DCCCD Transfer Students
West Texas A&M University	29	11	40	0.17%
Angelo State University	33	3	36	0.16%
Texas A&M University - Galveston	28	6	34	0.15%
Texas Tech University Health Science Center - El Paso	12	18	30	0.13%
Texas A&M University -Texarkana	27	0	27	0.12%
University of Texas - El Paso	20	3	23	0.10%
University of Texas Southwestern Medical Center - Dallas	20	3	23	0.10%
University of Texas -Rio Grande Valley	16	4	20	0.09%
University of Houston - Downtown	17	2	19	0.08%
Texas A&M University - San Antonio	15	2	17	0.07%
Texas A&M University - Kingsville	13	3	16	0.07%
University of Texas Health Science Center - San Antonio	10	6	16	0.07%
University of Texas Medical Branch Galveston	11	2	13	0.06%
University of Texas Health Science Center - Houston	7	5	12	0.05%
Texas A&M University - Central Texas	8	2	10	0.04%
University of Houston - Victoria	5	2	7	0.03%
University of Houston - Clear Lake	6	0	6	0.03%
Texas A&M International University	4	1	5	0.02%
Sul Ross State University	4	0	4	0.02%
Baylor College of Medicine	2	1	3	0.01%
University of Texas M.D Anderson Cancer Center	2	1	3	0.01%
	19,466	3,678	23,144	100.00%

Source: THECB *Students Pursuing Additional Education* report for Academic Year 2017-18

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 19
CAPITAL ASSET INFORMATION
FISCAL YEARS 2010 THROUGH 2019
(UNAUDITED)**

	Fiscal Year									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Academic buildings	89	89	89	89	89	89	89	89	89	89
Square footage	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370
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	432,076	433,212
Administrative and support buildings	8	8	8	8	8	8	8	8	8	8
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215
Dining Facilities										
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
Athletic Facilities	6	6	6	6	6	6	6	6	6	6
Square footage	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050
Athletic fields	43	43	43	43	43	43	43	43	43	43
Gymnasiums	8	8	8	8	8	8	8	8	8	8
Fitness centers	10	10	10	10	10	10	10	10	10	10
Tennis courts	22	22	22	22	22	22	22	22	22	22
Plant facilities	3	3	3	3	3	3	3	3	3	3
Square footage	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
Transportation										
Cars / SUV's	48	29	75	56	36	36	36	36	39	39
Light trucks/vans	109	93	94	94	79	79	79	79	88	88
Buses	9	8	6	8	8	8	8	8	10	10
Total Square Footage	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	4,714,801

Source: District Office of Business Affairs

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

Information will be presented prospectively.

Transportation includes vehicles under fleet leasing program.

**SCHEDULES FOR
FEDERAL AND STATE SINGLE AUDIT**

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

Board of Trustees
Dallas County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Dallas County Community College District (the "District"), which comprise of the statement of financial position as of August 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated December 3, 2019.

Internal control over financial reporting

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

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

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements,

noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

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

GRANT THORNTON LLP



Dallas, Texas

December 3, 2019

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

Board of Trustees
Dallas County Community College District

Report on compliance for each major federal and state program

We have audited the compliance of Dallas County Community College District, (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2019. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to the District's federal and state programs.

Auditor's responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Uniform Grant Management Standards (UGMS). Those standards, the Uniform Guidance, and the UGMS require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each major federal and state program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2019.

Other matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and state program is not modified with respect to this matter.

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

Report on internal control over compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal and state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

GRANT THORNTON LLP



Dallas, Texas

December 3, 2019

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
SCHEDULE E**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
U.S. Department of Education				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant	84.007A (1)		\$ 1,632,856	
Federal Work-Study Program	84.033A (1)		988,864	
Federal Work-Study Program	84.033A (1)		49,241	
Federal PELL Grant Program	84.063P (1)		74,504,795	
Federal Direct Student Loans	84.268 (1)		<u>37,382,713</u>	
Total Student Financial Aid Cluster			114,558,469	
TRIO Cluster				
		P042A15- 1162/0487/0721		
TRIO_Student Support Services	84.042A (2)	P042A161469	1,273,811	
TRIO_Talent Search	84.044A (2)	P044A160665	264,102	
		P047A17-		
TRIO_Upward Bound	84.047A (2)	1489/0826/0908	880,939	
TRIO_Veterans Upward Bound	84.047V (2)	P047V170229	<u>211,688</u>	
Total TRIO Cluster			2,630,540	
Other Direct Programs				
Higher Education_Institutional Aid	84.031A (7)	P031A140139	547,566	
Higher Education_Institutional Aid	84.031C (7)	P031C16-0035/0113	1,609,581	85,790
Higher Education_Institutional Aid	84.031L (7)	P031L150024	334,479	
Higher Education_Institutional Aid	84.031S (7)	P031S- 150018/170019	1,113,173	
Strengthening Minority -Serving Institutions	84.382A (7)	P382A150037	429,621	
Fund for the Improvement of Postsecondary Education	84.116G	P116G150121	<u>8,164</u>	
Total Other Direct Programs			4,042,584	
Total Direct U. S. Department of Education			121,231,593	
Pass-Through From:				
Texas Higher Education Coordinating Board				
		18017/184217		
Career and Technical Education- Basic Grants to States	84.048	19027/194227	2,157,331	
Career and Technical Education- Basic Grants to States	84.048	19249	132	-
Total Pass-Through Texas Higher Education Coordinating Board			<u>2,157,463</u>	
Dallas County Local Workforce Development Board				
Adult Education -Basic Grants to States	84.002A	DCCCD AEL 3-2016	(52,090)	
Adult Education -Basic Grants to States	84.002A	DCCCD - AEL 2018-1	3,734,760	
Adult Education -Basic Grants to States	84.002A	RLC-AEL 3-2016	<u>(4,607)</u>	
Total Pass-Through Dallas County Local Workforce Development Board			3,678,063	
Total Pass-Through U.S. Department of Education			<u>5,835,526</u>	
Total U. S. Department of Education			<u>127,067,119</u>	

- (1) Clustered Student Financial Aid Programs \$ 114,558,469
- (2) Clustered TRIO Programs \$ 2,630,540
- (3) Clustered SNAP Program \$ -
- (4) Clustered WIA Programs \$ 763,809
- (5) Clustered TANF Programs \$ 537,688
- (6) Clustered CCDF Programs \$ 275,971
- (7) Clustered R&D Programs \$ 4,108,464

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
SCHEDULE E
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
U.S. Department of Justice				
Direct Programs:				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	2017-WA-AX-0051	\$ 83,684	
Total U. S. Department of Justice			83,684	
U.S. Department of Labor				
Direct Programs:				
Trade Adjustment Assistance Community College and Career Training Grants	17.282	TC-26492-14-60-A-48	54,810	
Total Direct U. S. Department of Labor			54,810	
Pass-Through From:				
WIA/WIOA Cluster:				
Dallas County Local Workforce Development Board				
WIA/WIOA Adult Program	17.259 (4)	RLC 2-2015	(228)	
WIA/WIOA Adult Program	17.259 (4)	RLC 3-2015	93,776	
WIA/WIOA Adult Program	17.259 (4)	RLC 4-2015	471,875	
			<u>565,423</u>	
Texas Workforce Commission				
WIA Dislocated Worker Formula Grants	17.278 (4)	0617WOS000	(310)	
WIA Dislocated Worker Formula Grants	17.278 (4)	0619WOS001	53,640	
WIA Dislocated Worker Formula Grants	17.278 (4)	0619ATP000	145,056	
Total Pass-Through Texas Workforce Commission			<u>198,386</u>	
Subtotal WIA/WIOA Cluster			<u>763,809</u>	
Houston Community College				
H-1B Job Training Grants	17.268	AP-27829-15-60-A-48	430,770	
Total Pass-Through U.S. Department of Labor			<u>1,194,579</u>	
Total U.S. Department of Labor			<u>1,249,389</u>	
National Endowment for the Humanities				
Direct Programs:				
Promotion of the Humanities_Professional Development	45.163	EH-256889-17	8,000	
Total National Endowment for the Humanities			<u>8,000</u>	

- (1) Clustered Student Financial Aid Programs \$ 114,558,469
- (2) Clustered TRIO Programs \$ 2,630,540
- (3) Clustered SNAP Program \$ -
- (4) Clustered WIA Programs \$ 763,809
- (5) Clustered TANF Programs \$ 537,688
- (6) Clustered CCDF Programs \$ 275,971
- (7) Clustered R&D Programs \$ 4,108,464

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

**SCHEDULE E
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub- recipients
National Science Foundation				
Direct Programs:				
Education and Human Resources	47.076 (7)	DUE-1501105	\$ (3,283)	
Education and Human Resources	47.076 (7)	DUE-1764427	47,460	
Total Direct National Science Foundation			<u>44,177</u>	
Pass-Through From:				
Collin County Community College				
Education and Human Resources	47.076 (7)	DUE-1700530	6,381	
Texas A&M University				
Education and Human Resources	47.076 (7)	DUE-1304843	23,486	
Total Pass-Through National Science Foundation			<u>29,867</u>	
Total National Science Foundation			<u>74,044</u>	
U. S. Small Business Administration				
Direct Programs:				
Small Business Development Centers	59.037	8-603001-EZ-0015 9-603001-EZ-0019	3,216,515	1,885,884
Total U. S. Small Business Administration			<u>3,216,515</u>	
U.S. Department of Veterans Affairs				
Direct Program:				
Post-9/11 Veterans Educational Assistance	64.027		1,952,363	
Total U.S. Department of Veterans Affairs			<u>1,952,363</u>	

(1)	Clustered Student Financial Aid Programs	\$ 114,558,469
(2)	Clustered TRIO Programs	\$ 2,630,540
(3)	Clustered SNAP Program	\$ -
(4)	Clustered WIA Programs	\$ 763,809
(5)	Clustered TANF Programs	\$ 537,688
(6)	Clustered CCDF Programs	\$ 275,971
(7)	Clustered R&D Programs	\$ 4,108,464

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

**SCHEDULE E
(CONTINUED)**

Federal Grantor / Program Title	Federal CFDA	Grant Award #	Expenditures	Pass-Through to Sub-recipients
U.S. Department of Health & Human Services				
Direct Programs:				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1U79SM062515-01	\$ 2,180	
Total Direct U. S. Department of Health & Human Services			<u>2,180</u>	
Pass-Through From:				
University of Texas at Austin				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	UTA17-000816	27,148	
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558 (5)	0618SMP001	80,863	
Temporary Assistance for Needy Families	93.558 (5)	0617SSF001	9,488	
Temporary Assistance for Needy Families	93.558 (5)	0619ATP000	10,946	
Total Pass-Through Texas Workforce Commission			<u>101,297</u>	
Dallas County Local Workforce Development Board				
Temporary Assistance for Needy Families	93.558 (5)	DCCCD-AEL 2018-1	436,391	
Child Care and Development Block Grant	93.575 (6)	DCCCD-CQI 2-2015	(237)	
Child Care and Development Block Grant	93.575 (6)	DCCCD-CQI 3-2015	63,586	
Child Care and Development Block Grant	93.575 (6)	DCCCD-CQI 4-2015	212,622	
Total Pass-Through Dallas County Local Workforce Development Board			<u>712,362</u>	
Total Pass-Through Department of Health & Human Services			<u>840,807</u>	
Total Department of Health & Human Services			<u>842,987</u>	
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 134,494,101</u>	<u>\$ 1,971,674</u>

- (1) Clustered Student Financial Aid Programs \$ 114,558,469
- (2) Clustered TRIO Programs \$ 2,630,540
- (3) Clustered SNAP Program \$ -
- (4) Clustered WIA Programs \$ 763,809
- (5) Clustered TANF Programs \$ 537,688
- (6) Clustered CCDF Programs \$ 275,971
- (7) Clustered R&D Programs \$ 4,108,464

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019
SCHEDULE F**

State Grantor / Program Title	Grant #	Expenditures
Texas Higher Education Coordinating Board		
Texas Education Opportunity Grant		\$ 3,461,177
T-Stem Challenge Scholarship	16897	49,670
Work Study Student Mentorship Program	18875	130,849
College Readiness and Success Models	17431 / 19074	125,828
Nursing Shortage Reduction Program	NSRP FY2019 -Regular	5,492
Pathways Project Grant	16568	27,002
Total Texas Higher Education Coordinating Board		3,800,018
Texas Education Agency		
Dropout Recovery Performance Pay	111045587110018	80
Total Texas Education Agency		80
Texas Parks and Wildlife		
Community Outdoor Outreach Program	52-000665	20,762
Total Texas Parks & Wildlife		20,762
Texas Workforce Commission		
Skills Development Funds		
Skills Development Fund	0616SDF004	311
Partnership with Associa Client	0617SDF001	(5,630)
THEC4 Logistics	0617SDF002	231,283
Partnership with Bottling Group	0617SDF004	87,298
Hilite Industries Automotive	0617SDF005	62,917
Partnership with Electrical/Plumbing	0617SDF006	538,980
Mechanical Construction Consortium	0617SDF007	546,211
Partnership with Information Technology	0617SDF008	83,881
Partnership with Manufacturing Consortium II	0617SDF009	216,252
Partnership with Tekni-Plex	0617SDF010	143,205
Partnership with Thomson Reuters	0618SDF000	222,200
Partnership with Manufacturing Consortium	0619SDF001	215,449
Health Management Systems	0619SDF002	52,080
Advancing Skill in Manufacturing	0619SDF003	6,400
Total Skills Development Funds		2,400,837

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

**SCHEDULE F
(CONTINUED)**

State Grantor / Program Title	Grant #	Expenditures
Apprenticeship Training Program		
Apprenticeship Training Program	0618ATP000	2,118
Apprenticeship Training Program	0619ATP000	230,053
Total Apprenticeship Training Program		<u>232,171</u>
Skills for Small Business		
Skills for Small Business	0616SSD000	(1,339)
Skills for Small Business	0618SSD000	158,621
Skills for Small Business	0618SSD001	39,350
Skills for Small Business	0618SSD002	106,700
Total Skills for Small Business		<u>303,332</u>
Total Direct Texas Workforce Commission		<u>2,936,340</u>
Pass-Through Texas Workforce Commission		
Dallas County Local Workforce Development Board		
Adult Education Literacy	DCCCD-AEL 2018-1	530,000
Total Pass-Through Dallas County Local Workforce Development Board		<u>530,000</u>
Total Texas Workforce Commission		<u>3,466,340</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u><u>\$ 7,287,200</u></u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

1. GENERAL

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

2. BASIS OF ACCOUNTING

The expenditures included in the Schedules are reported for the District's fiscal year ended August 31, 2019. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the District for the purposes of the awards. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the Schedules may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various funding agencies in the preparation of the Schedules.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal and State award revenues are reported in the financial statements of the District for the fiscal year ended August 31, 2019, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 19,880,365	\$ 7,379,884
Federal revenue, non-operating per Exhibit 2	73,348,365	-
Federal direct student loans	37,382,713	-
Fall tuition-related grants deferred to next year	3,882,658	(92,684)
Total expenditures for federal/state awards	<u>\$ 134,494,101</u>	<u>\$ 7,287,200</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

4. AMOUNTS PASSED THROUGH TO OTHERS

Amounts Passed Through by the District – Federal:

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

These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, CFDA 59.037. (Award 8-603001-EZ-0015 and 9-603001-EZ-0019)

Collin College	\$ 304,700
Grayson College	101,352
McLennan Community College	187,672
Navarro College	170,467
North Central Texas College	130,298
Northeast Texas Community College	166,483
Paris Junior College	112,836
Tarrant County College	300,441
Trinity Valley Community College	89,005
Tyler Junior College	242,817
University of Texas at Tyler	79,813
	<hr/>
	\$ 1,885,884

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

University of North Texas at Dallas	<hr/>
	\$ 85,790
	<hr/>
Total Amounts Passed Through – Federal	\$ 1,971,674

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

Amounts Passed Through by the District – State:

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

Collin College	\$	20,998
Grayson College		91,909
McLennan Community College		117,409
Navarro College		110,594
North Central Texas College		94,158
Northeast Texas Community College		109,546
Paris Junior College		37,806
Tarrant County College		181,357
Trinity Valley Community College		111,103
Tyler Junior College		74,693
University of Texas at Tyler		33,274
Total Amounts Passed Through - State		\$ 982,847
Total Amounts Passed Through – Federal and State		\$ 2,954,521

5. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Although Direct Loans “are made to students (not the institution of higher education)” as confirmed in the June 2010 *A-133 Compliance Supplement*, page 5-3-48, they also recommend the amounts for such loans be included on the face of the Schedule of Expenditures of Federal Awards (SEFA). Subtracting the effect of including these loans on the SEFA, actual expenditures of Federal awards for the 2019 fiscal year are \$97,111,388.

Federal Grantor CFDA Number/ Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
Department of Education 84.268 Direct Loans	\$ 37,382,713	-	\$ 37,382,713

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2019**

6. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

7. INDIRECT COST

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2019

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	Yes

State Awards

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2019

Identification of major programs:

<u>CFDA/Grant Numbers/State Identifying Number</u>	<u>Name of Federal and State Programs or Cluster</u>
Major Federal Programs:	
47.076, 84.031, 84.382	Research and Development Cluster
64.027	Post-9/11 Veterans Educational Assistance
84.042, 84.044, 84.047	TRIO Cluster
84.048	Career and Technical Education-Basic Grants to States
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
Major State Programs:	
None	Texas Education Opportunity Grant
Dollar threshold used to distinguish between type A and type B programs:	\$750,000 for federal programs \$300,000 for state programs
Auditee qualified as low-risk auditee for federal programs?	No
Auditee qualified as low-risk auditee for state programs?	Yes

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS

The audit disclosed no findings required to be reported for the year ended August 31, 2019.

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

Finding #: 2019-001
CFDA Number: 64.027
Federal Title: Post-9/11 Veterans Educational Assistance
Federal Agency: U.S. Department of Veterans Affairs
Federal Award Number: None
Program Year: 2018 - 2019
Compliance Requirement: Cash Management
Type of Finding: Significant Deficiency and Noncompliance

Criteria:

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

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

Condition:

We noted eleven (11) instances in which the colleges had either not applied funds to student accounts within 30 days, or returned to the VA, if required. However, we did note that all 11 instances identified related to periods prior to May 31, 2019.

Cause:

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2019

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

Effect:

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

Questioned Costs:

None.

Identification of a repeat finding:

This is a repeat finding from the immediate previous audit (2018-001). However, as previously mentioned, all 11 instances identified related to period prior to May 31, 2019.

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

Management of the colleges and the District accepts the finding and its recommendation. As noted in the Condition, the findings occurred prior to May 2019. Five (5) of the eleven (11) occurrences were related to unapplied funds identified in FY2018 Finding 2018-001. The remaining six (6) occurrences were for funds received in FY 2019. The maximum number of days any of the FY2019 Post 9/11 funds remained unapplied was 32 days. All of the 11 occurrences were cleared and funds applied by May 31, 2019.

The FY2018 Finding 2018-001 was communicated to the District near the completion of its FY 2018 financial audit in December 2018. During the period of December 2018 through May 2019, the District implemented its corrective action plan as outlined in the View of Responsible Officials for Finding 2018-001. By May 2019, the colleges had applied the \$143,133.09 of Post 9/11 balances which were identified in the Finding 2018-001 Condition statement. The colleges also during that time was in the process of establishing processing standards to maintain application of current semester student funds within a 30-day period. In addition, the District was establishing a District oversight team which is responsible for regularly training staff and monitoring staff's adherence to program requirements including application of Post 9/11 funds to student accounts. It is our belief that these occurrences and the conditions which created these occurrences have been resolved through actions taken in response to the FY2018 finding.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019**

Prior Finding (2018-001)

The Finding was communicated to the District near the completion of its financial audit in December 2018. During the period of December 2018 through May 2019, the District implemented its corrective action plan. By May 2019, the colleges had applied the \$143,133.09 of Post 9/11 balances which were identified in the Finding 2018-001 Condition statement. The colleges also established processing standards to maintain application of current semester student funds within a 30-day period. In addition, the District established a District oversight team which is responsible for regularly training staff and monitoring staff's adherence to program requirements including application of Post 9/11 funds to student accounts. The oversight team is expected to maintain its knowledge of Veteran's programs through trainings, regulation research and constant monitoring of changes in code and manuals.

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Dallas County
Community College District

Education That Works.