



# Annual Comprehensive Financial Report

For the Fiscal Years Ended  
August 31, 2021 and 2020

Dallas County, TX



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**DALLAS COLLEGE**  
**DALLAS COUNTY, TEXAS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**PREPARED BY**  
**DALLAS COLLEGE OFFICE OF FINANCE**

**APPROVED BY**  
**DALLAS COLLEGE BOARD OF TRUSTEES**  
**ON DECEMBER 7, 2021**

**DALLAS COLLEGE**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

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# **INTRODUCTORY SECTION**

**DALLAS COLLEGE**  
**ORGANIZATIONAL DATA**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**BOARD OF TRUSTEES**

**OFFICERS**

Monica Lira Bravo	Chair
Philip J. Ritter	Vice Chair
Joe D. May	Secretary

**MEMBERS**

TRUSTEE	CITY, STATE	TERM EXPIRES
Diana Flores	Dallas, Texas	2026
Cliff Boyd	Duncanville, Texas	2026
Philip J. Ritter	Dallas, Texas	2022
Dorothy Zimmermann	Garland, Texas	2022
Monica Lira Bravo	Dallas, Texas	2022
Charletta Rogers Compton	Dallas, Texas	2024
Gretchen Williams*	Dallas, Texas	2022

\*Term began 10/21/2021

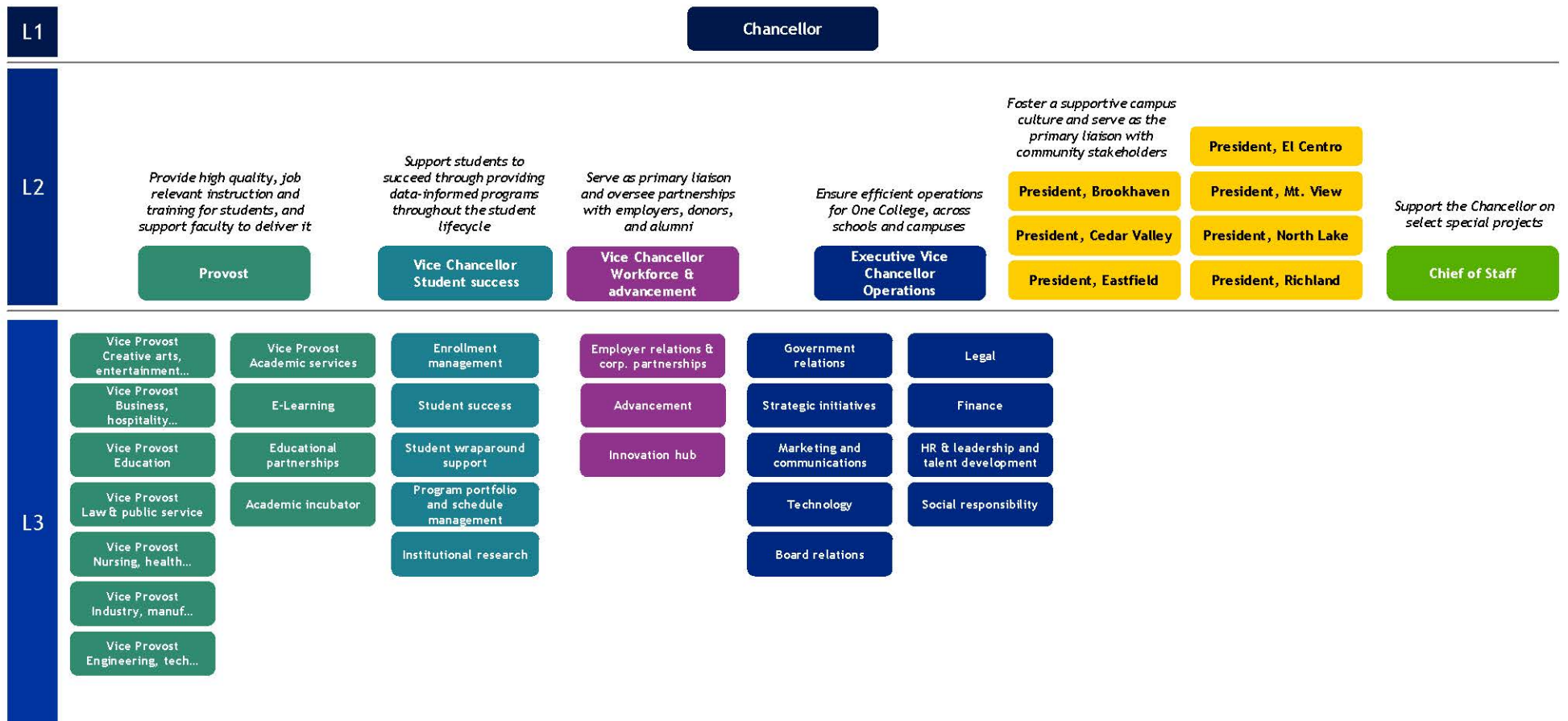
**ADMINISTRATIVE OFFICERS**

Joe D. May	Chancellor
Patricia Arellano-Tolotta	Chief Marketing Officer
Mary Brumbach	Chief of Strategic Initiatives
Sharon Davis	Chief Business Continuity Officer
Sherri Enright	Chief Human Resources Officer
Shawnda Floyd	Provost
Iris Freemon	Chief of Staff
Beatriz Joseph	Vice Chancellor Student Success
Justin Lonon	Executive Vice Chancellor of Operations
Pamela Lockett	Chief Digital Engagement Officer
James Parker	Chief Technology Officer, Interim
John Robertson	Chief Financial Officer
Marisol Romany	Chief Social Responsibility & Inclusion Officer
Robert Wendland	General Counsel
Pyeper Wilkins	Vice Chancellor of Workforce and Advancement

**CAMPUS PRESIDENTS**

Linda Braddy	Brookhaven
Kathryn Eggleston	Richland
Kenneth Gonzalez	Mountain View
Joe Seabrooks	Cedar Valley
Christa Slejko	North Lake
Eddie Tealer	Eastfield
Bradford Williams	El Centro

# One College Leadership Team







December 7, 2021



Joe D. May

On behalf of Dallas College and the community of Dallas County, I am pleased to submit to the members of the Dallas College Board of Trustees our Annual Comprehensive Financial Report (ACFR) for the fiscal years, which ended August 31, 2021 and 2020.

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

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

- New name. Same great education. In June 2020, approval was given by the Southern Association of Colleges and Schools to consolidate into one college with multiple campuses. Dallas College has consolidated its organizational structure to a Schools concept which will improve student responsiveness and provide efficiencies throughout the new organization.
- Dallas College has partnered with school districts, private and charter school systems to offer dual credit learning opportunities, with a 16.8% increase in dual credit headcount from 2018-19 to 2020-21 (from 25,558 to 29,835 unduplicated students enrolled). By August 2021, the Texas Education Agency had approved 62 Dallas College Early College High Schools (ECHSs), including 35 P-TECH programs and an additional 15 T-STEM Academies as pathways to certificates and degrees. In 2021-22, 8 more Texas Education Agency-designated ECHSs and P-TECHs will be planning for implementation in 2022-23, for a total of 85 College and Career Readiness Models. Students are enabled to pursue both a high school diploma and an associate degree at no cost to them or their parents. A record 552 certificates and 1,789 associate degrees were awarded to 2020-21 high school dual credit graduates by Dallas College, a total of 2,341 awards.
- The Dallas County Promise program enrolled over 5,300 students for the fall 2021 semester. This program removes the financial barrier to college and is helping to transform students' perspective on college access. In partnership with the Dallas College Foundation, the Dallas County Promise program is now open to high school seniors from 57 area high schools.

## A Letter from the Chancellor

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- The Board of Trustees authorized an election for the issuance of \$1.1 billion of general obligation bonds that was overwhelmingly supported by the taxpayers of Dallas County in 2019. The bonds will be issued over the next two to eight years in order to maintain the same debt service tax rate. While progress on this capital program was slowed by the filing of an election lawsuit, Dallas College fully expects to be successful in defending the lawsuit. The proceeds will be used to add new instructional buildings on all campuses due to the growth in our programs. Also, we will develop a new downtown master planned education and innovation district to support the needs of Dallas area businesses and entrepreneurs.

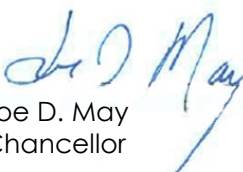
We will continue to build our higher education network, remove barriers to student success, and concentrate on providing training and courses in those programs that meet the needs of employers and businesses who are filling high-demand jobs. We will provide “higher education that actually gets you hired.”

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

Lastly, I have decided to retire effective August 31, 2022. The Board of Trustees has selected Dr. Justin Lonon, who currently serves as Executive Vice Chancellor, to step into my place. Dr. Lonon has all the experience to continue the great work we have started to be the premier student centric organization and be an integral part of our communities. We will begin the transition in March 2022, and I will continue as Chancellor Emeritus beginning in fiscal year 2023.

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 College 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



December 7, 2021

To the Board of Trustees:

Respectfully submitted for your review is the annual comprehensive financial report for Dallas College (College) for the fiscal years ended August 31, 2021 and 2020. The purpose of this report is to provide detailed information about the financial condition and performance of the College. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

### **Annual Comprehensive Financial Report**

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

### **Reporting Entity**

The College is a special-purpose government engaged solely in business-type activities (BTA). In compliance with GASB Statements No. 34 and No. 35, as amended, this reporting model is intended to make government financial statements similar to corporate financial statements. It also serves to make the financial statements more comparable across organizations.

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

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

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

### **Organization of Dallas College**

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

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

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

### **Mission and Values**

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

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

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

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

- the first two years of a bachelor's degree
- 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 25 percent Anglo, 47 percent Hispanic, 25 percent African American, 8 percent Asian, and 5 percent all others combined. The College's workforce is becoming increasingly diverse: 28 percent Anglo, 26 percent Hispanic, 33 percent African American, 7 percent Asian, and 6 percent all others combined.

### **Economic Conditions and Outlook**

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

- Ad Valorem Taxes – increased by \$25.8 million due to the taxable assessed value increasing. The tax rates remained unchanged.
- Net Tuition and Fees – decreased by \$1.0 million due to an increase in tuition waivers from the Early College High School enrollment increase.
- State Appropriations – increased by \$13.3 million. Appropriations for benefits changed due to accounting of Other Post-employment Benefit (OPEB) liability in 2020.

Taxable property values increased by 7.6% in fiscal year 2021 driven primarily by commercial and business personal property increases, especially in the central business district of Dallas.

In fiscal year 2021, credit student headcount decreased by approximately 16%, due to COVID-19. Enrollments are expected to increase to pre-pandemic levels as the College 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. College'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 \$14.9 million in fiscal year 2021 primarily due to increases in institutional support, student services, and public service.

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

### **Financial Planning and Budgeting**

Dallas College's financial planning is comprised of three planning processes for all newly established schools of study within the College and campus operations:

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

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

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

The methodology for budget is being changed in 2021 to reflect reorganized operations of the College. Each school of study will receive a lump-sum budget allocation, based on total forecasted State appropriations and tuition revenues. This allocation, together with an allocation of the Colleges' fund balance, makes up the total available resources for each school of study's budget. The Provost is responsible for the development and control of the collective schools budget, expenditures, and allocated resources. Campus facilities are administrated centrally. Facilities initiatives are budgeted based on funding from ad valorem taxes and debt funding. The Board of Trustees approves an operating budget for all operations of the College each fiscal year including any revisions. The Board of Trustees is given updates at least annually on the three-year projections of revenues and expenditures.

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

### **Major Initiatives**

The Board of Trustees approved the consolidation of seven colleges into one college with multiple campuses. The organization of Dallas College is structured around seven schools by program of study. Due to this consolidation, the College is currently restructuring to improve efficiency, reduce costs, and focus on a student centric model that improves completion and retention while shortening the time to complete a degree or certificate. This consolidation will be completed during fiscal year 2022.

In May 2019, the voters authorized \$1.1 billion of general obligation bonds to fund the consolidated collegewide 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 2023.

The Board also approved another major initiative that includes improvements to public safety and security and updates to all information technology equipment and infrastructure which was completed in summer 2021.

### **Independent Audit**

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The independent firm of certified public accountants of McConnell & Jones, LLP was selected by Dallas College's Board of Trustees starting in fiscal year 2020. In addition to meeting the State statute requirements, the audit is designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance and the state of Texas single audit related to the Uniform Grant Management and Standards Single Audit Circular. The auditors' reports related specifically to the single audit are included in the Schedules for Federal and State Single Audit section of Dallas College's annual comprehensive financial report.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its annual comprehensive financial report for the fiscal year ended August 31, 2020, for the ninth consecutive

year. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy generally accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our annual comprehensive financial report for the fiscal year ended August 31, 2021, continues to meet the Certificate of Achievement program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another certificate.

### **Financial Transparency**

The College continues to provide financial information on its website on the Financial Transparency page: <https://www.dcccd.edu/about/financial/transparency/pages/default.aspx>. The site includes current and historical data for budgets, audited annual financial reports, bonds, and property tax information.

### **Acknowledgement**

The staff thanks the Board of Trustees for their integrity, interest, and insight concerning the fiscal operations of the College. Also, we wish to thank the Chancellor and the Chancellor's executive staff for their responsible fiscal approach. The timely completion of this report was made possible by the dedication and hard work of the entire Finance staff. We would also like to thank the accounting firm of McConnell & Jones, LLP for their assistance with the audit.

Respectfully submitted,

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

John Robertson  
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Dallas County Community College District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

*Christopher P. Morill*

Executive Director/CEO



## **FINANCIAL SECTION**



# McConnell Jones

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Dallas College

### 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 College, (the "College") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### Management's responsibility for the financial statements

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

### Auditor's responsibility

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

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 College'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 College's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Phone: 214.758.0011

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# McConnell Jones

## **Opinion**

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 College as of August 31, 2021 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 31 and the Required Supplementary Information on pages 109 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 College's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2021, 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 158 through 163, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 120 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.



# McConnell Jones

## *Other information*

The introductory section and statistical section on pages 2 through 11 and on pages 125 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 7, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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 College's internal control over financial reporting and compliance.

Dallas, Texas  
December 7, 2021

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(UNAUDITED)**

Management's discussion and analysis of the annual financial statements of Dallas College (College) is designed to help readers understand some of the conditions and events contributing to the current financial position of the College as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, the College's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with the College. For purposes of the summary and discussion, the terms "2021", "2020" and "2019" refer to fiscal years ended August 31, 2021, August 31, 2020, and August 31, 2019, respectively.

#### **FINANCIAL HIGHLIGHTS FOR 2021**

- Total assets for 2021 were \$1,253.9 million, increasing by \$97.8 million from 2020 due to increased spending in fixed assets. Total liabilities decreased \$30.0 million during 2021 primarily as a result of a decrease in bonds payable of \$23.6 million and a decrease in the net post-employment benefit liabilities of \$13.6 million. Deferred outflows were \$116.9 million and deferred inflows were \$93.0 million.
- Net position at August 31, 2021 was \$650.9 million, which was an increase of \$97.1 million over 2020.
- Total operating revenues in 2021 were \$120.6 million, up \$12.4 million primarily due to an increase in federal, state and non-governmental grants related to the funds received from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Higher Education Emergency Relief Fund (HEERF). The College received HEERF funds to help offset instructional costs related to providing for remote learning as well as funds for scholarships for students. Tuition revenues were down \$1 million in 2021 due to increases in tuition waivers from the Early College High School (ECHS) enrollment increases. Operating expenses were \$611.2 million, up \$14.9 million from 2020 primarily due to increases in student services, public service, and institutional support categories from the HEERF funds. Net non-operating revenues were \$587.7 million, an increase of \$43.7 million primarily attributed to increases in tax revenue and federal revenue, non-operating.
- A tax note of \$30.1 million was issued in 2021. Principal and interest payments on General Obligation Refunding bonds and tax notes for 2021 were \$54.5 million. Total bond payments for 2021 increased by \$.7 million over 2020. Total bonds payable decreased \$23.7 million in 2021.

#### **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(UNAUDITED)**

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

The financial position is presented as of August 31, 2021 and 2020 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. As required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, an accrual basis of accounting is employed. This means that transactions are recorded as incurred rather than when cash changes hands.

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

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

**DALLAS COLLEGE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**(UNAUDITED)**

**Statements of Net Position**

The focus of the Statements of Net Position is to illustrate the financial position at a point in time. These statements present the current financial resources (short-term spendable assets) along with assets planned to be held for more than a year. It also shows amounts owed against those assets and reveals the amount of remaining net position available to the College for further endeavors. In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2019 through 2021 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
<b>ASSETS</b>					
Current Assets	\$ 231.0	\$ 383.3	\$ 350.5	\$ (152.3)	\$ 32.8
Capital Assets, net of depreciation	756.5	680.8	629.7	75.7	51.1
Other Non-current Assets	266.4	92.0	147.6	174.4	(55.6)
Total Assets	1,253.9	1,156.1	1,127.8	97.8	28.3
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	116.9	151.5	157.9	(34.6)	(6.4)
<b>LIABILITIES</b>					
Current Liabilities	159.6	131.6	161.6	28.0	(30.0)
Non-current Liabilities	467.3	525.3	510.1	(58.0)	15.2
Total Liabilities	626.9	656.9	671.7	(30.0)	(14.8)
<b>DEFERRED INFLOWS OF RESOURCES</b>	93.0	96.9	116.1	(3.9)	(19.2)
<b>NET POSITION</b>					
Net Investment in Capital Assets	661.6	545.2	446.5	116.4	98.7
Restricted	17.7	2.6	0.6	15.1	2.0
Unrestricted	(28.4)	6.0	50.8	(34.4)	(44.8)
Total Net Position	\$ 650.9	\$ 553.8	\$ 497.9	\$ 97.1	\$ 55.9

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(UNAUDITED)**

##### Changes in Assets

Current assets decreased by \$152.3 million in 2021 compared to 2020, mostly from the cash and cash equivalents category as funds were moved from investment pools to U.S. agency investments to take advantage of more favorable interest rates. Accounts receivable increased by \$31.0 million due to an increase in federal receivables.

Current assets increased by \$32.8 million in 2020 compared to 2019 as a result of a \$34.2 million increase in cash and cash equivalents, a \$14.7 million increase in tuition receivables offset by a \$17.8 million decrease in accrued charges. Delayed issuance of Federal Title IV aid to students for the Fall 2020 semester resulted in increased tuition receivables and was the sole reason for the decrease in accrued charges.

##### Changes in Deferred Outflows

Deferred outflows of resources decreased by \$34.6 million in 2021 as compared to 2020. Deferred outflows for pension decreased by \$12.4 million in 2021 compared to 2020 due to changes in assumptions and changes in proportionate share of employer contributions. Deferred outflows for other post-employment benefit (OPEB) decreased \$20.8 million in 2021 as a result of changes in proportion and contribution difference. Net deferred outflows related to debt decreased \$1.4 million for 2021 as scheduled amortization of losses from prior advanced refundings continue.

Deferred outflows of resources decreased by \$6.4 million in 2020 as compared to 2019. Deferred outflows for pensions decreased \$10.7 million in 2020 compared to 2019 due to changes in assumptions and differences between projected and actual investment earnings. Deferred outflows for OPEB increased \$5.6 million in 2020 compared to 2019 as a result of changes in proportionate share of employer contributions. Net deferred outflows related to debt decreased \$1.3 million for 2020 as scheduled amortization of losses from prior advanced refundings continue.

##### Changes in Liabilities

Current liabilities increased by \$28.0 million in 2021 due to a \$19.0 million increase in current bonds payable, a \$3.1 million increase in accrued liabilities, and a \$5.2 million increase in unearned revenues. Accounts payable decreased by \$.2 million.

Current liabilities decreased by \$30.0 million in 2020 due to a \$28.9 million increase in current bonds payable, a \$13.6 million decrease in unearned revenues, and a \$5.4 million increase in net other post-employment benefits liability. Accounts payable and accrued liabilities increased by \$8.0 million.

Non-current liabilities decreased by \$58.0 million in 2021 due to a \$42.7 million decrease in bonds payable and a \$13.7 million decrease in net other post-employment benefits. The net other post-employment benefits liability decrease is attributable to changes in assumptions. Long-term bonds continue principal reductions attributable to the advance refundings through 2021.

Non-current liabilities increased by \$15.2 million in 2020 due to a \$35.4 million increase in net other post-employment benefits offset by a \$22.1 million decrease in bonds payable. The net other post-employment benefits liability increase is attributable to changes in assumptions lowering the discount



## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(UNAUDITED)**

rate from 3.96% in 2018 to 2.97% in 2019 while increasing percentages for probable participants and recent health care cost experiences. Long-term bonds continue principal reductions attributable to the advance refundings through 2020.

#### Changes in Deferred Inflows

Deferred inflows in 2021 compared to 2020 decreased \$3.9 million. Deferred inflows related to OPEB increased \$.9 million in 2021 due to changes in actuarial assumptions while deferred inflows related to pensions decreased \$4.3 million in 2021 also due changes in assumptions. Net deferred inflows related to debt decreased \$.4 million.

Deferred inflows in 2020 compared to 2019 decreased \$19.2 million. Deferred inflows related to OPEB decreased \$22.8 million in 2020 due to changes in actuarial assumptions while deferred inflows related to pensions increased \$3.7 million in 2020 also due changes in assumptions.

#### Changes in Net Position

At August 31, 2021, the difference in assets and liabilities was \$650.9 million while at August 31, 2020, the difference was \$553.8 million, an increase of \$97.1 million.

At August 31, 2020, the difference in assets and liabilities was \$553.8 million while at August 31, 2019, the difference was \$497.9 million, an increase of \$55.9 million.

**DALLAS COLLEGE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**(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	
	2021	2020	2019	2021 to 2020	2020 to 2019
<b>Operating Revenues</b>					
Tuition and Fees (Net)	\$ 63.9	\$ 64.9	\$ 71.2	\$ (1.0)	\$ (6.3)
Grants and Contracts	54.2	39.6	32.9	14.6	6.7
Auxiliary Enterprises	0.8	1.3	1.8	(0.5)	(0.5)
Other Operating Revenues	1.7	2.4	2.7	(0.7)	(0.3)
Total Operating Revenues	120.6	108.2	108.6	12.4	(0.4)
<b>Operating Expenses</b>	611.2	596.3	554.1	14.9	42.2
<b>Operating Loss</b>	(490.6)	(488.1)	(445.5)	(2.5)	(42.6)
<b>Non-Operating Revenues and (Expenses)</b>					
State Appropriations	136.8	123.5	117.4	13.3	6.1
Ad Valorem Taxes	358.3	332.5	307.2	25.8	25.3
Federal Revenue	92.0	84.5	73.3	7.5	11.2
Investment Income	1.0	7.0	12.5	(6.0)	(5.5)
Interest on Capital-Related Debt	(1.7)	(4.0)	(6.8)	2.3	2.8
Other Non-Operating Revenue (Expense)	1.3	0.5	(0.5)	0.8	1.0
Net Non-Operating Revenues	587.7	544.0	503.1	43.7	40.9
Increase in Net Position	97.1	55.9	57.6	41.2	(1.7)
Net Position - Beginning of Year	553.8	497.9	440.3	55.9	57.6
Net Position - End of Year	\$ 650.9	\$ 553.8	\$ 497.9	\$ 97.1	\$ 55.9

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(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 \$1.0 million in 2021 due to an increase in tuition waivers from the Early College High School enrollment increase. Credit student headcount decreased by approximately 16% due to COVID-19. Enrollments are expected to increase as the College invests in dual credit programs and workforce initiatives. Grants and contracts provided 45% of operating revenue for 2021, which is a 8.3% increase compared to 2020. Auxiliary revenues, bookstore commissions, vending and food service providers, decreased slightly in 2021. In 2021, the College continued its efforts begun in 2017 to reduce textbook costs to students.

Net tuition decreased by \$6.3 million in 2020 due to an increase in early college high school waivers and Federal Title IV aid. While enrollment from in-State students increased, a decrease for out-of-State students was experienced due to the COVID pandemic experienced in the spring and summer semesters. Grants and contracts provided 36.6% of operating revenue for 2020, which is a 6.3% increase compared to 2019. Auxiliary revenues, bookstore commissions, vending and food service providers, decreased slightly in 2020. In 2020, the College continued its efforts begun in 2017 to reduce textbook costs to students.

##### Non-Operating Revenues

State appropriations increased \$13.3 million in 2021 when compared to 2020. Appropriations for benefits changed due to accounting of OPEB liability in 2020.

State appropriations increased \$6.1 million in 2020 when compared to 2019. Instructional related state funding and special items increased \$6.8 million for the first year of the Legislative biennium. Funding for grant matching, RCHS and benefits collectively decreased \$0.7 million during the same period.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2021 by \$25.8 million due to the taxable assessed value increasing. Taxable property values slightly increased by .5% in 2021. The tax rates remained unchanged.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased in 2020 by \$25.3 million as the taxable assessed value increased 7.6% and the rate for maintenance and operations (M&O) was maintained at \$0.104 per \$100 valuation. Ad Valorem Tax revenue is the College's primary funding source in all three fiscal years shown, representing over half of the total non-operating revenues.

Investment income decreased \$6.0 million in 2021 compared to 2020. During 2021, cash and cash equivalents decreased by \$170.8 million and conversely total long-term investments increased by \$138 million. This was due to funds being moved from the highly liquid investment pools to US agency securities in order to take advantage of more favorable interest rates.

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **(UNAUDITED)**

Investment income decreased \$5.5 million in 2020 compared to 2019. During 2020, total investments and cash equivalents of the College decreased \$8.2 million to partially fund facilities maintenance, COVID pandemic response and capital projects. Composition of investments saw a \$75.5 million decrease in U.S. Agency securities offset by a \$54.3 million increase in highly liquid investment pools and commercial paper (cash equivalents). In 2020, U.S. Municipal securities totaling \$13.0 million with maturities of 2 to 4 years were added to the total investment portfolio.

#### **Revenues by Source**

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

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

# DALLAS COLLEGE

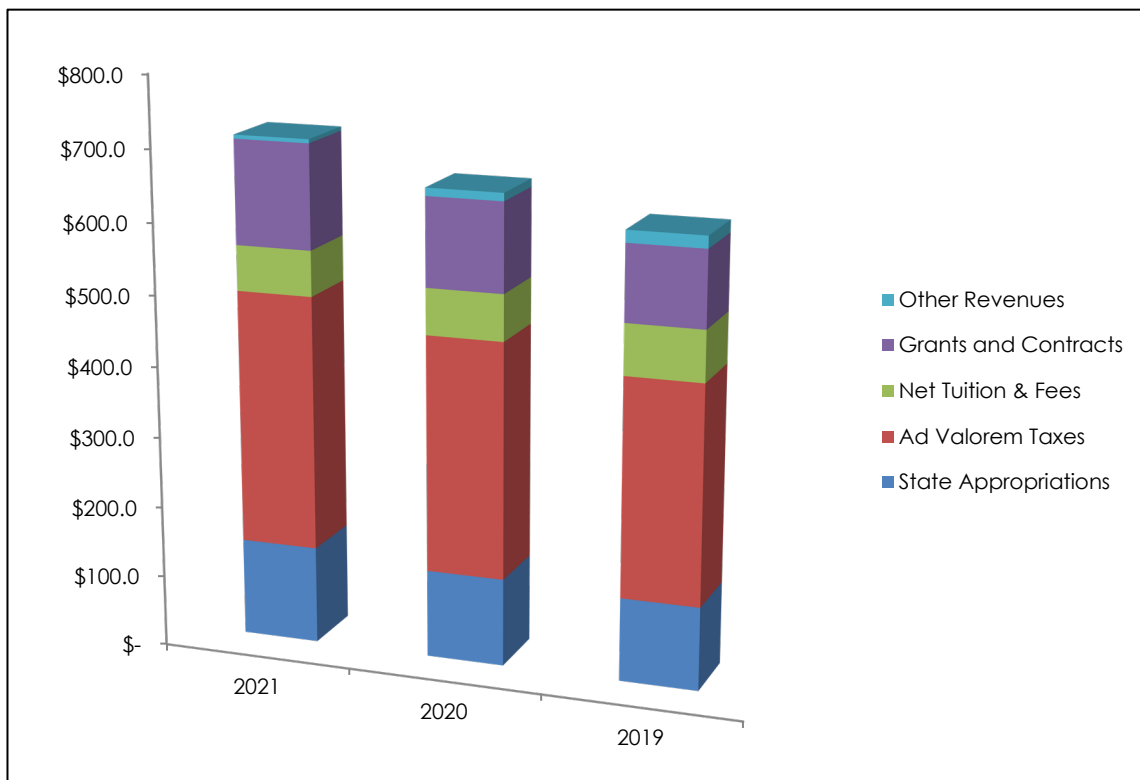
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

(UNAUDITED)

**TABLE 3: REVENUE BY SOURCE**  
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
State Appropriations	\$ 136.8	\$ 123.5	\$ 117.4	\$ 13.3	\$ 6.1
Ad Valorem Taxes	358.3	332.5	307.2	25.8	25.3
Net Tuition & Fees	63.9	64.9	71.2	(1.0)	(6.3)
Grants and Contracts	146.2	124.1	106.2	22.1	17.9
Investments	1.0	7.0	12.5	(6.0)	(5.5)
Auxiliary Enterprises	0.8	1.3	1.8	(0.5)	(0.5)
Other Revenues	3.8	3.0	2.9	0.8	0.1
Total Revenues	\$ 710.8	\$ 656.3	\$ 619.2	\$ 54.5	\$ 37.1

**REVENUE BY SOURCE**  
Figure 1



## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**(UNAUDITED)**

#### **Operating Expenses**

Total Operating Expenses were \$611.2 million in 2021 and \$596.3 million in 2020 for an increase of \$14.9 million. Increases in institutional support, student services, and public services categories were primarily due to the additional COVID related spending from grant awards from the CARES Act. Operating expenses for instruction decreased by \$27.9 million.

Total Operating Expenses were \$596.3 million in 2020 and \$554.1 million in 2019 for an increase of \$42.2 million due to increases in instruction partially due to COVID pandemic response of converting to virtual learning and initiatives in maintenance of campus facilities.

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 2021, salary expense decreased \$9.8 million over 2020 primarily due to the reorganization from seven separately accredited colleges to one college. During the reorganization, redundancies were identified and staffing levels were reduced. Benefits decreased by \$1.2 million in 2021 as a result of the reduced staffing. Scholarships increased \$6.5 million primarily in Title IV funds and Cares Act funding in response to COVID-19. Supplies and services increased \$19.1 million in 2021 as compared to 2020 primarily due to facilities maintenance initiatives.

In 2020, salary expense increased \$9.6 million over 2019 primarily due to changes in staffing and a Board of Trustees approved salary increase. Benefits increased \$10.2 million in 2020 compared to 2019 primarily due to salary increases and staff additions not covered by State funding and a \$1.9 million in 2020 compared to 2019 for increased vested vacation. Scholarships increased \$9.9 million primarily in Title IV funds and Cares Act funding in response to the COVID virus. Supplies and services increased \$13.2 million in 2020 as compared to 2019 primarily due to facilities maintenance initiatives and response to the COVID virus by converting instruction to virtual, training personnel and students in COVID precautions, and implementing COVID safety features in the College facilities.

#### Functional Classification

Instruction remained the largest expense in 2021 representing 30.9% of total operating expenses. Instructional costs decreased \$27.9 million in 2021 as compared to 2020 due to fewer classes. Institutional support increased \$24.1 million in 2021 compared to 2020 due to projects underway including the College's new Enterprise Resource Planning (ERP) system and the One College initiatives. Operations and maintenance of plant decreased \$13.0 million in 2021 from 2020 due to reorganization of seven colleges and delays on completing infrastructure projects. Student services increased \$16.9 million in 2021 due to investment in student centric operations related to the One College initiatives. Scholarships and fellowships increased \$6.6 million in 2021 as a result of increased Title IV (PELL) and Cares Act activity.

# DALLAS COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

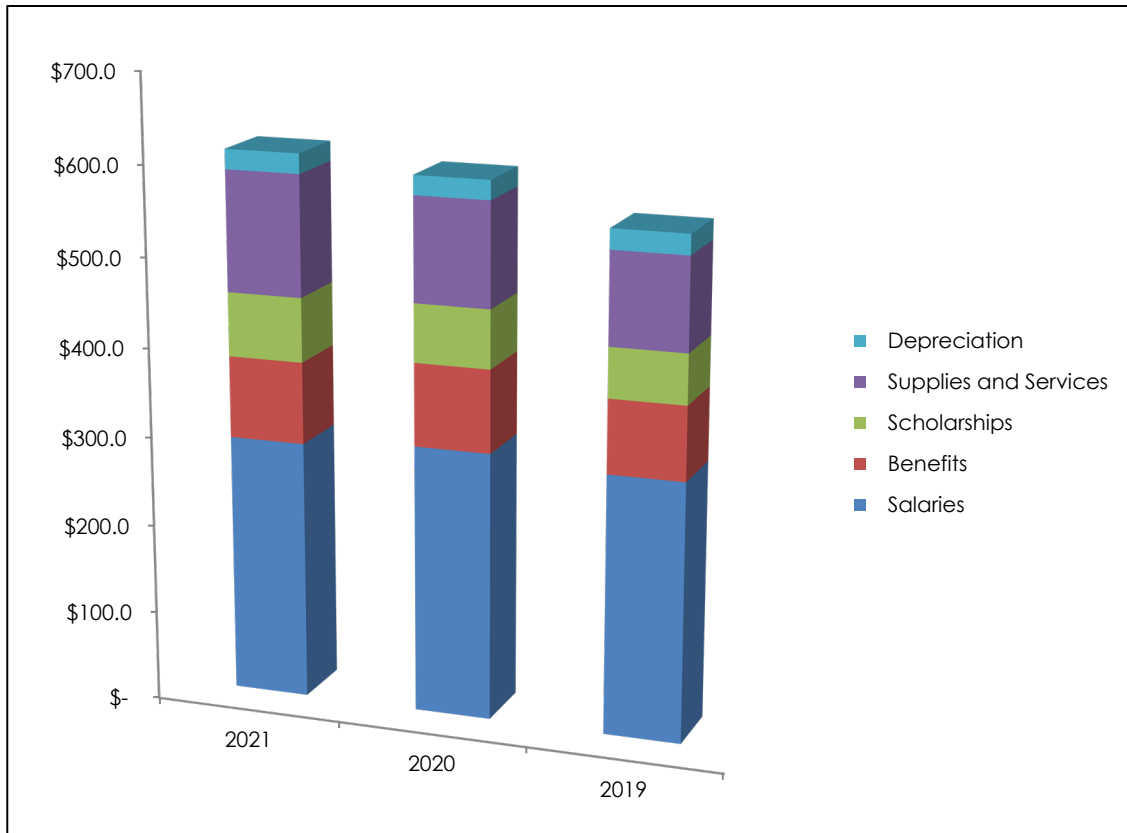
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
Salaries	\$ 290.8	\$ 300.6	\$ 291.0	\$ (9.8)	\$ 9.6
Benefits	91.2	92.4	82.2	(1.2)	10.2
Scholarships	71.9	65.4	55.5	6.5	9.9
Supplies and Services	135.1	116.0	102.8	19.1	13.2
Depreciation	22.2	21.9	22.6	0.3	(0.7)
Total Operating Expenses	\$ 611.2	\$ 596.3	\$ 554.1	\$ 14.9	\$ 42.2

### OPERATING EXPENSES – NATURAL CLASSIFICATION

Figure 2



# DALLAS COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

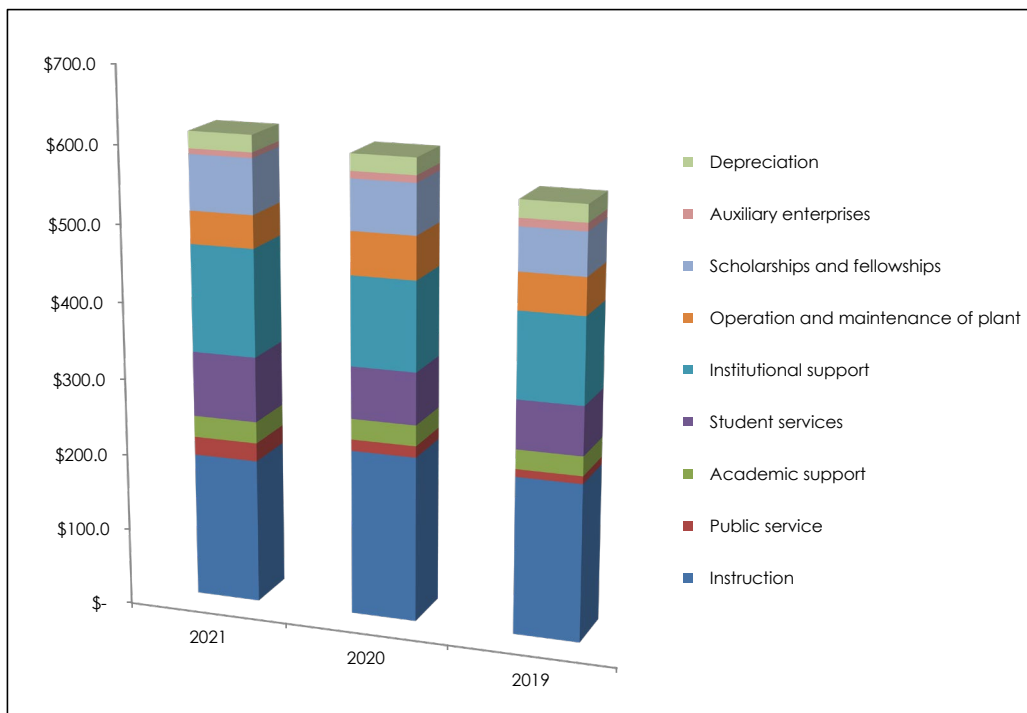
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
Instruction	\$ 189.0	\$ 216.9	\$ 206.2	\$ (27.9)	\$ 10.7
Public service	24.0	14.9	10.1	9.1	4.8
Academic support	28.1	27.0	25.3	1.1	1.7
Student services	85.1	68.2	63.7	16.9	4.5
Institutional support	140.7	116.6	111.9	24.1	4.7
Operation and maintenance of plant	43.0	56.0	48.2	(13.0)	7.8
Scholarships and fellowships	72.0	65.4	55.5	6.6	9.9
Auxiliary enterprises	7.2	9.4	10.5	(2.2)	(1.1)
Depreciation	22.1	21.9	22.7	0.2	(0.8)
Total Operating Expenses	<u>\$ 611.2</u>	<u>\$ 596.3</u>	<u>\$ 554.1</u>	<u>\$ 14.9</u>	<u>\$ 42.2</u>

### OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION

Figure 3





## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**(UNAUDITED)**

#### **The Foundation**

For the fiscal year ended August 31, 2021, the Foundation's total liabilities and net assets were \$80.0 million. The Foundation's liabilities and net assets were \$66.3 million at August 31, 2020. The income from the Foundation is partially used to fund scholarships and grants for the students and employees of the College. However, most of the Foundation's net assets are restricted; and therefore, not available for the College's direct use. Net assets of the Foundation with donor restrictions that are perpetual in nature were \$35.2 million and \$33.8 million for the fiscal years ended August 31, 2021 and 2020, respectively.

#### **Statements of Cash Flows**

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

#### **Capital Asset and Debt Administration**

For the fiscal year ended August 31, 2021, net capital assets increased \$75.7 million from the fiscal year ended August 31, 2020. Net capital assets increased by \$51.1 million in fiscal 2020 as compared to the fiscal year ended August 31, 2019. More information on Capital Assets can be found in Note 5 and Notes 6-9 for Long-Term Debt activity.

# DALLAS COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

(UNAUDITED)

**TABLE 6: NET CAPITAL ASSETS**

(In Millions)

	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
CAPITAL ASSETS:					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	931.7	885.8	885.8	45.9	-
Land Improvements	59.2	59.2	59.2	-	-
Equipment, Furniture, and Software	99.5	94.5	90.9	5.0	3.6
Library Books	8.7	8.5	8.2	0.2	0.3
Construction In Progress	144.2	98.9	30.2	45.3	68.7
Total	1,282.2	1,185.8	1,113.2	96.4	72.6
Less Accumulated Depreciation	(525.7)	(505.0)	(483.5)	(20.7)	(21.5)
Net Capital Assets	<u>\$ 756.5</u>	<u>\$ 680.8</u>	<u>\$ 629.7</u>	<u>\$ 75.7</u>	<u>\$ 51.1</u>

In November 2018, the College completed a private placement of \$27,280,000 general obligation refunding bonds. The refunding proceeds with contributed College funds paid off \$31.6 million of the College's 2010 general obligation bonds. The College paid off the 2018 private placement in 2021.

In November 2019, the College completed a private placement of \$22,210,000 general obligation refunding bonds. The refunding proceeds paid off \$22.2 million of the College's 2010 general obligation refunding bonds. The College paid off the 2019 private placement in 2021.

In October 2020, the College issued \$30,095,000 of Tax Notes (Series 2020 Notes). The proceeds of the notes are being used to pay for planned maintenance expenses associated with various facilities of the College. The College is scheduled to pay off the remaining balance of the Series 2020 Notes in fiscal 2022.

# DALLAS COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

(UNAUDITED)

Principal and interest for bond payments are shown below:

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

	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
GO Bonds	\$ -	\$ -	\$ 7.1	\$ -	\$ (7.1)
GO Refunding Bonds	51.7	53.8	42.9	(2.1)	10.9
Tax Notes	4.0	-	-	4.0	-
Total	<u>\$ 55.7</u>	<u>\$ 53.8</u>	<u>\$ 50.0</u>	<u>\$ 1.9</u>	<u>\$ 3.8</u>

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

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

	Fiscal Year			Change	
	2021	2020	2019	2021 to 2020	2020 to 2019
GO Bonds	-	-	-	-	-
GO Refunding Bonds	97.8	147.8	198.8	(50.0)	(51.0)
Tax Notes	26.3	-	-	26.3	-
Totals	<u>\$ 124.1</u>	<u>\$ 147.8</u>	<u>\$ 198.8</u>	<u>\$ (23.7)</u>	<u>\$ (51.0)</u>

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

In fiscal year 2019, the College voters authorized \$1.1 billion of general obligation bonds to fund College projects which were prioritized by student needs. The projects were expected to be phased over a six-to-eight-year period. The first phase of \$297.2 million of projects is expected to be completed by 2023.

## **DALLAS COLLEGE**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**(UNAUDITED)**

#### **Currently Known Facts, Decisions and Conditions**

Chancellor Joe May has announced his retirement effective August 31, 2022 and will then serve as Chancellor Emeritus. The Board has selected Dr. Justin Lonon, Executive Vice Chancellor of Operations, to serve as the new Chancellor effective September 1, 2022.

At its September 2021 meeting, the Board of Trustees adopted a tax rate of \$0.103510 for maintenance and operations and \$0.020000 for debt service. The certified tax assessed value increased for fiscal year 2022 by 8.7%.

Initiatives approved by the Board in 2019 which include improvements to Information Technology infrastructure and Public Safety and Security at all locations continued throughout 2021 and will continue in 2022 and beyond.

#### **Contacting Dallas College's Financial Management**

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

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

## **FINANCIAL STATEMENTS**

**DALLAS COLLEGE**

**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2021 AND 2020**  
**EXHIBIT 1**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 119,135,166	\$ 289,976,098
Short-term investments	19,992,789	33,516,574
Accounts receivable (net of allowance for uncollectible accounts)	47,525,906	16,508,534
Tuition and fees receivable (net of allowance for uncollectible accounts)	20,152,774	32,831,339
Taxes receivable (net of allowance for uncollectible accounts)	2,538,590	2,208,275
Accrued charges, net	18,789,085	5,480,032
Inventories	187,851	223,340
Prepaid expenses	2,646,590	2,585,978
Total current assets	230,968,751	383,330,170
<b>NON-CURRENT AND RESTRICTED ASSETS:</b>		
Restricted cash and cash equivalents	48,137,103	12,100,765
Long-term investments	218,309,883	79,785,371
Capital assets, net		
Not subject to depreciation	183,131,787	137,868,010
Subject to depreciation	573,394,356	542,961,783
Total non-current assets	1,022,973,129	772,715,929
<b>TOTAL ASSETS</b>	<b>1,253,941,880</b>	<b>1,156,046,099</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on bond refunding	3,074,455	4,461,111
Deferred outflows related to pensions	51,010,792	63,428,273
Deferred outflows related to OPEB	62,785,249	83,662,614
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	22,677,769	22,884,360
Accrued liabilities	11,607,687	8,495,843
Accrued interest	177,428	209,946
Accrued compensable absences	9,920,444	9,148,843
Funds held for others	1,438,438	1,448,191
Unearned revenues	65,791,402	60,596,838
Net OPEB liability—current portion	8,947,998	8,934,497
Bonds payable—current portion	38,892,558	19,799,964
Capital lease payable—current portion	126,779	115,897
Total current liabilities	159,580,503	131,634,379
<b>NON-CURRENT LIABILITIES:</b>		
Accrued compensable absences	7,193,955	8,392,970
Net pension liability	115,524,858	115,825,304
Net OPEB liability	259,306,115	272,960,735
Bonds payable	85,208,378	127,919,568
Capital leases payable	76,516	203,295
Total non-current liabilities	467,309,822	525,301,872
<b>TOTAL LIABILITIES</b>	<b>626,890,325</b>	<b>656,936,251</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred gain on bond refunding	-	419,997
Deferred inflows related to pensions	21,588,584	25,930,986
Deferred inflows related to OPEB	71,438,822	70,538,237
<b>NET POSITION</b>		
Net investment in capital assets	661,556,367	545,135,601
Restricted for:		
Debt service	17,726,078	2,618,978
Unrestricted	(28,387,800)	6,018,047
<b>TOTAL NET POSITION (Schedule D)</b>	<b>\$ 650,894,645</b>	<b>\$ 553,772,626</b>

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

**Dallas College Foundation, Inc.**  
(A Texas Nonprofit Organization)

STATEMENTS OF FINANCIAL POSITION

AUGUST 31, 2021 AND 2020

EXHIBIT 1A

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,689,106	\$ 1,510,958
Accrued interest and dividends receivable	337,471	286,187
Pledges receivable, net	1,424,276	162,338
Other assets	6,700	6,700
Investments	<u>76,605,521</u>	<u>64,351,852</u>
Total assets	\$ 80,063,074	\$ 66,318,035
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Due to affiliate	\$ 1,100,000	\$ 1,685,460
Accounts payable	<u>221,027</u>	<u>113,548</u>
Total liabilities	<u>1,321,027</u>	<u>1,799,008</u>
Net assets:		
Without Donor Restrictions	<u>16,893,360</u>	<u>7,243,887</u>
With Donor Restrictions:		
Purpose restrictions	26,596,005	23,446,042
Perpetual in nature	<u>35,252,682</u>	<u>33,829,098</u>
	<u>61,848,687</u>	<u>57,275,140</u>
Total net assets	<u>78,742,047</u>	<u>64,519,027</u>
Total liabilities and net assets	<u><u>\$ 80,063,074</u></u>	<u><u>\$ 66,318,035</u></u>

*The accompanying notes are an integral part of these statements.*

# DALLAS COLLEGE

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### EXHIBIT 2

	2021	2020
<b>OPERATING REVENUES:</b>		
Tuition and charges (net of discounts of \$69,856,689 and \$66,029,823, respectively)	\$ 63,946,332	\$ 64,927,325
Federal grants and contracts	34,346,892	25,236,498
State grants and contracts	7,887,074	6,609,241
Non-governmental grants and contracts	11,963,266	7,785,464
Sales and services of educational activities	33,220	200,531
Auxiliary enterprises	750,392	1,299,884
General operating revenues	1,700,175	2,150,101
Total operating revenues (Schedule A)	120,627,351	108,209,044
<b>OPERATING EXPENSES:</b>		
Instruction	189,038,009	216,861,679
Public service	24,034,092	14,916,691
Academic support	28,133,763	27,040,107
Student services	85,154,796	68,173,770
Institutional support	140,656,757	116,642,459
Operation and maintenance of plant	42,948,935	56,054,494
Scholarships and fellowships	71,938,051	65,351,704
Auxiliary enterprises	7,207,630	9,387,726
Depreciation	22,152,579	21,918,683
Total operating expenses (Schedule B)	611,264,612	596,347,313
<b>OPERATING LOSS</b>	(490,637,261)	(488,138,269)
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
State appropriations	136,855,373	123,545,845
Ad valorem taxes (net of bad debt and collection fee of \$3,110,469 and \$4,074,707, respectively)	358,328,438	332,488,321
Federal revenue, non-operating	91,946,504	84,421,486
Gifts	-	3,800
Investment income (loss)	1,027,290	7,039,040
Interest on capital related debt	(1,727,120)	(4,051,049)
Gain (loss) on disposal of fixed assets & easement rights	257,996	(26,259)
Other non-operating revenue	1,854,875	651,896
Other non-operating expense	(784,076)	(94,878)
Net non-operating revenues (Schedule C)	587,759,280	543,978,202
<b>INCREASE IN NET POSITION</b>	97,122,019	55,839,933
<b>NET POSITION:</b>		
Net Position—Beginning of Year	553,772,626	497,932,693
Net Position—End of Year	\$ 650,894,645	\$ 553,772,626

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



**Dallas College Foundation, Inc.**

(A Texas Nonprofit Organization)

**STATEMENT ACTIVITIES**

Year Ended August 31, 2021

**EXHIBIT 2A**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Contributions	\$ 67,676	\$ 5,954,008	\$ 6,021,684
Interest and dividend income	941,862	906,518	1,848,380
Contributed salaries	1,143,082	-	1,143,082
Net realized and unrealized gains on investments, net	9,313,722	2,449,440	11,763,162
Net assets released from restrictions	4,603,917	(4,603,917)	-
Total revenues	16,070,259	4,706,049	20,776,308
<b>EXPENSES</b>			
Program services:			
Scholarship awards	1,533,078	-	1,533,078
Grants	3,471,137	-	3,471,137
Total program services	5,004,215	-	5,004,215
Non-program services:			
Management and general	1,020,338	-	1,020,338
Fundraising	528,735	-	528,735
Total non-program services	1,549,073	-	1,549,073
Total expenses	6,553,288	-	6,553,288
Transfers between funds, based on donor instructions	132,502	(132,502)	-
Change in net assets	9,649,473	4,573,547	14,223,020
Net assets, beginning of year	7,243,887	57,275,140	64,519,027
Net assets, end of year	\$ 16,893,360	\$ 61,848,687	\$ 78,742,047

*The accompanying notes are an integral part of these statements.*

**Dallas College Foundation, Inc.**  
(A Texas Nonprofit Organization)  
**STATEMENT ACTIVITIES**  
Year Ended August 31, 2020  
EXHIBIT 2A Continued

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>			
Contributions	\$ 41,437	\$ 3,343,977	\$ 3,385,414
Interest and dividend income	940,286	1,148,500	2,088,786
Contributed salaries	1,362,747	-	1,362,747
Net realized and unrealized gains on investments, net	2,745,644	3,732,983	6,478,627
Net assets released from restrictions	4,830,942	(4,830,942)	-
Total revenues	<u>9,921,056</u>	<u>3,394,518</u>	<u>13,315,574</u>
<b>EXPENSES</b>			
Program services:			
Scholarship awards	1,918,414	-	1,918,414
Grants	2,982,886	-	2,982,886
Total program services	<u>4,901,300</u>	<u>-</u>	<u>4,901,300</u>
Non-program services:			
Management and general	945,010	-	945,010
Fundraising	762,843	-	762,843
Total non-program services	<u>1,707,853</u>	<u>-</u>	<u>1,707,853</u>
Total expenses	<u>6,609,153</u>	<u>-</u>	<u>6,609,153</u>
Transfers between funds, based on donor instructions	(555,329)	555,329	-
Change in net assets	2,756,574	3,949,847	6,706,421
Net assets, beginning of year	<u>4,487,313</u>	<u>53,325,293</u>	<u>57,812,606</u>
Net assets, end of year	<u><u>\$ 7,243,887</u></u>	<u><u>\$ 57,275,140</u></u>	<u><u>\$ 64,519,027</u></u>

*The accompanying notes are an integral part of these statements.*

**DALLAS COLLEGE**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**  
**EXHIBIT 3**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 91,767,145	\$ 64,338,710
Receipts from grants and contracts	14,611,046	15,277,076
Payments to suppliers for goods and services	(130,409,308)	(105,296,836)
Payments to or on behalf of employees	(360,289,675)	(344,073,835)
Payments for scholarships and fellowships	(84,904,105)	(49,585,714)
Other receipts	1,700,175	2,150,101
Net cash used by operating activities	<u>(467,524,722)</u>	<u>(417,190,498)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from ad valorem taxes	360,386,056	335,250,636
Payments for collection of taxes	(2,387,933)	(3,152,606)
Receipts from state appropriations	128,816,717	102,762,644
Receipts from federal grants for non-operating activities	91,997,313	84,406,947
Receipts from federal student direct loan program	(26,369,066)	34,992,379
Payments of federal direct loans to students	26,318,257	(34,977,840)
Receipts from student organizations and other agency transactions	878,229	1,063,523
Payments to student organizations and other agency transactions	(887,982)	(1,117,287)
Transfer of funds to related party for scholarships	(700,000)	-
Net cash provided by non-capital financing activities	<u>578,051,591</u>	<u>519,228,396</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
Proceeds on issuance of capital debt	31,315,000	-
Proceeds from the sale of capital assets	5,235	2,500
Receipts of insurance proceeds and contributions	83,296	72,925
Purchases of capital assets	(96,032,592)	(73,671,507)
Payments on capital debt - refunding	-	(565,000)
Payments on capital debt - principal	(51,055,897)	(47,530,948)
Payments on capital debt - interest	(4,663,475)	(6,128,800)
Net cash used by capital and related financing activities	<u>(120,348,433)</u>	<u>(127,820,830)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	210,215,000	404,739,954
Proceeds from interest on investments	429,208	7,301,886
Purchases of investments	(335,627,238)	(352,078,082)
Net cash provided (used) by investing activities	<u>(124,983,030)</u>	<u>59,963,758</u>
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	(134,804,594)	34,180,826
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	<u>302,076,863</u>	<u>267,896,037</u>
CASH AND CASH EQUIVALENTS, AUGUST 31	<u>\$ 167,272,269</u>	<u>\$ 302,076,863</u>

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

**DALLAS COLLEGE**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**  
**EXHIBIT 3**  
**(CONTINUED)**

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of net operating loss to net cash used by operating activities</b>		
Operating loss	\$ (490,637,261)	\$ (488,138,269)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	22,152,579	21,918,683
Bad debt expense	(1,622,400)	1,413,700
Payments made directly by State for benefits	8,038,656	20,783,201
Change in fair value of investments		
Changes in assets and liabilities:		
Receivables (net)	(16,556,749)	(14,635,590)
Accrued charges	(13,309,053)	17,837,979
Inventories	35,489	6,940
Prepaid expenses	(60,612)	8,642
Accounts payable	(206,591)	8,611,834
Accrued liabilities	3,111,844	(634,497)
Compensable absences	(427,414)	2,755,984
Pension liability	(300,446)	(1,280,314)
Other Post Employment Benefits Liability	(13,641,119)	40,774,883
Deferred outflows - pension	18,217,914	4,885,022
Deferred outflows - other post employment benefits	20,877,365	(5,555,053)
Deferred outflows - debt	1,386,656	1,217,668
Deferred inflows - pension	(10,142,835)	9,473,735
Deferred inflows - other post employment benefits	900,585	(22,790,795)
Deferred inflows - debt	(419,997)	(109,243)
Capital lease payable	(115,897)	(105,948)
Unearned revenue	5,194,564	(13,629,060)
Net cash used by operating activities	<u>\$ (467,524,722)</u>	<u>\$ (417,190,498)</u>
<b>Non-cash investing, capital and financing activities:</b>		
Loss on refunding, net of amortization	\$ 1,386,656	\$ 1,217,668
Gain on refunding, net of amortization	(419,997)	(109,243)
Change in fair value of investments	212,862	158,288
Gifts of depreciable and non-depreciable assets	-	3,800
Amortization of premium on bonds	(3,993,596)	(3,644,016)
Net non-cash investing, capital and financing activities	<u>\$ (2,814,075)</u>	<u>\$ (2,373,503)</u>

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

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 1. REPORTING ENTITY

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

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

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

In evaluating how to define the College for financial reporting purposes, management has considered all potential component units, including the Dallas College Foundation, Inc. (Foundation). The Foundation is a separate non-profit organization, and its sole purpose is to provide benefits such as scholarships and grants to the students, faculty, and staff of the College, as well as raise money to support capital projects. The Foundation is a legally separate entity which does not provide a financial benefit or impose a financial burden on the College. The College does not appoint any of the Foundation's board members. The financial position and results of operations of the Foundation are included in these financial statements in accordance with 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 College and its students. The complete financials of the Foundation are located on their website at: <https://foundation.dallascollege.edu/financials> or request a copy by writing to: Dallas College Foundation, 1601 Botham Jean Blvd., Dallas, TX. 75215-1816.

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Guidelines**—The College is classified as a special-purpose government engaged in business-type activities. The Statements of Net Position display the financial position of the College at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of the College for the fiscal years ended August 31, 2021 and 2020. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

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

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

#### **Tuition Discounting**

##### *Texas Public Education Grant (TPEG)*

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

##### *Title IV, Higher Education Administration (HEA) Program Funds*

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

##### *Other Tuition Discounts*

The College awards certain tuition scholarships from institutional and grant funds to students

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

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

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

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

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

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

**Accrued Charges**—Current accrued charges of \$18,789,085 and \$5,480,032 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2021 and 2020, respectively.

The College defers and amortizes the production costs associated with instructional television programs and other related materials on a straight-line basis over the estimated useful life of such media, which ranges from two to five years. These materials are produced and used both internally for instruction and for lease by the College to other educational institutions. At August 31, 2021 and 2020, respectively, the College had no deferred production costs.

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

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

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

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

**Other Post Employment Benefits (OPEB)**—The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

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

**Unearned Revenues**—Tuition of \$60,313,317 and \$45,549,777 and federal, state, and local grants of \$5,478,085 and \$15,047,061 have been reported by the College as unearned revenues at August 31, 2021 and 2020, 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



## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by GASB.

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

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

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

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

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

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

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

**GASB Pronouncements**—Effective with fiscal year 2020, the College implemented the following:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018 and later.)

GASB Statement No. 97 (paragraphs 4 & 5), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32*

Effective with fiscal year 2021, the College implemented the following:

GASB Statement No. 84, *Fiduciary Activities*

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

Effective with fiscal year 2022, the College 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*

GASB Statement No. 92, *Omnibus 2020*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

GASB Statement No. 97 (except paragraphs 4 & 5 implemented in 2020), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32*

Effective with fiscal year 2023, the College will implement the following:

GASB Statement No. 91, *Conduit Debt Obligations*

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

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

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **3. AUTHORIZED INVESTMENTS**

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

The College may make investments only in the following types of 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 COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 4. DEPOSITS AND INVESTMENTS

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

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

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

The carrying amount of the College's deposits with financial institutions as of August 31, 2021 was \$2,614,382, and the bank balance was \$6,798,631. The carrying amount of the College's deposits with financial institutions as of August 31, 2020 was \$(2,294,461), and the bank balance was \$6,580,343. At August 31, 2021 and 2020, all of the College's non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third-party agreements.

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

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

	<u>2021</u>	<u>2020</u>
Bank deposits		
Local funds - demand	\$ 2,395,301	\$ (2,321,391)
Total deposits	2,395,301	(2,321,391)
Cash on hand	219,080	26,930
Cash equivalents		
Investment in TexPool	276,353	276,188
Investment in TexSTAR	9,058,157	9,053,818
Investment in LOGIC	47,132,668	91,144,118
Investment in Lone Star	67,350,532	88,123,784
Investment in Texas CLASS	20,724,175	58,180,691
Investment in Texas Term	<u>20,116,003</u>	<u>57,592,725</u>
Total cash equivalents	<u>164,657,888</u>	<u>304,371,324</u>
Total cash and cash equivalents	<u>\$ 167,272,269</u>	<u>\$ 302,076,863</u>

**Investments**—Disclosures are presented in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*. The College is authorized to invest in obligations and instruments as defined in applicable sections of the current Texas Education Code and the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than "A" by a national investment rating firm, (4) certificates of deposit, (5) Commercial paper with maximum maturity of 181 days, and (6) other instruments and obligations authorized by statute. The investment policies of the College are governed by formally adopted procedures and allow investments as permitted under state laws for public institutions. Permissible investments under College policy include U.S. Treasury notes, certificates of deposit purchased from FDIC-insured state or nationally chartered U.S. banks, fully collateralized repurchase agreements and reverse repurchase agreements, investment pools, and securities issued by U.S. government agencies or municipalities.

At August 31, 2021 and 2020, long-term investments consisted of U.S. government and agency securities.

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

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

At August 31, 2021, the College had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 174,402,452	\$ -	\$ 10,004,690	\$ 55,011,195	\$ 29,956,420	\$ 79,430,147	\$ -
Municipal securities	43,907,431	-	1,008,580	6,976,130	23,691,589	7,080,782	5,150,350
Commercial paper	19,992,789	19,992,789	-	-	-	-	-
Investment Pools:							
TexPool	276,353	276,353	-	-	-	-	-
TexSTAR	9,058,157	9,058,157	-	-	-	-	-
LOGIC	47,132,668	47,132,668	-	-	-	-	-
Lone Star	67,350,532	67,350,532	-	-	-	-	-
Texas CLASS	20,724,175	20,724,175	-	-	-	-	-
Texas Term	20,116,003	20,116,003	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 402,960,560</u>	<u>\$ 184,650,677</u>	<u>\$ 11,013,270</u>	<u>\$ 61,987,325</u>	<u>\$ 53,648,009</u>	<u>\$ 86,510,929</u>	<u>\$ 5,150,350</u>

At August 31, 2020, the College had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 69,979,130	\$ -	\$ -	\$ 30,001,020	\$ 19,974,040	\$ 20,004,070	\$ -
Municipal securities	13,037,900	3,231,660	-	947,912	3,689,178	-	5,169,150
Commercial paper	30,284,915	30,284,915	-	-	-	-	-
Investment Pools:							
TexPool	276,188	276,188	-	-	-	-	-
TexSTAR	9,053,818	9,053,818	-	-	-	-	-
LOGIC	91,144,118	91,144,118	-	-	-	-	-
Lone Star	88,123,784	88,123,784	-	-	-	-	-
Texas CLASS	58,180,691	58,180,691	-	-	-	-	-
Texas Term	57,592,725	57,592,725	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 417,673,269</u>	<u>\$ 337,887,899</u>	<u>\$ -</u>	<u>\$ 30,948,932</u>	<u>\$ 23,663,218</u>	<u>\$ 20,004,070</u>	<u>\$ 5,169,150</u>

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The College's investment policy sets guidelines for the maximum percent of portfolio for

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

any one type of investment. However, all of the College's investments are backed by the U.S. Government and are not subject to concentration of credit risk. Investment in investment pools, as the largest component of the portfolio, comprises 62.2% of the College's total portfolio at August 31, 2019 and meets the College's guideline of no more than 85% of the portfolio being investment pools.

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

	<b>Fair Value August 31, 2021</b>	<b>Fair Value August 31, 2020</b>
Total cash and cash equivalents	\$ 167,272,269	\$ 302,076,863
Total investments	<u>238,302,672</u>	<u>113,301,945</u>
Total	<u>\$ 405,574,941</u>	<u>\$ 415,378,808</u>
Cash and cash equivalents (Exhibit 1)	\$ 119,135,166	\$ 289,976,098
Restricted cash and cash equivalents (Exhibit 1)	48,137,103	12,100,765
Short-term investments (Exhibit 1)	19,992,789	33,516,574
Long-term investments (Exhibit 1)	<u>218,309,883</u>	<u>79,785,371</u>
Total	<u>\$ 405,574,941</u>	<u>\$ 415,378,808</u>

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2021 or 2020.

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

Local Government Investment Cooperative (LOGIC) is managed by JP Morgan Chase and

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

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

Lone Star Investment Pool, managed by First Public, LLC., a subsidiary of Texas Association of School Boards, was created in 1991 with the goal of making the 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 fair value to report net positions to compute share price.

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

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

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

If the inputs used to measure the financial instruments fall within different levels of the hierarchy,



# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument. The three levels of the fair value hierarchy are as follows:

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

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

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

Fair Value Hierarchy of investments at August 31, 2021 and 2020 are:

	Fiscal Year 2021				Fiscal Year 2020
	Level 1	Level 2	Level 3	Total	Total
U.S. Government Agencies	\$ 174,402,452	\$ -	\$ -	\$ 174,402,452	\$ 69,979,130
Municipal Securities	43,907,431	-	-	43,907,431	13,037,900
Commercial Paper	-	19,992,789	-	19,992,789	30,284,915
Total fair value	<u>\$ 218,309,883</u>	<u>\$ 19,992,789</u>	<u>\$ -</u>	<u>\$ 238,302,672</u>	<u>\$ 113,301,945</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### 5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2021
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	98,948,948	95,558,486	(50,294,709)	144,212,725
Total not depreciated	137,868,010	95,558,486	(50,294,709)	183,131,787
Capital assets subject to depreciation:				
Buildings and building improvements	885,769,928	45,931,524	-	931,701,452
Land improvements	59,165,832	-	-	59,165,832
Furniture, machinery, vehicles, and other equipment	94,463,001	6,199,046	(1,161,839)	99,500,208
Library books	8,574,723	201,819	-	8,776,542
Total depreciated	1,047,973,484	52,332,389	(1,161,839)	1,099,144,034
Accumulated depreciation:				
Buildings and building improvements	(399,799,684)	(16,223,455)	-	(416,023,139)
Land improvements	(23,413,186)	(620,500)	-	(24,033,686)
Furniture, machinery, vehicles, and other equipment	(75,589,612)	(4,700,492)	1,183,155	(79,106,949)
Library books	(6,209,219)	(376,684)	-	(6,585,903)
Total accumulated depreciation	(505,011,701)	(21,921,131)	1,183,155	(525,749,677)
Net capital assets subject to depreciation	542,961,783	-	-	573,394,356
Net capital assets	<u>\$ 680,829,793</u>	<u>\$ 125,969,743</u>	<u>\$ (50,273,393)</u>	<u>\$ 756,526,143</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

Capital assets activity for the fiscal year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2020
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	30,181,785	68,767,163	-	98,948,948
Total not depreciated	69,100,847	68,767,163	-	137,868,010
Capital assets subject to depreciation:				
Buildings and building improvements	885,769,928	-	-	885,769,928
Land improvements	59,165,832	-	-	59,165,832
Furniture, machinery, vehicles, and other equipment	90,944,634	3,958,181	(439,814)	94,463,001
Library books	8,207,531	367,192	-	8,574,723
Total depreciated	1,044,087,925	4,325,373	(439,814)	1,047,973,484
Accumulated depreciation:				
Buildings and building improvements	(383,752,324)	(16,047,360)	-	(399,799,684)
Land improvements	(22,536,438)	(876,748)	-	(23,413,186)
Furniture, machinery, vehicles, and other equipment	(71,392,999)	(4,607,668)	411,055	(75,589,612)
Library books	(5,822,311)	(386,908)	-	(6,209,219)
Total accumulated depreciation	(483,504,072)	(21,918,684)	411,055	(505,011,701)
Net capital assets subject to depreciation	560,583,853	-	-	542,961,783
Net capital assets	<u>\$ 629,684,700</u>	<u>\$ 51,173,852</u>	<u>\$ (28,759)</u>	<u>\$ 680,829,793</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### 6. NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
Series 2016 General Obligation Refunding Bonds	\$ 71,740,000	\$ -	\$ (9,160,000)	\$ 62,580,000	\$ 7,665,000
Series 2017 General Obligation Refunding Bonds	29,590,000	-	(2,680,000)	26,910,000	2,815,000
Series 2018 General Obligation Refunding Bonds	14,140,000	-	(14,140,000)	-	-
Series 2019 General Obligation Refunding Bonds	19,905,000	-	(19,905,000)	-	-
Series 2020 Tax Notes	-	30,095,000	(3,835,000)	26,260,000	26,260,000
Unamortized bond premium	12,344,532	-	(3,993,596)	8,350,936	2,152,558
Subtotal bonds	147,719,532	30,095,000	(53,713,596)	124,100,936	38,892,558
Accrued interest	209,946	177,428	(209,946)	177,428	177,428
Capital lease payable	319,192	-	(115,897)	203,295	126,779
Compensable absences	17,541,813	11,087,346	(11,514,760)	17,114,399	9,920,444
Net pension liability	115,825,304	8,599,421	(8,899,867)	115,524,858	-
Net OPEB liability	281,895,232	21,176,370	(34,817,489)	268,254,113	8,947,998
Total	<u>\$ 563,511,019</u>	<u>\$ 71,135,565</u>	<u>\$ (109,271,555)</u>	<u>\$ 525,375,029</u>	<u>\$ 58,065,207</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

Non-current liability activity for the fiscal year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Series 2010 General Obligation Refunding Bonds	\$ 26,050,000	\$ -	\$ (26,050,000)	\$ -	\$ -
Series 2016 General Obligation Refunding Bonds	88,690,000	-	(16,950,000)	71,740,000	9,160,000
Series 2017 General Obligation Refunding Bonds	43,465,000	-	(13,875,000)	29,590,000	2,680,000
Series 2018 General Obligation Refunding Bonds	24,595,000	-	(10,455,000)	14,140,000	1,220,000
Series 2019 General Obligation Refunding Bonds	-	22,210,000	(2,305,000)	19,905,000	3,860,000
Unamortized bond premium	15,988,548	906,062	(4,550,078)	12,344,532	2,879,964
Subtotal bonds	198,788,548	23,116,062	(74,185,078)	147,719,532	19,799,964
Accrued interest	352,087	209,946	(352,087)	209,946	209,946
Capital lease payable	425,140	-	(105,948)	319,192	115,897
Compensable absences	14,785,829	11,082,111	(8,326,127)	17,541,813	9,148,843
Net pension liability	117,105,618	6,518,419	(7,798,733)	115,825,304	-
Net OPEB liability	241,120,349	44,950,430	(4,175,547)	281,895,232	8,934,497
Total	<u>\$ 572,577,571</u>	<u>\$ 85,876,968</u>	<u>\$ (94,943,520)</u>	<u>\$ 563,511,019</u>	<u>\$ 38,209,147</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### 7. DEBT AND LEASE OBLIGATIONS

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

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

	GO Refunding Bonds		Tax Notes		Capital Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Year ended August 31:								
2022	\$ 10,480,000	\$ 3,632,400	\$ 26,260,000	\$ 93,223	\$ 126,779	\$ 19,089	\$ 36,866,779	\$ 3,744,712
2023	10,920,000	3,097,400	-	-	76,516	7,185	10,996,516	3,104,585
2024	9,625,000	2,599,325	-	-	-	-	9,625,000	2,599,325
2025	12,035,000	2,073,375	-	-	-	-	12,035,000	2,073,375
2026	13,480,000	1,435,500	-	-	-	-	13,480,000	1,435,500
2027 - 2030	32,950,000	1,269,250	-	-	-	-	32,950,000	1,269,250
Total	<u>\$ 89,490,000</u>	<u>\$ 14,107,250</u>	<u>\$ 26,260,000</u>	<u>\$ 93,223</u>	<u>\$ 203,295</u>	<u>\$ 26,274</u>	<u>\$ 115,953,295</u>	<u>\$ 14,226,747</u>

Included in operating expenses is \$4,223,821 and \$4,646,686 of rent paid during fiscal years 2021 and 2020, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2021 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2022	\$ 3,104,533
2023	1,573,136
2024	1,605,685
2025	1,600,518
2026	1,545,416
Thereafter	3,721,646
Total	<u>\$ 13,150,934</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### 8. BONDS PAYABLE

There were no General Obligation Bonds outstanding in 2021. In 2019, the residual balances of the Series 2009 and 2010 General Obligation Bonds remaining after advanced refunding in 2017 and 2019, respectively, were paid in full. A chart of each General Obligation Bond series retired in 2019 is listed below.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
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
2020	Tax Notes	\$ 30,095,000	0.71%	2021	2022	N/A

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

On January 15, 2010, the College issued its fourth and final tranche of GO bonds, Series 2010 Bonds, for the \$450 million bond election. The Series 2010 Bonds have a par amount of \$47,060,000 and were sold with a reoffering premium of \$3,394,071. The bonds were sold in \$5,000 increments with interest rates varying from 2.0% to 5.0% and maturity dates from February 15, 2011 to February 15, 2030. The cost of issuance was \$158,879 and underwriter's discount was \$295,193. Proceeds of the bonds were utilized to continue the constructing and equipping of buildings in the College. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas. Part of these bonds were advanced refunded in 2019 (See Advance Refunding Bonds Note 9).

On October 7, 2020, pursuant to authority conferred by the Constitution and the laws of the State of Texas, including Section 45.108 and 130.084, Texas Education Code, as amended, the College issued \$30,095,000 of Tax Notes ("Series 2020 Notes"). The proceeds of the notes are being used to pay for planned maintenance expenses associated with various facilities of the College. The notes are direct obligations of the College payable from a continuing direct annual ad valorem tax pursuant to the College's maintenance tax authority, with the limits prescribed by law, on all taxable property in the College. Debt issue costs of \$95,000 were expensed. As of August 31, 2021, the outstanding amount on the Series 2020 Notes is \$26,260,000.

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

In 2021, the College incurred \$4,725,758 on bond interest cost, of which \$4,725,758 was expensed after premium amortization. In 2020, the College incurred \$6,559,261 in interest cost, of which \$4,011,389 was expensed after premium amortization for GO Bonds and Advance Refunding Bonds. In 2021, interest expense on capital leases was \$39,660 calculated on the effective interest method as compared to \$39,660 in 2020.



## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **9. ADVANCE REFUNDING BONDS**

On June 1, 2010, the College 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 College advance refunded \$131,580,000 of its outstanding Series 2008 General Obligation Bonds ("Series 2008 Bonds") by issuing \$122,415,000 of Series 2016 General Obligation Refunding Bonds ("Series 2016 Refunding Bonds"). All Series 2016 Refunding Bonds have been issued to date. The average interest rate is 1.603% with coupons of 3% or 5%. After payment of \$665,812 in underwriting fees and issuance costs, all resources from the Series 2016 Refunding Bonds, including a transfer of \$2,167,946 from prior issue debt service funds, were used to purchase U.S. Government Securities. These were deposited in an irrevocable trust with an escrow agent for all future bond payments on the refunded Series 2008 Bonds. The Series 2008 Bonds that were refunded are considered fully defeased for maturities 2019 and later and the liability for those bonds have been removed from the Statements of Net Position. Advance Refunding of the Series 2008 Bonds reduces the College's debt service by \$28,302,750. An economic gain of \$22,580,683 was obtained by the advance refunding. The difference of the reacquisition price of the new debt and the net carrying amount of the defeased bonds resulted in a \$7,421,376 deferred outflow and is being amortized over the life of the new debt by the effective interest method.

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

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

On November 29, 2018, the College 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 3.200% with coupons of 3.200%. 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 College'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.

On November 26, 2019, the College advanced refunded \$22,210,000 of its outstanding Series 2010 Refunding Bonds, including a transfer of \$ 565,000 from prior issue debt service funds, were used to purchase U.S. Government Securities. These were deposited in an irrevocable trust with an escrow agent for all future bond payments on the refunded 2010 GO Refunding Bonds. The Series 2010 Refunded Bonds that were refunded are considered fully defeased for maturities 2021 and later and the liability for those bonds has been removed from the Statements of Net Position. Advance Refunding of the Series 2010 Refunding Bonds reduces the College's debt service by \$2,305,464. An economic gain of \$2,069,301 was obtained by the advanced refunding. The difference of the reacquisition price of the new debt and the net carrying amount of the defeased bonds resulted in a \$129,859 deferred outflow and is being amortized over the life of the new debt by the effective interest method.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
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
2019	General Obligation Refunding Bonds	22,210,000	1.72%	2020	2025	2/15/2021

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**10. DEFEASED BONDS OUTSTANDING**

As of August 31, 2021, and 2020, respectively, the College had no defeased General Obligation bonds outstanding.

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 11. EMPLOYEES' RETIREMENT PLAN

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

##### **Teacher Retirement System of Texas – Defined Benefit Plan**

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

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

*Pension Plan Fiduciary Net Position* - Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf) or write to TRS at 1000 Red River Street, Austin, Texas, 78701-2698.

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

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

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

*Contributions* - Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

<b>Contribution Rates</b>	<b>2021</b>	<b>2020</b>
Member rates	7.70%	7.70%
Non-employer contributing entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
Fiscal Year 2020 Member contributions	\$8,899,867	
Fiscal Year 2020 State of Texas on-behalf contributions	\$6,770,914	
Fiscal Year 2020 College Contributions	\$8,806,805	

The College's contributions to the TRS pension plan Fiscal 2021 were \$15,386,801 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2021 were \$6,728,524.

- 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%

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

of the state contribution rate for all other employees.

*Actuarial Assumptions* – The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	8/31/2019 rolled forward to August 31, 2020
Actuarial cost method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial assumptions:	
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate	2.33% *
Last year ending August 31 in Projection Period (100 years)	2119
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".

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

*Discount Rate* – The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and State contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

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

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2020, are summarized in the following chart.

Table 3.A.1: Asset Allocations			
Asset Class	Target Allocation <sup>1</sup> %	Long-Term Expected Geometric Real Rate of Return <sup>2</sup>	Expected Contribution to Long- Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0 %	3.9 %	0.99 %
Non-U.S. Developed	13.0	5.1	0.92
Emerging Markets	9.0	5.6	0.83
Private Equity	14.0	6.7	1.41
<b>Stable Value</b>			
Government Bonds	16.0 %	(0.7)%	(0.05)%
Absolute Return (Including Credit Sensitive Investments)	—	1.8	—
Stable Value Hedge Funds	5.0	1.9	0.11
<b>Real Return</b>			
Real Estate	15.0 %	4.6 %	1.02 %
Energy, Natural Resources, and Infrastructure	6.0	6.0	0.42
Commodities	—	0.8	—
<b>Risk Parity</b>			
Risk Parity	8.0 %	3.0 %	0.30 %
<b>Asset Allocation Leverage</b>			
Cash	2.0 %	(1.5)%	(0.03)%
Asset Allocation Leverage	(6.0)	(1.3)	0.08
Inflation Expectation			2.00 %
Volatility Drag <sup>3</sup>			(0.67)%
<b>Expected Return</b>	<b>100.0 %</b>		<b>7.33 %</b>
<sup>1</sup> Target allocations are based on the FY2020 policy model.			
<sup>2</sup> Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).			
<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.			

Source: Teacher Retirement System of Texas 2020 Annual Comprehensive Financial Report

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

**Discount Rate Sensitivity Analysis** – The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability	\$ 178,137,263	\$ 115,524,858	\$ 64,653,650

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At August 31, 2021, College reported a liability of \$115,524,858 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 115,524,858
State's proportionate share that is associated with College	87,890,090
Total	<u>\$ 203,414,948</u>

The net pension liability was measured as of August 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was 0.2157006320% which was a decrease of 0.0071126383% from its proportion measured as of August 31, 2019 (0.2228132703%).

**Changes Since the Prior Actuarial Valuation** – There were no changes in assumptions since the prior measurement date.

For the fiscal year ended August 31, 2021, the College recognized pension expense of \$10,571,226 and revenue of \$10,571,226 for support provided by the State. Refer to the fiscal year 2020 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements No. 67 and 68.



**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

At August 31, 2021, the College reported its proportionate share of the TRS's deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual economic experience	\$ 210,939	\$ 3,223,992
Changes in actuarial assumptions	26,805,877	11,397,672
Difference between projected and actual investment earnings	2,338,702	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	12,908,900	6,966,920
Contributions paid to TRS subsequent to the measurement date (calculated by the College)	8,746,374	-
Total	<u>\$ 51,010,792</u>	<u>\$ 21,588,584</u>

\$8,746,374 reported as deferred outflows of resources resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2022.

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

<b>Year Ended August 31</b>	<b>Pension Expense Amount</b>
2022	\$ 3,308,635
2023	7,889,285
2024	8,645,880
2025	2,401,031
2026	(1,396,298)
Thereafter	(172,699)
Total	<u>\$ 20,675,834</u>

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### Optional Retirement Plan – Defined Contribution Plan

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

*Funding Policy* – Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. Benefits fully vest after one year plus one day of employment. In certain circumstances, the reporting college is required to make all or a portion of the state's contribution amounts. Senate Bill (SB)1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

Since these are individual annuity contracts, the State and the College have no additional or unfunded liability for this program.

<b>Optional Retirement Plan Contribution Rates</b>	<b>2021*</b>	<b>2020*</b>
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.60%
College Contribution of Participant's Annual Compensation for:		
Participants Enrolled Prior to September 1, 1995	1.90%	1.90%
Participants Enrolled After September 1, 1995	0.00%	0.00%

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

The total ORP expense to the State for the College was \$1,539,838 and \$1,685,932 for fiscal years 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

<b>Year Ended August 31</b>	<b>Total Payroll for All College Employees</b>	<b>College's Payroll Covered by TRS</b>	<b>College's Payroll Covered by ORP</b>	<b>State's Contribution for ORP</b>
2021	\$ 290,798,333	\$ 205,157,346	\$ 47,702,457	\$ 1,539,838
2020	300,601,170	208,020,613	52,543,547	1,685,932
2019	290,978,372	196,305,385	53,526,118	1,715,189

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **12. DEFERRED COMPENSATION PLAN**

The College has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code §609.001. For the fiscal years ended August 31, 2021 and 2020, the College had one employee participating in the program.

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

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**13. COMPENSABLE ABSENCES**

Full-time staff and administrators earn annual leave from one to two days per month. The policy of the College is that an employee may carry his or her accrued leave forward from one fiscal year to another fiscal year with a maximum number of 48 days. Employees with at least 60 days of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. Sick leave, which can be accumulated up to 66 days, is earned at the rate of one day per month. The policy of the College is to recognize the cost of sick leave when paid. Employees are not entitled to be paid for sick leave accrued but not taken upon termination. Accordingly, no liability for sick leave is reflected in the accompanying Statements of Net Position. The same applies to extenuating circumstance leave, which accrues at a rate of 2 days per year to a maximum of 4 days and is not payable on termination.

	<b>Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,</b>	
	<b>2021</b>	<b>2020</b>
Balance as of September 1,	\$ 17,541,813	\$ 14,785,829
Leave Accruals/Adjustments	11,087,346	11,082,111
Leave Used	(7,588,542)	(7,269,154)
Accrued Leave Paid Termed Employees	(3,926,218)	(1,056,973)
Balance as of August 31,	<u>\$ 17,114,399</u>	<u>\$ 17,541,813</u>
Current Liability	\$ 9,920,444	\$ 9,148,843
Non-Current Liability	\$ 7,193,955	\$ 8,392,970

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**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)**

<b>HealthSelect of Texas Plan</b>	<b>2021 State/Employer Contribution</b>	<b>2021 Annualized Contribution</b>
Member Only	\$ 624.82	\$ 7,497.84
Member & Spouse	982.36	11,788.32
Member & Child(ren)	864.20	10,370.40
Member & Family	1,221.74	14,660.88

<b>HealthSelect of Texas Plan</b>	<b>2020 State/Employer Contribution</b>	<b>2020 Annualized Contribution</b>
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

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

<b>Cost of Providing Health Care Insurance</b>	<b>2021</b>	<b>2020</b>
Number of Retirees	1,481	1,375
Cost of Health Benefits for Retirees	\$ 12,789,460	\$ 11,900,644
Number of Active Full-Time Employees	3,284	3,662
Cost of Health Benefits for Active Full-Time Employees	30,377,937	32,159,245
State Appropriation for Health Insurance-Retirees	5,916,347	5,704,986
State Appropriation for Health Insurance-Active	13,721,460	13,967,351
Net Cost to College	23,529,590	24,387,552

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 15. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

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

**OPEB Plan Fiduciary Net Position**—Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained by visiting <https://ers.texas.gov/about-ers/reports-and-studies/reports-on-overall-ers-operations-and-financial-management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

**Benefits Provided**—Retiree health benefits offered through the GBP are available to most state of Texas retirees and their eligible dependents. Participants need at least 10 years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

**Contributions**—Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

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 2021**

Retiree only	\$ 624.82
Retiree & spouse	1,340.82
Retiree & children	1,104.22
Retiree & family	1,820.22

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, 2021 and 2020**

<b>Contribution Rates</b>	<b>2021</b>	<b>2020</b>
Member contributions	\$1,868,351	\$1,711,440
State of Texas on-behalf contributions	5,916,347	5,704,986
College Contributions	6,430,855	6,195,658

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

**Actuarial Assumptions**—The total OPEB liability was determined by an actuarial valuation as of August 31, 2020, 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, 2020
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	2.20%
Projected annual salary increase	2.30% to 9.05%, including inflation
Annual healthcare trend rate	8.8% for FY2022, 5.25% for FY2023, decreasing 10 basis points per year to 4.30% for FY2029 and later years
Inflation assumption rate	2.30%
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, 2017) for higher education members.

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

**Discount Rate**—Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20%, which amounted to a decrease of .77 %. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return applicable is zero years.



# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

**Discount Rate Sensitivity Analysis**—The following schedule shows the impact on College's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	<b>1% Decrease in Discount Rate (1.20%)</b>	<b>Discount Rate (2.20%)</b>	<b>1% Increase in Discount Rate (3.20%)</b>
College's proportionate share of the net OPEB liability	\$ 318,838,930	\$ 268,254,113	\$ 228,625,442

**Healthcare Trend Rate Sensitivity Analysis**—The initial healthcare trend rate is 8.8% and the ultimate rate is 4.3%. The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (8.8% decreasing to 4.3%) in measuring the net OPEB Liability.

	<b>1% Decrease in Healthcare Cost Trend Rates (7.80% decreasing to 3.30%)</b>	<b>Current Healthcare Cost Trend Rates (8.80% decreasing to 4.30%)</b>	<b>1% Increase in Healthcare Cost Trend Rates (9.80% decreasing to 5.30%)</b>
College's proportionate share of the net OPEB liability	\$ 224,511,046	\$ 268,254,113	\$ 325,596,703

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—At August 31, 2021, College reported liability of \$268,254,113 for its proportionate share of the ERS's net OPEB Liability. This liability reflects a decrease for State support provided to College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the State support and the total portion of the net OPEB liability that was associated with College were as follows:

College's proportionate share of the collective net OPEB liability	\$ 268,254,113
State's proportionate share that is associated with College	215,864,278
Total	<u>\$ 484,118,391</u>

The net OPEB liability was measured as of August 31, 2020 and the total OPEB liability was used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

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, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.81179332%, which was slightly lower than the proportion measured at August 31, 2019 of 0.81560594%.

For the year ended August 31, 2021, the College recognized a reduction of OPEB expense of \$2,546,924 and revenue of \$2,546,924 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:

- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on short-term expectations;
- The percentage of current retirees and retirees' spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan and future retirees and their spouses who will elect to participate at the earliest date at which coverage can commence;
- The percentage of future female retirees assumed to be married and electing coverage for their spouse
- The percentages of future retirees assumed to cover dependent children

The discount rate assumption was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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

This valuation reflects minor benefit changes that will become effective January 1, 2021. These changes, which are not expected to have a significant impact on plan costs for FY2021, are provided for in the FY2021 Assumed Per Capita Health Benefit Costs.

There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

At August 31, 2021, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 10,491,552
Changes in actuarial assumptions	15,530,048	57,797,707
Difference between projected and actual investment earnings	80,059	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	42,761,060	3,149,563
Contributions paid to ERS subsequent to the measurement date (calculated by the College)	<u>4,414,082</u>	<u>-</u>
Total	<u><u>\$ 62,785,249</u></u>	<u><u>\$ 71,438,822</u></u>

The \$4,414,082 reported as deferred outflows of resources related to OPEB resulting from College contributions paid subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2022.

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

<u>Year Ended August 31</u>	<u>OPEB Expense Amount</u>
2022	\$ (8,602,276)
2023	(909,109)
2024	2,537,483
2025	(3,502,295)
2026	<u>(2,591,458)</u>
Total	<u><u>\$ (13,067,655)</u></u>

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 16. COMMITMENTS AND CONTINGENCIES

**Commitments**—The College has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses within the College. Commitments remaining under such contracts at August 31, 2021 are \$32,357,140.

**Pending Lawsuits and Claims**—On August 31, 2021, various claims and lawsuits involving the College are pending. In the opinion of College administration, the potential loss on all claims and lawsuits, to the extent not provided for by insurance or otherwise, will not be significant to the financial statements of the College. A lawsuit was filed in 2019 to invalidate the voting results authorizing College to issue general obligation bonds to improve College facilities and technologies. While the suit does not seek additional monetary damages and does not impact the current financial condition of College, it impairs the planned timeline for implementing the improvements.

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

On August 25, 2008, College sold a building to the University of North Texas. A clause in the original deed requires that the College remain in the line of guarantors on two ground leases, which are in effect through 2047 and 2048. The probability of having to pay the ground leases is remote since the University of North Texas is the current owner and the College follows them or any future owners in the line of priority for the guarantee. The potential amount owed through the end of the leases is in excess of \$3.0 million. However, because the probability of having to pay is remote, College has not accrued a liability.

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**17. DISAGGREGATION OF RECEIVABLES AND PAYABLES**

**Receivables**—Receivables for the fiscal years ended August 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Ad valorem taxes	\$ 11,786,115	\$ 10,733,264
Student tuition and charges	22,714,635	35,328,306
Accounts Receivable		
Federal grants	38,436,222	9,843,677
State grants	650,227	948,509
Local grants	6,665,250	4,991,133
Interest on investments	265,512	105,854
Other receivables	1,536,136	646,802
Total receivables	<u>82,054,097</u>	<u>62,597,545</u>
Less allowances for uncollectible amounts		
Ad valorem taxes	(9,247,525)	(8,524,989)
Student tuition and charges	(2,561,861)	(2,496,967)
Other receivables	<u>(27,441)</u>	<u>(27,441)</u>
Total allowances	<u>(11,836,827)</u>	<u>(11,049,397)</u>
Total receivables, net of allowances	<u><u>\$ 70,217,270</u></u>	<u><u>\$ 51,548,148</u></u>

**Payables**—Accounts Payable for the fiscal years ended August 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Vendors payable	\$ 21,248,640	\$ 21,798,229
Salaries and benefits payable	-	-
Students payable	<u>1,429,129</u>	<u>1,086,131</u>
Total accounts payable	<u><u>\$ 22,677,769</u></u>	<u><u>\$ 22,884,360</u></u>

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**18. FUNDS HELD IN TRUST BY OTHERS**

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amounts of \$1,438,438 and \$1,448,191 for 2021 and 2020, respectively.

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**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 2021 and 2020 for which monies have not been received nor funds expended totaled \$159,015,703 and \$66,872,937, respectively.

These amounts are comprised of the following:

<b>Contracts and Grant Awards</b>	<b>2021</b>	<b>2020</b>
Federal	\$ 151,636,180	\$ 58,182,694
State	5,294,174	7,936,133
Local	2,085,349	754,110
Total Contracts and Grant Awards	<u>\$ 159,015,703</u>	<u>\$ 66,872,937</u>

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 20. SELF-INSURED PLANS

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

The College after deductibles fully insures its buildings, structures, contents, and equipment with the purchase of commercial property insurance and also procures general and excess liability insurance coverages for operating errors and omissions. Settlements with claimants for torts, property thefts and damage, and errors and omissions during the fiscal years ended August 31, 2021, 2020 and 2019 did not exceed insurance coverages after deductibles.

The College self-insures for injuries to employees (workers' compensation) and autos. At August 31, 2021 and 2020, the College accrued against losses \$3,514 for auto claims.

Prior to August 31, 1998, the College was self-insured for workers' compensation. Effective September 1, 1998, the College implemented a guaranteed cost workers' compensation insurance program to handle employee injury claims. The College returned to a self-insured plan effective September 1, 2002 and is backed with excess workers' compensation coverage. The accrued liability balance is based upon third party actuarial information for expected future payments on incurred claims. Future payments for the incurred claims will be paid from the accrued liability. Settlements of workers' compensation claims during the fiscal years ended August 31, 2021, 2020, and 2019 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, 2021 and 2020 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
2021	\$ 244,361	\$ -	\$ -	\$ -	244,361
2020	244,361	-	-	-	244,361



**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

Self-insurance activity for the current workers' compensation plan for the fiscal years ended August 31, 2021 and 2020 was as follows:

<b>Accrued Claim Liability for the Fiscal Year Ended August 31</b>	<b>Balance September 1</b>	<b>Additions</b>	<b>Reductions in Liability/ Claims Paid</b>	<b>Balance August 31</b>
2021	\$ 650,000	\$ 616,008	\$ (616,008)	\$ 650,000
2020	\$ 475,000	\$ 800,780	\$ (625,780)	\$ 650,000

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### 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, 2021 and 2020 were \$336,631,890 and \$334,832,012, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2021 and 2020 are as follows:

	2021		
	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

	2020		
	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

At August 31, 2021 and 2020 certified valuation for property taxed by the College was as follows:

	2021	2020
Assessed valuation of College	\$ 350,355,051,104	\$ 345,979,905,150
Less exempt property	36,172,447,490	33,197,583,350
Less exemptions and Capped Loss	43,014,127,276	43,098,432,356
Net assessed valuation of College	<u>\$ 271,168,476,338</u>	<u>\$ 269,683,889,444</u>

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

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

Gross taxes collected for fiscal year 2021:

<b>Gross Taxes Collected - 2021</b>	<b>Maintenance &amp; Operations</b>	<b>Interest &amp; Sinking</b>	<b>2021 Total</b>
Current	\$ 298,648,538	\$ 57,863,199	\$ 356,511,737
Delinquent	2,758,665	100,180	2,858,845
Penalties and interest	2,068,325	-	2,068,325
Total Gross Collections	<u>\$ 303,475,528</u>	<u>\$ 57,963,379</u>	<u>\$ 361,438,907</u>
Less:			
Appraisal & Collection Fees	2,172,986	214,947	2,387,933
Bad Debt Expense	605,998	116,538	722,536
Total Net Collections	<u>\$ 300,696,544</u>	<u>\$ 57,631,894</u>	<u>\$ 358,328,438</u>

Gross taxes collected for fiscal year 2020:

<b>Gross Taxes Collected - 2020</b>	<b>Maintenance &amp; Operations</b>	<b>Interest &amp; Sinking</b>	<b>2020 Total</b>
Current	\$ 278,870,025	\$ 53,987,558	\$ 332,857,583
Delinquent	1,744,616	98,727	1,843,343
Penalties and interest	1,862,102	-	1,862,102
Total Gross Collections	<u>\$ 282,476,743</u>	<u>\$ 54,086,285</u>	<u>\$ 336,563,028</u>
Less:			
Appraisal & Collection Fees	2,787,458	365,147	3,152,605
Bad Debt Expense	773,376	148,726	922,102
Total Net Collections	<u>\$ 278,915,909</u>	<u>\$ 53,572,412</u>	<u>\$ 332,488,321</u>

Tax collections for the fiscal years ended August 31, 2021 and 2020 were approximately 99% of the current tax levy for both years. Allowances for uncollectible taxes (See Note 4) are based upon historical experience in collecting ad valorem taxes.

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

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**22. TAX INCREMENT FINANCING DISTRICTS**

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

<b>TIF Title</b>	<b>Percentage of Incremental Tax Committed</b>	<b>Expiration Date</b>	<b>Taxes Forgone in 2021</b>	<b>Taxes Forgone in 2020</b>
City of Grand Prairie #1	100%	2020	\$ -	\$ 461,126
City of Garland #1	100%	2024	73,684	61,205
City of Dallas Cityplace	100%	2009	-	(82,890)
City of Irving	100%	2014	(1,414)	(1,414)
Total taxes forgone			<u>\$ 72,270</u>	<u>\$ 438,027</u>

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 23. INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The College had no material unrelated business income tax liability for the fiscal years ended August 31, 2021 or 2020.

## DALLAS COLLEGE

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

#### 24. COMPONENT UNITS

##### **DALLAS COLLEGE FOUNDATION, INC. — DISCRETELY PRESENTED COMPONENT UNIT**

Dallas College Foundation, Inc. (the "Foundation") was established as a separate non-profit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the College. Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus---An Amendment of GASB Statements No. 14 and No. 34*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in the College's annual comprehensive financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for August 31, 2021 and 2020.

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

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

**Dallas College Foundation, Inc.**  
(A Texas Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31,

	2021			
	Management and General	Development	Program Services	Total
Scholarship awards	\$ -	\$ -	1,533,078	\$ 1,533,078
Grants	-	-	3,471,137	3,471,137
Contributed salaries	619,720	523,363	-	1,143,083
Supplies and postage	16,231	-	-	16,231
Marketing	16,299	-	-	16,299
Subscriptions and publications	1,388	-	-	1,388
Special events and board meetings	6,671	-	-	6,671
Professional services	182,738	-	-	182,738
Insurance	9,061	-	-	9,061
Technology	151,189	-	-	151,189
Miscellaneous	17,041	-	-	17,041
Development	-	5,372	-	5,372
Total	<u>\$ 1,020,338</u>	<u>\$ 528,735</u>	<u>\$ 5,004,215</u>	<u>\$ 6,553,288</u>

	2020			
	Management and General	Development	Program Services	Total
Scholarship awards	\$ -	\$ -	\$ 1,918,414	\$ 1,918,414
Grants	-	-	2,982,886	2,982,886
Contributed salaries	618,988	743,759	-	1,362,747
Supplies and postage	21,861	-	-	21,861
Marketing	9,027	-	-	9,027
Special events and board meetings	47,128	-	-	47,128
Professional services	114,773	-	-	114,773
Insurance	4,463	-	-	4,463
Technology	117,255	-	-	117,255
Miscellaneous	11,298	-	-	11,298
Development	-	19,084	-	19,084
Travel	217	-	-	217
Total	<u>\$ 945,010</u>	<u>\$ 762,843</u>	<u>\$ 4,901,300</u>	<u>\$ 6,609,153</u>

*The accompanying notes are an integral part of these statements.*

**Dallas College Foundation, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
August 31, 2021 and 2020

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

General

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.

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

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

Cash and Cash Equivalents

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Fixed income securities and mutual funds are measured at net asset value (NAV). Realized and unrealized gains and losses are reported in the statements of activities. Investment managers administer the Foundation’s portfolio in a manner consistent with the investment goals and policies established by the Foundation’s Board of Directors.

Revenue Recognition

The Foundation records contributions received as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenues in the period unconditional promises to give are received by the Foundation. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are



**Dallas College Foundation, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2021 and 2020

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

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, 2021 and 2020.

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, 2017. For state authorities, the statute of limitations is generally three or four years; however, the statute of limitations will remain open for any state returns not filed.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included in the financial statements

**Dallas College Foundation, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
August 31, 2021 and 2020

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

are (a) present values of contributions receivable expected to be received beyond one year, and (b) the valuation of the investments at fair value.

Functional Expenses

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

**NOTE B - INVESTMENTS**

Investments are composed of the following as of August 31:

	<b>2021</b>		<b>2020</b>	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 2,630,468	\$ 5,266,058	\$ 2,640,331	\$ 5,286,960
Equity investments	3,114,035	5,774,730	4,360,493	6,478,659
Mutual funds	46,621,393	59,039,129	38,967,242	44,943,732
Exchange traded funds	375,824	376,125	-	-
Certificates of Deposit	-	-	6,944,000	6,946,903
U.S. Treasury Notes	6,149,099	6,149,479	695,659	695,598
Total Investments	<u>\$ 58,890,819</u>	<u>\$ 76,605,521</u>	<u>\$ 53,607,725</u>	<u>\$ 64,351,852</u>

Investment securities are exposed to various risks, such as interest rate, custodial and market credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term, and that such 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, 2021 and 2020, the components of investment earnings are:

	<b>2021</b>	<b>2020</b>
Interest and dividend income	\$ 1,848,380	\$ 2,088,786
Net gain on investments carried at fair value	11,763,162	6,478,627
Total return on investments	<u>\$ 13,611,542</u>	<u>\$ 8,567,413</u>

**Dallas College Foundation, Inc.**  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2021 and 2020

**NOTE C - PLEDGES RECEIVABLE**

Pledges receivable consist of the following unconditional promises to give:

		<b>August 31,</b>	
		<b>2021</b>	<b>2020</b>
Pledges Receivable - Less than one year	\$	809,983	\$ 117,666
Pledges Receivable - More than one year		635,240	53,334
Total Pledges Receivable		1,445,223	171,000
Less unamortized discounts		(20,947)	(8,662)
Total Pledges Receivable (net)	\$	<u>1,424,276</u>	<u>\$ 162,338</u>

**NOTE D - DONOR RESTRICTED NET ASSETS**

Donor restricted net assets are available for the following purposes:

		<b>August 31,</b>	
		<b>2021</b>	<b>2020</b>
Student scholarships for tuition and books	\$	44,735,222	\$ 42,740,661
Professional development, student related activities, and program support		17,113,465	14,534,479
Total donor restricted net assets	\$	<u>61,848,687</u>	<u>\$ 57,275,140</u>

**NOTE E - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets released from restrictions consisting of funds with donor restrictions were due mainly to satisfaction of purpose restrictions. Net assets released from restrictions amounted to \$4,603,917 and \$4,830,942 for the years ended August 31, 2021 and 2020, respectively.

**NOTE F - CONCENTRATION OF CREDIT RISK**

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

**Dallas College Foundation, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2021 and 2020

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

The Foundation's payments to the College for scholarships and grants totaled \$1,281,295 and \$1,417,736 for fiscal years 2021 and 2020, respectively. At August 31, 2021 and 2020, the Foundation recorded a total of \$1,100,000 and \$1,685,460, respectively, for scholarships and grants payable to the College.

The salaries of Foundation employees have been donated by the College. The estimated fair value of these contributed services is \$1,143,082 and \$1,362,747 for fiscal years 2021 and 2020, respectively, and has been included in contributed salaries in revenue and management and general expenses in the accompanying statements of activities. The College also provided office space and equipment at no cost to the Foundation. Because the Foundation does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts have been reflected in the Foundation's financial statements.

**NOTE H - FAIR VALUE MEASUREMENTS**

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

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

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

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

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

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

**Dallas College Foundation, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
August 31, 2021 and 2020

**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, 2021	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$ 5,774,730	\$ -	\$ -	\$ 5,774,730
U.S. Treasury Bills	-	6,149,478	-	6,149,478
	<u>\$ 5,774,730</u>	<u>\$ 6,149,478</u>	<u>\$ -</u>	<u>\$ 11,924,208</u>
Investments measured at NAV	\$ -	\$ -	\$ -	\$ 64,681,313
Investments at fair value	<u>\$ 5,774,730</u>	<u>\$ 6,149,478</u>	<u>\$ -</u>	<u>\$ 76,605,521</u>

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

August 31, 2020	Fair Value Measurement Using Input Considered as:			
	Level 1	Level 2	Level 3	Total
Equity investments	\$ 6,478,659	\$ -	\$ -	\$ 6,478,659
Certificates of Deposit	-	6,946,903	-	6,946,903
U.S. Treasury Bills	-	695,598	-	695,598
	<u>\$ 6,478,659</u>	<u>\$ 7,642,501</u>	<u>\$ -</u>	<u>\$ 14,121,160</u>
Investments measured at NAV	\$ -	\$ -	\$ -	\$ 50,230,692
Investments at fair value	<u>\$ 6,478,659</u>	<u>\$ 7,642,501</u>	<u>\$ -</u>	<u>\$ 64,351,852</u>

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

**NOTE I - ENDOWMENTS**

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

## Dallas College Foundation, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

August 31, 2021 and 2020

#### NOTE I - ENDOWMENTS - Continued

In September 2007, the State of Texas enacted the Uniform Prudent Management of Investment Funds Act ("UPMIFA"). UPMIFA provides standards and guidelines for the management, investment, and expenditure of charitable funds and for endowment spending by institutions organized and operated exclusively for a charitable purpose.

##### Interpretation of Relevant Law

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

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

##### Investment Return Objectives and Risk Parameters

The Foundation board has adopted investment and spending policies for endowed assets that attempt to preserve the real (inflation-adjusted) purchasing power of the trust assets, to provide an adequate level of income to meet the original intent of the Foundation's benefactors and to maximize the total rate of return earned by the trust without assuming an unreasonable degree of risk. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor specified period(s) as well as board designated funds.

##### Strategies Employed for Achieving Objectives

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

**Dallas College Foundation, Inc.**  
NOTES TO THE FINANCIAL STATEMENTS  
August 31, 2021 and 2020

**NOTE I - ENDOWMENTS** - Continued

Spending Policy

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

Endowment Net Asset Composition by Type of Fund as of August 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 52,785,865	\$ 52,785,865
Endowment net assets, beginning of year	\$ -	\$ 50,463,467	\$ 50,463,467
Contributions	-	77,491	77,491
Investment income:			
Dividends and interest	-	884,314	884,314
Net realized and unrealized gains/losses	-	2,403,688	2,403,688
Net transfers	-	(701,783)	(701,783)
Amount appropriated for expenditures	-	(341,312)	(341,312)
Endowment net assets, end of year	\$ -	\$ 52,785,865	\$ 52,785,865

Endowment Net Asset Composition by Type of Fund as of August 31, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	\$ -	\$ 50,463,467	\$ 50,463,467
Endowment net assets, beginning of year	\$ -	\$ 46,050,987	\$ 46,050,987
Contributions	-	209,865	209,865
Investment income:			
Dividends and interest	-	1,144,798	1,144,798
Net realized and unrealized gains/losses	-	3,730,256	3,730,256
Net transfers	-	(374,468)	(374,468)
Amount appropriated for expenditures	-	(297,971)	(297,971)
Endowment net assets, end of year	\$ -	\$ 50,463,467	\$ 50,463,467

**Dallas College Foundation, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

August 31, 2021 and 2020

**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, 2021 and 2020 are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,689,106	\$ 1,510,958
Pledges receivable within one year	809,983	117,666
Investments	<u>76,605,521</u>	<u>64,351,852</u>
Total financial assets available	79,104,610	65,980,476
Less net assets held to meet donor-imposed restrictions	<u>61,848,687</u>	<u>57,275,140</u>
Financial assets available for general expenditure within one year	<u>\$ 17,255,923</u>	<u>\$ 8,705,336</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 7, 2021, the date financial statements were available to be issued.



## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

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

In January 2005, the College's Board of Trustees approved the application to the Texas Education Agency (TEA) for a charter to operate the Richland Collegiate High School of Mathematics, Science, and Engineering, designed to enroll students only at the junior and senior levels. TEA approved the application in October 2005. In May 2006, the Board approved the contract with TEA for operating a charter through July 31, 2010. The charter agreement has since been renewed and is in effect indefinitely at this time. The charter high school opened in August 2006 with its first class of 176 students at the junior level. Students receive high school and college credit concurrently.

Each academic year in October, TEA requires an official reporting of student enrollment. The TEA reporting in 2021 was 479 students and 526 students were reported in 2020.

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 College and is governed by the same Board. For operating purposes, in accord with TEA requirements, all revenue and expenses are tracked through a separate general ledger account. For financial reporting purposes, fiscal information for the charter high school is included in the financial statements of the College.

The Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, a Statements of Cash Flows, a Schedule of Expenses, and a Schedule of Capital Assets for the fiscal years ended August 31, 2021 and 2020 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2021.

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATIONS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020  
EXHIBIT 1**

DATA CONTROL CODES	ASSETS	2021	2020
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 5,167,594	\$ 4,420,141
1120	Short-term Investments	-	-
1240	Accounts receivable (net) - governments	-	-
1290	Accounts receivable (net) - others	-	-
	Total current assets	5,167,594	4,420,141
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	31,248	34,361
1910	Investments	-	-
1900	Total non-current assets	31,248	34,361
1000	TOTAL ASSETS	5,198,842	4,454,502
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	-	-
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	-	32,533
2123	Funds Held for Others	736	736
2501	Due to College (parent organization)	-	-
	Total current liabilities	736	33,269
2000	TOTAL LIABILITIES	736	33,269
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	-	-
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Invested in capital assets, net of related debt	31,248	34,360
3600	Unrestricted	5,166,857	4,386,872
3000	TOTAL NET POSITION	\$ 5,198,106	\$ 4,421,233

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### RICHLAND COLLEGIATE HIGH SCHOOL STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020 EXHIBIT 2

College Presentation			TEA Classifications		
	2021	2020	Data Control Codes		2021 2020
OPERATING REVENUES:				OPERATING REVENUES:	
Federal grants and contracts	\$ -	\$ -	5929	Federal grants revenue distributed by TEA	\$ - \$ -
Total operating revenues	-	-	5020	Total operating revenues	- -
OPERATING EXPENSES:				OPERATING EXPENSES:	
Instruction	1,451,936	2,149,646	0011	Instruction	2,017,949 2,677,399
Public Service	566,013	527,753	0012	Instructional resources and media services	115,625 113,358
Academic support	463,505	455,824	0013	Curriculum development & instructional	337,593 332,886
Student services	669,907	579,737	0023	School leadership	505,537 523,637
			0031	Guidance, counseling and evaluation services	620,596 567,980
			0033	Health services	48,552 2,904
			0034	Student transportation	- -
			0035	Food service	2,057 10,152
Institutional support	856,279	893,830	0036	Co-Curricular/Extra-curricular	- -
Plant Maintenance and operation	4,519	6,537	0041	General administration	350,383 369,833
Depreciation	3,112	3,112	0051	Plant maintenance and operation	6,332 8,349
			0052	Security and monitoring services	360 360
			0053	Data processing services	10,286 9,581
Total operating expenses	4,015,271	4,616,439	6030	Total operating expenses	4,015,271 4,616,439
OPERATING LOSS	(4,015,271)	(4,616,439)	1100	OPERATING LOSS	(4,015,271) (4,616,439)
NON-OPERATING REVENUES (EXPENSES):				NON-OPERATING REVENUES (EXPENSES):	
State appropriations	4,769,217	4,936,507	5800	State appropriations	4,769,217 4,936,507
Investment income	22,927	81,836	5742	Investment income	22,927 81,836
Net non-operating revenues	4,792,144	5,018,342		Net non-operating revenues	4,792,144 5,018,342
INCREASE IN NET POSITION	776,873	401,903	1200	INCREASE IN NET POSITION	776,873 401,903
NET POSITION:				NET POSITION:	
Net Position—Beginning of Year	4,421,233	4,019,330	0100	Net Position—Beginning of Year	4,421,233 4,019,330
Net Position—End of Year	\$ 5,198,106	\$ 4,421,233	3000	Net Position—End of Year	\$ 5,198,106 \$ 4,421,233

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**RICHLAND COLLEGIATE HIGH SCHOOL  
STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020  
EXHIBIT 3**

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from grants and contracts	\$ -	\$ -
Payments to suppliers for goods and services	(4,044,691)	(4,580,821)
Net cash used in operating activities	(4,044,691)	(4,580,821)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	4,769,217	4,936,507
Net cash provided by non-capital financing activities	4,769,217	4,936,507
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Purchase of equipment	-	-
Net cash used by capital and related financing activities	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from interest on investments	22,927	81,836
Purchase of investments	-	-
Sale of investments	-	-
Net cash provided (used) by investing activities	22,927	81,836
Increase (decrease) in cash and cash equivalents	747,453	437,522
Cash and cash equivalents - September 1	4,420,141	3,982,619
Cash and cash equivalents - August 31	\$ 5,167,594	\$ 4,420,141
<b>Reconciliation of net operating loss to net cash used in operating activities</b>		
Operating loss	\$ (4,015,271)	\$ (4,616,439)
Depreciation	3,112	3,112
Adjustments to reconcile net loss to net cash used in operating activities:		
<b>Changes in assets and liabilities:</b>		
Receivables (net)	-	-
Inventories	-	-
Due to College	-	-
Accounts payable	(32,533)	32,533
Funds held for others	-	(28)
Net cash used in operating activities	\$ (4,044,691)	\$ (4,580,821)

# DALLAS COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020

### RICHLAND COLLEGIATE HIGH SCHOOL BUDGETARY COMPARISON SCHEDULE FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual to Budget Percent Actual</u>	
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>	<u>to Final Budget</u>
<b>REVENUES</b>					
Local Support:					
5740 Local and intermediate sources	\$ 30,000	\$ 30,000	\$ 22,927	\$ 7,073	23.58% <sup>a</sup>
3600 Decrease/use of fund balance	-	-	-	-	n/a
State program revenues:					
5810 Foundation School Program Act Revenues	4,739,417	4,769,253	4,769,217	36	0.00%
Federal program revenues:					
5910 Federal program revenues	-	-	-	-	0.00%
Total revenues	<u>\$ 4,769,417</u>	<u>\$ 4,799,253</u>	<u>\$ 4,792,144</u>	<u>\$ 7,109</u>	<u>0.15%</u>
<b>EXPENDITURES</b>					
State program expenditures					
0011 11 Instruction	2,438,017	2,595,508	2,017,949	577,559	22.25% <sup>b</sup>
0012 12 Instructional resources and media services	115,750	115,700	115,625	75	0.06%
0013 13 Curriculum and staff development	359,200	369,100	337,593	31,507	8.54%
0023 23 School leadership	587,000	558,600	505,537	53,063	9.50%
0031 31 Guidance, counseling and evaluation services	736,000	682,300	620,596	61,704	9.04%
0033 33 Health services	64,000	56,100	48,552	7,548	13.45% <sup>b</sup>
0035 35 Food Service	12,000	2,250	2,057	193	8.58%
0041 41 General administration	432,000	397,300	350,383	46,917	11.81% <sup>b</sup>
0051 51 Facilities maintenance and operations	12,000	10,600	6,332	4,268	40.26% <sup>b</sup>
0052 52 Security and monitoring services	1,200	395	360	35	8.86%
0053 53 Data processing services	12,250	11,400	10,286	1,114	9.77%
Total expenditures	<u>4,769,417</u>	<u>4,799,253</u>	<u>4,015,271</u>	<u>783,982</u>	<u>16.34%</u>
1200 Net change in fund balances	-	-	776,873	776,873	n/a
0100 Fund balance--beginning	4,421,233	4,421,233	4,421,233	-	0.00%
3600 Decrease/Use of fund balance	-	-	-	-	n/a
3000 Fund balance--ending	<u>\$ 4,421,233</u>	<u>\$ 4,421,233</u>	<u>\$ 5,198,106</u>	<u>\$ 776,873</u>	<u>17.57%</u>

#### Variance Explanations

<sup>a</sup> Reflects unrealized market gains

<sup>b</sup> Anticipated expenses were not realized

**DALLAS COLLEGE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

**RICHLAND COLLEGIATE HIGH SCHOOL  
SCHEDULE OF EXPENSES  
FOR THE YEARS ENDED AUGUST 31, 2021 AND 2020**

<b>Expenses</b>	<b>Totals</b>	
	<b>2021</b>	<b>2020</b>
6100 Payroll Costs	1	1
6200 Professional and Contracted Services	3,713,242	3,761,157
6300 Supplies and Materials	253,747	795,357
6400 Other Operating Costs	48,280	59,924
Total Expenses	<u>\$4,015,271</u>	<u>\$4,616,439</u>

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **26. Related Parties**

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

The Foundation's payments to the College for scholarships and grants amounted to \$1,281,295 and \$1,417,736 for fiscal years 2021 and 2020, respectively. At August 31, 2021 and 2020, the Foundation recorded a total of \$1,100,000 and \$1,685,460 respectively, for scholarships and grants payable to College.

The College paid the salaries and benefits of certain Foundation employees. The value of these contributed services is \$1,143,082 and \$1,362,747 for fiscal years 2021 and 2020, respectively. Also, the College provided office space and equipment at no cost to the Foundation. Because the College does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts can be disclosed.

In fiscal 2020, the College elected not to transfer funds to the Foundation for student scholarships. In fiscal year 2021, the College elected to transfer \$700,000 funds held in its quasi-endowment fund to the Foundation for student scholarships. The quasi-endowment fund was used to fund student scholarships prior to the transfer. The quasi-endowment was funded with designated receipts from a land lease agreement of one of its properties. As collections continue on the land lease agreement, the College will transfer additional funds to the Foundation in the period collected.

## **DALLAS COLLEGE**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 AND 2020**

#### **27. SUBSEQUENT EVENTS**

Dallas College issued \$51 million of Tax Notes, Series 2021 in October 2021. The Tax Notes were authorized by the Board in August 2021. These funds will support ongoing capital projects for enhanced infrastructure and facility renovations.

Chancellor Joe May has announced his retirement effective August 31, 2022 and will serve as Chancellor Emeritus. The Board has selected Dr. Justin Lonon, Executive Vice Chancellor of Operations, to serve as the new Chancellor effective September 1, 2022.

Management has evaluated subsequent events through December 7, 2021. 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 COLLEGE**

**SCHEDULE OF COLLEGE'S SHARE OF NET PENSION LIABILITY  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021  
SCHEDULE G**

<b>Fiscal Year Ending August 31*,</b>	<b>2020**</b>	<b>2019</b>	<b>2018**</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
College's proportional share of collective net pension liability (%)	0.2157006320%	0.2228132703%	0.2127551871%	0.2001928395%	0.14467900%	0.18790100%	0.20021710%
College's proportional share of collective net pension liability (\$)	\$ 115,524,858	\$ 115,825,304	\$ 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	87,890,090	81,123,674	83,945,791	43,126,165	36,957,144	35,699,280	39,533,837
Total	<u>\$ 203,414,948</u>	<u>\$ 196,948,978</u>	<u>\$ 201,051,409</u>	<u>\$ 107,137,050</u>	<u>\$ 91,629,197</u>	<u>\$ 102,119,782</u>	<u>\$ 93,014,593</u>
College's covered payroll amount	\$ 208,020,613	\$ 196,305,385	\$ 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	55.54%	59.00%	64.60%	41.78%	35.69%	47.47%	41.67%
TRS net position as percentage of total pension liability	75.54%	75.24%	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 COLLEGE**

**SCHEDULE OF COLLEGE'S CONTRIBUTIONS  
FOR THE FISCAL YEARS ENDED AUGUST 31, 2021 THRU 2014  
SCHEDULE H**

<b>Fiscal Year Ending August 31*,</b>	<b>2021 **</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Legally required contributions	\$ 15,386,801	\$ 15,601,546	\$ 13,348,766	\$ 12,326,266	\$ 11,204,991	\$ 10,423,826	\$ 9,515,262	\$ 8,725,830
Actual contributions	15,386,801	15,601,546	13,348,766	12,326,266	11,204,991	10,423,826	9,515,262	8,725,830
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll amount	\$ 205,157,346	\$ 208,020,613	\$ 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	7.50%	7.50%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%

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

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

## DALLAS COLLEGE

### NOTES TO SCHEDULES FOR NET PENSION LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

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

The College's pension liability is measured as of August 31 of each year preceding the most recent fiscal year end. Pension expense, and positions of liability, deferred inflows and deferred outflows recognized in the fiscal year presented is based on the preceding year's August 31 measurement date. Contributions made on behalf by the State and payments of contributions made by the College in Fiscal 2021 will be measured as of August 31, 2021 and recognized in the Fiscal 2022 financial statements.

Changes in Benefit Terms include:

- There were no changes in benefit terms for the fiscal year ended August 31, 2021.

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, 2021.

Changes of Assumptions:

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

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

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

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

<b>Fiscal Year</b>	<b>Covered Payroll Amount</b>	<b>Change</b>	<b>% Change</b>	<b>Legally Required Contributions</b>	<b>Change</b>	<b>% Change</b>
2021	\$ 205,157,346	\$ (2,863,267)	-1.4%	\$ 15,386,801	\$ (214,745)	-1.4%
2020	208,020,613	11,715,228	6.0%	15,601,546	2,252,780	16.9%
2019	196,305,385	15,036,761	8.3%	13,348,766	1,022,500	8.3%
2018	181,268,624	16,483,428	10.0%	12,326,266	1,121,275	10.0%
2017	164,785,196	11,581,508	7.6%	11,204,991	781,165	7.5%
2016	153,203,688	13,278,526	9.5%	10,423,826	908,564	9.5%
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 COLLEGE

## SCHEDULE OF COLLEGE'S SHARE OF NET OTHER POST EMPLOYMENT BENEFITS LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 SCHEDULE I

<u>Fiscal Year Ending August 31*,</u>	<u>2020 **</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportional share of collective net OPEB liability (%)	0.81179332%	0.81560594%	0.81355841%	0.59972600%	n/a	n/a	n/a
College's proportional share of collective net OPEB liability (\$)	\$ 268,254,113	\$ 281,895,232	\$ 241,120,349	\$ 204,344,713	n/a	n/a	n/a
State's proportional share of net OPEB liability associated with College	215,864,278	226,015,783	190,256,699	189,046,665	n/a	n/a	n/a
Total	<u>\$ 484,118,391</u>	<u>\$ 507,911,015</u>	<u>\$ 431,377,048</u>	<u>\$ 393,391,378</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
College's covered payroll amount	\$ 252,859,803	\$ 249,831,503	\$ 237,461,267	\$ 221,755,590	\$210,417,154	\$198,148,697	\$186,219,401
Ratio of ER proportional share of collective NPL/ER's covered payroll amount	106.09%	112.83%	101.54%	92.15%	n/a	n/a	n/a
ERS net position as percentage of total OPEB liability	0.32%	0.17%	1.27%	2.04%	n/a	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 COLLEGE**

**SCHEDULE OF COLLEGE'S CONTRIBUTIONS TO OTHER POST  
EMPLOYMENT BENEFITS LIABILITY**

**FOR THE FISCAL YEARS ENDED AUGUST 31, 2017 THROUGH 2021**

**SCHEDULE J**

<b>Fiscal Year Ending August 31*,</b>	<b>2021 **</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially determined contributions	\$ 19,637,807	\$ 21,917,027	\$ 18,977,419	\$ 16,282,310	n/a
Actual contributions	12,347,202	11,900,644	11,724,677	10,818,471	n/a
Contributions deficiency (excess)	<u>\$ 7,290,605</u>	<u>\$ 10,016,383</u>	<u>\$ 7,252,742</u>	<u>\$ 5,463,839</u>	<u>n/a</u>
College's covered payroll amount	\$ 252,859,803	\$ 249,831,503	\$ 237,461,267	\$ 221,755,590	\$ 210,417,154
Ratio of actual contributions/ER covered payroll amount	7.77%	8.77%	7.99%	7.34%	n/a

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

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



## **DALLAS COLLEGE**

### **NOTES TO SCHEDULES FOR OTHER POST EMPLOYMENT BENEFITS LIABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

#### **Changes in Benefit Terms**

Under Q/A #4.107 of GASB's Implementation Guide No. 2017-2, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for FY2021, are provided for in the FY2021 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**

Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. 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 female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to cover dependent children.

##### **Economic Assumptions**

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.

Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

**DALLAS COLLEGE**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
NET OPEB LIABILITY  
FOR THE YEAR ENDED AUGUST 31, 2021**

The discount rate was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit changes have been reflected in the FY2021 Assumed Per Capita Health Benefits Costs.

## **SUPPLEMENTARY INFORMATION**

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

# DALLAS COLLEGE

## SCHEDULE OF OPERATING REVENUES FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2020) SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2021	2020
Tuition:						
State funded credit courses:						
In-district resident tuition	73,273,293	-	73,273,293	-	73,273,293	70,191,273
Out-of-district resident tuition	23,796,970	-	23,796,970	-	23,796,970	22,808,431
Non-resident tuition	19,008,287	-	19,008,287	-	19,008,287	20,023,547
TPEG - credit (set aside) *	6,482,913	-	6,482,913	-	6,482,913	5,919,741
State-funded continuing education	6,720,627	-	6,720,627	-	6,720,627	7,211,306
TPEG - non-credit (set aside) *	746,894	-	746,894	-	746,894	773,958
Non-state funded educational programs	3,126,812	-	3,126,812	-	3,126,812	3,405,407
Total Tuition	<u>133,155,796</u>	<u>-</u>	<u>133,155,796</u>	<u>-</u>	<u>133,155,796</u>	<u>130,333,663</u>
Fees:						
Installment plan fees	647,225	-	647,225	-	647,225	623,485
Contract training fees	-	-	-	-	-	-
Prior year tuition and fees	-	-	-	-	-	-
Total fees	<u>647,225</u>	<u>-</u>	<u>647,225</u>	<u>-</u>	<u>647,225</u>	<u>623,485</u>
Scholarship allowances and discounts:						
Bad debt allowance	1,186,800	-	1,186,800	-	1,186,800	(1,850,900)
Remissions and exemptions - state	(1,637,006)	-	(1,637,006)	-	(1,637,006)	(1,857,075)
Remissions and exemptions - local	(24,984,982)	-	(24,984,982)	-	(24,984,982)	(23,546,901)
Title IV federal grants	(27,496,722)	-	(27,496,722)	-	(27,496,722)	(27,672,717)
Other federal grants	(1,637,403)	-	(1,637,403)	-	(1,637,403)	(2,864,888)
State grants	(2,710,484)	-	(2,710,484)	-	(2,710,484)	(2,230,700)
TPEG awards	(6,754,143)	-	(6,754,143)	-	(6,754,143)	(4,556,715)
Rising Star program	(30,002)	-	(30,002)	-	(30,002)	(60,087)
Other local grants	(5,792,747)	-	(5,792,747)	-	(5,792,747)	(1,389,840)
Total scholarship allowances	<u>(69,856,689)</u>	<u>-</u>	<u>(69,856,689)</u>	<u>-</u>	<u>(69,856,689)</u>	<u>(66,029,823)</u>
Total net tuition and fees	<u>63,946,332</u>	<u>-</u>	<u>63,946,332</u>	<u>-</u>	<u>63,946,332</u>	<u>64,927,325</u>
Additional operating revenues:						
Federal grants and contracts	801,701	33,538,070	34,339,771	7,121	34,346,892	25,236,498
State grants and contracts	4,024	7,883,050	7,887,074	-	7,887,074	6,609,241
Non-governmental grants and contracts	1,827	11,961,439	11,963,266	-	11,963,266	7,785,464
Sales and services of educational activities	33,220	-	33,220	-	33,220	200,531
Other operating revenues	1,700,175	-	1,700,175	-	1,700,175	2,150,101
Total additional operating revenues	<u>2,540,947</u>	<u>53,382,559</u>	<u>55,923,506</u>	<u>7,121</u>	<u>55,930,627</u>	<u>41,981,835</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	361,710	361,710	243,225
Food Service	-	-	-	78,684	78,684	452,303
Center for Educational Telecommunications	-	-	-	292,311	292,311	335,694
Business Incubation Center	-	-	-	643	643	42,652
Student Programs	-	-	-	17,044	17,044	226,010
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,392</u>	<u>750,392</u>	<u>1,299,884</u>
Total Operating Revenues	<u>\$ 66,487,279</u>	<u>\$ 53,382,559</u>	<u>\$ 119,869,838</u>	<u>\$ 757,513</u>	<u>\$ 120,627,351</u>	<u>\$ 108,209,044</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$7,229,807 and \$6,693,700 for the fiscal years August 31, 2021 and 2020, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

# DALLAS COLLEGE

## SCHEDULE OF OPERATING EXPENSES BY OBJECT FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020) SCHEDULE B

	Operating Expenses			2021	2020
	Salaries and Wages	Benefits	Other Expenses		
		State	Local		
UNRESTRICTED - Educational Activities					
Instruction	\$ 131,262,290	\$ -	\$ 16,239,866	\$ 15,193,957	\$ 162,696,113
Public Service	1,525,501	-	311,069	71,850	1,908,420
Academic Support	18,277,718	-	3,965,362	3,210,801	25,453,881
Student Services	38,776,837	-	7,735,402	30,784,662	77,296,901
Institutional Support	74,074,867	-	20,042,764	32,853,794	126,971,425
Operation and Maintenance of Plant	11,132,933	-	3,771,369	28,044,633	42,948,935
Total unrestricted educational activities	275,050,146	-	52,065,832	110,159,697	437,275,675
RESTRICTED - Educational Activities					
Instruction	\$ 4,314,846	\$ 17,981,513	\$ 839,505	\$ 3,206,032	\$ 26,341,896
Public Service	2,985,533	-	616,749	18,523,390	22,125,672
Academic Support	153,697	2,503,850	28,322	(5,987)	2,679,882
Student Services	1,894,963	5,312,007	384,227	266,698	7,857,895
Institutional Support	2,012,751	10,147,455	413,714	1,111,412	13,685,332
Scholarships and Fellowships	-	-	-	71,938,051	71,938,051
Total restricted educational activities	11,361,790	35,944,825	2,282,517	95,039,596	144,628,728
TOTAL EDUCATIONAL ACTIVITIES	286,411,936	35,944,825	54,348,349	205,199,293	581,904,403
AUXILIARY ENTERPRISES	4,386,397	-	955,170	1,866,063	7,207,630
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	17,098,361	17,098,361
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,054,218	5,054,218
TOTAL OPERATING EXPENSES	\$ 290,798,333	\$ 35,944,825	\$ 55,303,519	\$ 229,217,935	\$ 611,264,612
				(Exhibit 2)	(Exhibit 2)

**DALLAS COLLEGE**

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020)  
SCHEDULE C**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2021</u>	<u>2020</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 94,518,932	\$ -	\$ -	\$ 94,518,932	\$ 94,524,860
State group insurance	-	19,637,807	-	19,637,807	8,039,816
State retirement matching	-	16,307,018	-	16,307,018	14,429,317
SBDC state match	-	1,273,634	-	1,273,634	1,282,621
Starlink	-	303,421	-	303,421	284,042
Hazlewood state reimbursement	45,344	-	-	45,344	48,682
Foundation school program	4,769,217	-	-	4,769,217	4,936,507
Total state appropriations	<u>\$ 99,333,493</u>	<u>\$ 37,521,880</u>	<u>\$ -</u>	<u>\$ 136,855,373</u>	<u>\$ 123,545,845</u>
Ad valorem taxes	300,696,544	57,631,894	-	358,328,438	332,488,321
Federal revenue, non-operating	-	91,946,504	-	91,946,504	84,421,486
Gifts	-	-	-	-	3,800
Investment income	876,354	49,942	100,994	1,027,290	7,039,040
Gain on sale of investment	-	-	-	-	-
Gain on disposal of capital assets	257,996	-	-	257,996	-
Other non-operating revenue	<u>1,854,875</u>	<u>-</u>	<u>-</u>	<u>1,854,875</u>	<u>651,896</u>
Total non-operating revenues	<u>403,019,262</u>	<u>187,150,220</u>	<u>100,994</u>	<u>590,270,476</u>	<u>548,150,388</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	1,727,120	-	-	1,727,120	4,051,049
Loss on disposal of capital assets	-	-	-	-	26,259
Other non-operating expense	<u>784,076</u>	<u>-</u>	<u>-</u>	<u>784,076</u>	<u>94,878</u>
Total non-operating expenses	<u>2,511,196</u>	<u>-</u>	<u>-</u>	<u>2,511,196</u>	<u>4,172,186</u>
NET NON-OPERATING REVENUES	<u>400,508,066</u>	<u>187,150,220</u>	<u>100,994</u>	<u>587,759,280</u>	<u>543,978,202</u>
				<b>(Exhibit 2)</b>	<b>(Exhibit 2)</b>

# DALLAS COLLEGE

## SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2020) 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	\$ (115,576,670)	\$ -	\$ -	\$ -	\$ (115,576,670)	\$ (115,576,670)	\$ -
Auxiliary enterprises	17,280,088	-	-	-	17,280,088	17,280,088	-
Restricted	-	-	-	-	-	-	-
Loan	150,879	-	-	-	150,879	-	150,879
Endowment:							
Quasi:							
Unrestricted	433,334	-	-	-	433,334	-	433,334
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	69,324,569	-	-	-	69,324,569	-	69,324,569
Debt Service	-	17,726,078	-	-	17,726,078	-	17,726,078
Investment in Plant	-	-	-	661,556,367	661,556,367	-	661,556,367
TOTAL NET POSITION--							
August 31, 2021	(28,387,800)	17,726,078	-	661,556,367	650,894,645 (Exhibit 1)	(98,296,582)	749,191,227
TOTAL NET POSITION--							
August 31, 2020	6,018,047	2,618,978	-	545,135,601	553,772,626 (Exhibit 1)	(137,250,562)	691,023,188
NET INCREASE (DECREASE) IN NET POSITION	\$ (34,405,847)	\$ 15,107,100	\$ -	\$ 116,420,766	\$ 97,122,019 (Exhibit 2)	\$ 38,953,980	\$ 58,168,039



**STATISTICAL SECTION  
(UNAUDITED)**

## **DALLAS COLLEGE**

### **STATISTICAL SECTION TABLE OF CONTENTS**

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

#### **FINANCIAL TRENDS**

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

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

#### **REVENUE CAPACITY**

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

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

#### **DEBT CAPACITY**

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

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

#### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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

- Demographic and Economic Information – Taxing District
- Principal Employers

#### **OPERATING INFORMATION**

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

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

**DALLAS COLLEGE**  
**STATISTICAL SUPPLEMENT 1**  
**NET POSITION BY COMPONENT AND CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(UNAUDITED)  
(AMOUNTS EXPRESSED IN THOUSANDS)

	For the Fiscal Year Ended August 31,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Net Position</b>										
Net Investment	\$ 661,557	\$ 545,136	\$ 446,460	\$ 402,522	\$ 368,475	\$ 343,315	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715
in Capital Assets										
Restricted - expendable	17,726	2,619	617	4,742	1,837	2,319	8,596	3,422	2,145	1,166
Unrestricted	(28,388)	6,018	50,856	33,010	251,590	223,071	207,813	237,805	201,861	182,047
Total net position	<u>\$ 650,895</u>	<u>\$ 553,773</u>	<u>\$ 497,933</u>	<u>\$ 440,274</u>	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>
<b>Changes in Net Position</b>										
Operating revenues	\$ 120,627	\$ 108,209	\$ 108,667	\$ 113,109	\$ 109,721	\$ 106,552	\$ 101,738	\$ 92,641	\$ 91,054	\$ 88,854
Operating expenses	611,264	596,347	554,143	529,385	497,066	479,990	472,035	446,131	439,627	417,437
Operating loss	(490,637)	(488,138)	(445,476)	(416,276)	(387,345)	(373,438)	(370,297)	(353,490)	(348,573)	(328,583)
Non-operating revenues										
net of expenses	<u>587,759</u>	<u>543,978</u>	<u>503,135</u>	<u>473,178</u>	<u>440,542</u>	<u>423,050</u>	<u>415,137</u>	<u>399,244</u>	<u>370,573</u>	<u>341,593</u>
Increase in Net Position	97,122	55,840	57,659	56,902	53,197	49,612	44,840	45,754	22,000	13,010
Net Position at Beginning										
of year	553,773	497,933	440,274	621,902	568,705	519,093	534,846	489,092	469,928	456,918
Cumulative effect of										
change in principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,530)</u>	<u>-</u>	<u>-</u>	<u>(60,593)</u>	<u>-</u>	<u>(2,836)</u>	<u>-</u>
Net Position at Beginning										
of year, restated	<u>553,773</u>	<u>497,933</u>	<u>440,274</u>	<u>383,372</u>	<u>568,705</u>	<u>519,093</u>	<u>474,253</u>	<u>489,092</u>	<u>467,092</u>	<u>456,918</u>
Net Position at End										
of year	<u>\$ 650,895</u>	<u>\$ 553,773</u>	<u>\$ 497,933</u>	<u>\$ 440,274</u>	<u>\$ 621,902</u>	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>

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

**DALLAS COLLEGE**  
**STATISTICAL SUPPLEMENT 2**  
**REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

<b>For the Fiscal Year Ended August 31,</b>										
(amounts expressed in thousands)										
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Tuition and charges (net of discounts)	\$ 63,946	\$ 64,927	\$ 71,217	\$ 76,150	\$ 75,078	\$ 70,969	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484
Federal grants and contracts	34,347	25,237	19,880	18,209	17,089	18,071	16,376	14,937	15,671	15,696
State grants and contracts	7,887	6,609	7,380	12,082	9,158	10,587	12,343	9,663	8,578	7,914
Non-governmental grants and contracts	11,963	7,785	5,582	1,963	3,960	2,358	2,511	1,673	1,839	1,356
Sales and services of educational activities	33	201	537	572	635	591	551	453	607	474
Auxiliary enterprises	751	1,300	1,798	2,036	2,103	2,066	3,417	4,467	4,521	5,072
General operating revenues	1,700	2,150	2,273	2,097	1,699	1,910	1,626	1,498	1,502	1,858
<b>Total Operating Revenues</b>	<b>120,627</b>	<b>108,209</b>	<b>108,667</b>	<b>113,109</b>	<b>109,722</b>	<b>106,552</b>	<b>101,739</b>	<b>92,641</b>	<b>91,054</b>	<b>88,854</b>
State appropriations	136,855	123,546	117,381	118,624	118,602	116,142	116,564	111,242	109,030	109,268
Maintenance ad valorem taxes	358,329	332,488	307,215	282,182	262,107	240,887	224,008	209,829	190,553	156,741
Federal revenue, non-operating	91,947	84,421	73,348	74,999	70,883	73,159	86,497	86,929	90,602	90,499
Gifts	-	4	29	106	95	138	112	73	115	499
Investment income	1,027	7,039	12,537	5,752	3,436	3,564	4,040	5,821	(4,052)	1,921
Gain on sale of investment	-	-	-	-	-	-	-	105	59	-
Contributions in aid of construction	73	-	-	-	-	-	-	-	243	-
Gain on disposal of capital assets & easements	258	-	-	-	230	-	-	-	-	50
Other non-operating revenue	1,782	652	65	560	600	1,998	187	1,232	1,049	218
<b>Total Non-operating Revenues</b>	<b>590,271</b>	<b>548,150</b>	<b>510,575</b>	<b>482,223</b>	<b>455,953</b>	<b>435,888</b>	<b>431,408</b>	<b>415,231</b>	<b>387,599</b>	<b>359,196</b>
<b>Total Revenues</b>	<b>\$ 710,898</b>	<b>\$ 656,359</b>	<b>\$ 619,242</b>	<b>\$ 595,332</b>	<b>\$ 565,675</b>	<b>\$ 542,440</b>	<b>\$ 533,147</b>	<b>\$ 507,872</b>	<b>\$ 478,653</b>	<b>\$ 448,050</b>

<b>For the Fiscal Year Ended August 31,</b>										
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Tuition and charges (net of discounts)	9.00%	9.89%	11.50%	12.79%	13.26%	13.08%	12.18%	11.80%	12.19%	12.61%
Federal grants and contracts	4.83%	3.84%	3.21%	3.06%	3.02%	3.33%	3.07%	2.94%	3.27%	3.50%
State grants and contracts	1.11%	1.01%	1.19%	2.03%	1.62%	1.95%	2.32%	1.90%	1.79%	1.77%
Non-governmental grants and contracts	1.68%	1.19%	0.90%	0.33%	0.70%	0.43%	0.47%	0.33%	0.38%	0.30%
Sales and services of educational activities	0.00%	0.03%	0.09%	0.10%	0.11%	0.11%	0.10%	0.09%	0.13%	0.11%
Auxiliary enterprises	0.11%	0.20%	0.29%	0.34%	0.37%	0.38%	0.64%	0.89%	0.95%	1.13%
General operating revenues	0.24%	0.33%	0.37%	0.35%	0.30%	0.35%	0.30%	0.29%	0.31%	0.41%
<b>Total Operating Revenues</b>	<b>16.97%</b>	<b>16.49%</b>	<b>17.55%</b>	<b>19.00%</b>	<b>19.38%</b>	<b>19.63%</b>	<b>19.08%</b>	<b>18.24%</b>	<b>19.02%</b>	<b>19.83%</b>
State appropriations	19.25%	18.82%	18.96%	19.92%	20.97%	21.41%	21.86%	21.90%	22.78%	24.39%
Maintenance ad valorem taxes	50.41%	50.66%	49.61%	47.40%	46.34%	44.41%	42.02%	41.32%	39.81%	34.98%
Federal revenue, non-operating	12.93%	12.86%	11.84%	12.60%	12.53%	13.49%	16.22%	17.12%	18.93%	20.20%
Gifts	0.00%	0.00%	0.01%	0.02%	0.02%	0.03%	0.02%	0.01%	0.03%	0.11%
Investment income	0.14%	1.07%	2.02%	0.97%	0.61%	0.66%	0.76%	1.15%	-0.85%	0.43%
Gain on sale of investment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%
Contributions in aid of construction	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.00%
Gain on disposal of capital assets & easements	0.04%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.01%
Other non-operating revenue	0.25%	0.10%	0.01%	0.09%	0.11%	0.37%	0.04%	0.24%	0.22%	0.05%
<b>Total Non-operating Revenues</b>	<b>83.03%</b>	<b>83.51%</b>	<b>82.45%</b>	<b>81.00%</b>	<b>80.62%</b>	<b>80.37%</b>	<b>80.92%</b>	<b>81.76%</b>	<b>80.98%</b>	<b>80.17%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

**For the Fiscal Year Ended August 31,**

(amounts expressed in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction	\$ 189,038	\$ 216,862	\$ 206,218	\$ 203,692	\$ 194,996	\$ 186,114	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710
Public service	24,034	14,917	10,079	11,186	11,432	14,325	11,920	12,601	12,393	11,123
Academic support	28,134	27,040	25,313	23,315	23,073	22,517	20,384	18,972	18,154	16,480
Student services	85,155	68,174	63,747	55,694	48,807	47,798	44,666	40,649	37,960	35,092
Institutional support	140,657	116,642	111,966	99,268	87,717	82,314	77,177	68,431	67,357	61,815
Operation and maintenance of plant	42,949	56,054	48,209	47,073	44,236	39,480	35,296	32,454	33,201	33,105
Scholarships and fellowships	71,938	65,352	55,474	56,038	53,531	52,338	65,101	66,243	68,820	71,174
Auxiliary enterprises	7,207	9,388	10,493	9,544	9,281	9,226	9,585	9,547	8,400	8,771
Depreciation	22,153	21,918	22,644	23,575	23,993	25,878	27,815	27,842	29,338	26,167
<b>Total Operating Expenses</b>	<b>611,265</b>	<b>596,347</b>	<b>554,143</b>	<b>529,385</b>	<b>497,066</b>	<b>479,990</b>	<b>472,035</b>	<b>446,131</b>	<b>439,627</b>	<b>417,437</b>
Interest on capital debt	1,727	4,051	6,833	7,920	8,385	11,574	15,098	15,809	16,124	16,862
Loss on disposal of capital assets	-	26	218	185	-	596	857	173	58	-
Other non-operating expense	784	95	390	941	7,026	668	317	4	1,167	741
<b>Total Non-operating Expenses</b>	<b>2,511</b>	<b>4,172</b>	<b>7,441</b>	<b>9,046</b>	<b>15,411</b>	<b>12,838</b>	<b>16,272</b>	<b>15,986</b>	<b>17,349</b>	<b>17,603</b>
<b>Total Expenses</b>	<b>\$ 613,776</b>	<b>\$ 600,519</b>	<b>\$ 561,584</b>	<b>\$ 538,431</b>	<b>\$ 512,477</b>	<b>\$ 492,828</b>	<b>\$ 488,307</b>	<b>\$ 462,117</b>	<b>\$ 456,976</b>	<b>\$ 435,040</b>

**For the Fiscal Year Ended August 31,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction	30.80%	36.11%	36.72%	37.83%	38.05%	37.76%	36.88%	36.66%	35.89%	35.33%
Public service	3.92%	2.49%	1.79%	2.08%	2.23%	2.91%	2.44%	2.73%	2.71%	2.56%
Academic support	4.58%	4.50%	4.51%	4.33%	4.50%	4.57%	4.17%	4.11%	3.97%	3.79%
Student services	13.87%	11.35%	11.35%	10.34%	9.52%	9.70%	9.15%	8.80%	8.31%	8.07%
Institutional support	22.92%	19.42%	19.94%	18.44%	17.12%	16.70%	15.81%	14.81%	14.74%	14.21%
Operation and maintenance of plant	7.00%	9.34%	8.58%	8.74%	8.63%	8.01%	7.23%	7.01%	7.27%	7.61%
Scholarships and fellowships	11.72%	10.88%	9.88%	10.41%	10.45%	10.62%	13.33%	14.33%	15.06%	16.36%
Auxiliary enterprises	1.17%	1.57%	1.87%	1.77%	1.81%	1.87%	1.96%	2.07%	1.83%	2.02%
Depreciation	3.61%	3.65%	4.03%	4.38%	4.68%	5.25%	5.70%	6.02%	6.42%	6.01%
<b>Total Operating Expenses</b>	<b>99.59%</b>	<b>99.31%</b>	<b>98.67%</b>	<b>98.32%</b>	<b>96.99%</b>	<b>97.39%</b>	<b>96.67%</b>	<b>96.54%</b>	<b>96.20%</b>	<b>95.96%</b>
Interest on capital debt	0.28%	0.67%	1.22%	1.47%	1.64%	2.35%	3.09%	3.42%	3.53%	3.87%
Loss on disposal of capital assets	0.00%	0.00%	0.04%	0.03%	0.00%	0.12%	0.18%	0.04%	0.01%	0.00%
Other non-operating expense	0.13%	0.02%	0.07%	0.18%	1.37%	0.14%	0.06%	0.00%	0.26%	0.17%
<b>Total Non-operating Expenses</b>	<b>0.41%</b>	<b>0.69%</b>	<b>1.33%</b>	<b>1.68%</b>	<b>3.01%</b>	<b>2.61%</b>	<b>3.33%</b>	<b>3.46%</b>	<b>3.80%</b>	<b>4.04%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

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

<b>Academic Year (Fall)</b>	<b>In-District Tuition</b>	<b>Out-of-District Tuition</b>	<b>Cost for 12 SCH In-District</b>	<b>Cost for 12 SCH Out-of-District</b>	<b>Increase from Prior Year In-District</b>	<b>Increase from Prior Year Out-of-District</b>
2020-21	\$ 79	\$ 135	\$ 948	\$ 1,620	0.00%	0.00%
2019-20	79	135	948	1,620	33.90%	21.62%
2018-19	59	111	708	1,332	0.00%	0.00%
2017-18	59	111	708	1,332	0.00%	0.00%
2016-17	59	111	708	1,332	0.00%	0.00%
2015-16	59	111	708	1,332	13.46%	14.43%
2014-15	52	97	624	1,164	0.00%	0.00%
2013-14	52	97	624	1,164	15.56%	16.87%
2012-13	45	83	540	996	0.00%	0.00%
2011-12	45	83	540	996	15.38%	15.28%

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

<b>Academic Year (Fall)</b>	<b>Non-Resident Tuition Out-of-State</b>	<b>Non-Resident Tuition International</b>	<b>Cost for 12 SCH Out-of-State</b>	<b>Cost for 12 SCH International</b>	<b>Increase from Prior Year Out-of-State</b>	<b>Increase from Prior Year International</b>
2020-21	\$ 200	\$ 200	\$ 2,400	\$ 2,400	0.00%	0.00%
2019-20	200	200	2,400	2,400	14.94%	14.94%
2018-19	174	174	2,088	2,088	0.00%	0.00%
2017-18	174	174	2,088	2,088	0.00%	0.00%
2016-17	174	174	2,088	2,088	0.00%	0.00%
2105-16	174	174	2,088	2,088	13.73%	13.73%
2014-15	153	153	1,836	1,836	0.00%	0.00%
2013-14	153	153	1,836	1,836	15.91%	15.91%
2012-13	132	132	1,584	1,584	0.00%	0.00%
2011-12	132	132	1,584	1,584	14.78%	14.78%

Source: Dallas College Office of Finance

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

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

Fiscal Year	(In Thousands)					Ratio to Market Value	Direct Rate per \$100 TAV		
	Market Value	Exempt Property	Exemptions	Capped Value Loss	Assessed Value August 31,		Maintenance & Operations	Debt Service	Total
2020-21	\$ 350,355,051	\$ (36,172,448)	\$(35,543,398)	\$(7,470,729)	\$ 271,168,476	77.40%	\$ 0.10400	\$ 0.02000	\$ 0.12400
2019-20	345,979,905	(33,197,583)	(34,346,508)	(8,751,924)	269,683,890	77.95%	0.10400	0.02000	0.12400
2018-19	319,258,574	(28,682,821)	(31,865,436)	(7,999,051)	250,711,266	78.53%	0.10400	0.02000	0.12400
2017-18	289,539,455	(26,440,233)	(29,440,088)	(4,910,530)	228,748,604	79.00%	0.10400	0.02024	0.12424
2016-17	271,612,210	(24,971,706)	(26,095,025)	(4,017,502)	216,527,977	79.72%	0.10400	0.01893	0.12293
2015-16	246,799,391	(23,738,621)	(24,127,574)	(1,653,865)	197,279,331	79.94%	0.10400	0.01970	0.12370
2014-15	229,252,906	(22,361,172)	(23,163,610)	(905,615)	182,822,509	79.75%	0.10400	0.02078	0.12478
2013-14	215,247,998	(21,135,859)	(22,099,779)	(271,740)	171,740,620	79.79%	0.10400	0.02070	0.12470
2012-13	206,772,307	(19,675,472)	(22,048,519)	(140,777)	164,907,539	79.75%	0.09861	0.02077	0.11938
2011-12	202,952,698	(19,002,762)	(22,334,144)	(192,968)	161,422,824	79.54%	0.07890	0.02077	0.09967

Source: Dallas County Appraisal District

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

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



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

Appropriation per FTSE				
<u>Fiscal Year</u>	<u>State Appropriation (Unrestricted)</u>		<u>FTSE</u>	<u>State Appropriation per FTSE</u>
2020-21	\$	94,525	47,259	\$ 2,000
2019-20		94,525	55,920	1,690
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: Dallas College Office of Finance End of Semester Student Statistics Report

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

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

Appropriation per Funded Contact Hour						
<b>Fiscal Year</b>	<b>CH - State Appropriation (Unrestricted)</b>	<b>Academic Contact Hours</b>	<b>Technical Contact Hours</b>	<b>Continuing Education Contact Hours</b>	<b>Total Funded Contact Hours</b>	<b>CH - State Appropriation per Funded Contact Hour</b>
2020-21	\$ 83,339,382	19,021	6,290	906	26,217	\$ 3.61
2019-20	83,339,382	23,046	6,607	1,785	31,438	3.01
2018-19	78,979,053	22,184	6,477	2,027	30,688	2.86
2017-18	78,979,053	21,680	6,215	2,076	29,971	2.86
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

Source: Dallas College Office of Finance End of Semester Student Statistics Report

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

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

Appropriation per SSP
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<u>Fiscal Year</u>	<u>SSP - State Appropriation (Unrestricted)</u>	<u>Year Average Student Success Points</u>	<u>Appropriation per Success Point</u>
2020-21	\$ 10,475,426	N/A	N/A
2019-20	10,475,427	129,436	81
2018-19	8,063,145	123,662	65
2017-18	8,063,145	116,330	69
2016-17	7,419,486	102,421	72
2015-16	7,419,486	96,360	77
2014-15	7,892,826	96,762	82
2013-14	7,892,826	88,875	89

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

	<b>Fiscal Year</b>							
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Success Point Elements</b>								
Math Readiness	n/a	4,847	5,569	3,323	3,023	3,052	1,836	1,175
Read Readiness	n/a	2,623	1,758	1,853	1,612	1,469	1,136	1,320
Write Readiness	n/a	1,568	870	1,207	1,428	1,375	1,120	1,377
Students Who Pass FCL Math Course	n/a	15,599	13,560	12,487	12,091	11,024	11,597	11,145
Students Who Pass FCL Read Course	n/a	11,643	12,153	12,509	11,024	10,065	9,927	9,697
Students Who Pass FCL Write Course	n/a	11,268	10,513	9,815	8,588	8,205	8,555	6,555
Students Who Complete 15 SCH	n/a	22,227	21,250	20,228	18,685	16,721	17,899	16,932
Students Who Complete 30 SCH	n/a	20,857	18,951	18,227	11,243	10,489	10,727	9,898
Student Transfers to a 4-Yr Inst	n/a	18,699	18,255	16,821	10,700	10,716	10,276	9,790
Degrees, CCCs, or Certs (Undup)	n/a	13,667	13,773	13,311	19,871	19,889	19,898	17,400
Degrees or Certs in Critical Fields	n/a	6,438	7,010	6,549	4,156	3,355	3,791	3,586
<b>Annual Success Points - Total</b>	n/a	<b>129,436</b>	<b>123,662</b>	<b>116,330</b>	<b>102,421</b>	<b>96,360</b>	<b>96,762</b>	<b>88,875</b>

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (\$000 omitted)									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Boeing Distribution/Aviall Inc	Aviation	\$ 2,266,628	\$ 1,584,926	\$ 1,246,146	\$ 1,260,763	\$ 1,331,756	\$ 1,391,864	\$ 880,195	\$ 970,872	\$ 975,394	\$ 789,342
Oncor Electric Delivery	Electric Utility	2,054,597	1,679,107	1,509,118	1,508,284	1,442,296	1,405,137	1,422,920	1,343,904	1,271,159	1,244,176
ATT/Southwestern Bell/Cingular	Telephone Utility	966,992	1,012,002	907,666	939,772	1,102,603	980,206	955,497	999,684	947,533	1,281,252
Amazon.com	Distribution	910,209	-	-	-	-	-	-	-	-	-
Atmos Energy	Natural Gas Distributor	802,600	695,048	-	416,898	397,625	-	-	-	-	-
Southwest Airlines	Airline	799,056	788,890	690,626	633,988	584,260	575,936	604,995	612,739	492,901	605,196
Texas Instruments	Manufacturing	780,382	793,308	746,139	708,168	667,341	649,076	654,639	697,164	746,887	812,802
Northpark Land Partners	Real Estate Development	678,663	733,710	700,213	675,069	667,810	643,717	624,382	602,355	578,775	645,301
Wal-Mart	Retail	667,911	787,579	754,920	812,274	844,098	868,287	760,546	684,169	652,358	536,260
Post Apartment Homes LP/	Real Estate Development	599,306	514,486	499,463	484,850	601,337	556,464	581,770	367,828	-	-
FM Village Fixed Rate LLC	Real Estate Development	-	514,687	494,726	495,502	471,339	-	-	-	-	-
Verizon/GTE	Telephone Utility	-	-	-	-	-	490,628	457,225	452,837	303,252	480,121
Crescent Real Estate	Real Estate Development	-	-	-	-	-	661,172	756,101	658,123	693,300	459,455
SP Millenium Center, LP	Real Estate Development	-	-	-	-	-	-	-	-	440,259	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	-	-	-	-	-	-	385,595
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	-	-
DCI Tech Infomart LP	Real Estate Development	-	-	508,215	-	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 10,526,344</b>	<b>\$ 9,103,743</b>	<b>\$ 8,057,232</b>	<b>\$ 7,935,568</b>	<b>\$ 8,110,465</b>	<b>\$ 8,222,487</b>	<b>\$ 7,698,270</b>	<b>\$ 7,389,675</b>	<b>\$ 7,101,818</b>	<b>\$ 7,239,500</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 271,168,476</b>	<b>\$ 269,683,890</b>	<b>\$ 250,711,266</b>	<b>\$ 228,748,604</b>	<b>\$ 216,527,977</b>	<b>\$ 197,279,331</b>	<b>\$ 182,822,509</b>	<b>\$ 171,740,620</b>	<b>\$ 164,907,539</b>	<b>\$ 161,422,824</b>

Source: Dallas County Tax Office

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Boeing Distribution/Aviall Inc	Aviation	0.84%	0.59%	0.50%	0.55%	0.62%	0.71%	0.48%	0.57%	0.59%	0.49%
Oncor Electric Delivery	Electric Utility	0.76%	0.62%	0.60%	0.66%	0.67%	0.71%	0.78%	0.78%	0.77%	0.77%
ATT/Southwestern Bell/Cingular	Telephone Utility	0.36%	0.38%	0.36%	0.41%	0.51%	0.50%	0.52%	0.58%	0.57%	0.79%
Amazon.com	Distribution	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Atmos Energy	Natural Gas Distributor	0.30%	0.26%	0.00%	0.18%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwest Airlines	Airline	0.29%	0.29%	0.28%	0.28%	0.27%	0.29%	0.33%	0.36%	0.30%	0.37%
Texas Instruments	Manufacturing	0.29%	0.29%	0.30%	0.31%	0.31%	0.33%	0.36%	0.41%	0.45%	0.50%
Northpark Land Partners	Real Estate Development	0.25%	0.27%	0.28%	0.30%	0.31%	0.33%	0.34%	0.35%	0.35%	0.40%
Wal-Mart	Retail	0.25%	0.29%	0.30%	0.36%	0.39%	0.44%	0.42%	0.40%	0.40%	0.33%
Post Apartment Homes LP/	Real Estate Development	0.22%	0.19%	0.20%	0.21%	0.28%	0.28%	0.32%	0.21%	0.00%	0.00%
FM Village Fixed Rate LLC	Real Estate Development	0.00%	0.19%	0.20%	0.22%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.26%	0.18%	0.30%
Crescent Real Estate	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.41%	0.38%	0.42%	0.28%
SP Millenium Center, LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%	0.00%
YPI Thanksgiving Tower/Central	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%
Galleria Mall Inv LP	Real Estate Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DCI Tech Infomart LP	Real Estate Development	0.00%	0.00%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Totals</b>		<b>3.88%</b>	<b>3.38%</b>	<b>3.21%</b>	<b>3.47%</b>	<b>3.75%</b>	<b>4.17%</b>	<b>4.21%</b>	<b>4.30%</b>	<b>4.31%</b>	<b>4.48%</b>

Source: Dallas County Tax Office

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

<b>Fiscal Year Ended August 31,</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Year of Levy (c)</b>	<b>Percentage</b>	<b>Prior Coll of Prior Levies (d)</b>	<b>Current Coll of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
2021	\$ 336,632	\$ 24,680	\$ 361,312	\$ 357,194	98.86%	\$ -	\$ -	\$ 357,194	98.86%
2020	334,832	(293)	334,539	332,504	99.39%	-	(21)	332,483	99.39%
2019	311,382	(2,687)	308,695	307,443	99.59%	(352)	346	307,437	99.59%
2018	284,665	(1,675)	282,990	281,796	99.58%	63	210	282,069	99.67%
2017	266,593	(4,105)	262,488	261,343	99.56%	289	143	261,775	99.73%
2016	244,303	(2,584)	241,719	240,051	99.31%	971	90	241,112	99.75%
2015	228,474	(2,995)	225,479	223,940	99.32%	980	68	224,988	99.78%
2014	214,468	(2,532)	211,936	210,443	99.30%	1,088	52	211,583	99.83%
2013	196,940	(1,751)	195,189	193,737	99.26%	1,127	41	194,905	99.85%
2012	161,589	(1,196)	160,393	159,000	99.13%	1,165	32	160,197	99.88%

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

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

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Bonded Debt</b>										
General obligation bonds	\$ 89,490	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 334,957	\$ 354,432	\$ 392,740	\$ 391,655
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 89,490	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 334,957	\$ 354,432	\$ 392,740	\$ 391,655
<b>Other Debt</b>										
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450
Tax notes	26,260	-	-	-	-	-	-	-	-	2,170
Notes	-	-	-	-	-	-	-	-	-	-
Commercial paper	-	-	-	-	-	-	-	-	-	-
Total outstanding debt	\$ 115,750	\$ 147,720	\$ 198,789	\$ 249,019	\$ 289,255	\$ 320,121	\$ 350,117	\$ 371,767	\$ 412,165	\$ 415,275
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 32.79	\$ 55.37	\$ 75.36	\$ 95.11	\$ 112.33	\$ 125.37	\$ 132.97	\$ 142.34	\$ 158.34	\$ 159.61
Per FTSE	1,894	2,642	3,673	4,704	5,502	6,280	6,762	7,108	7,623	7,486
As a percentage of Taxable Assessed Value	0.03%	0.05%	0.08%	0.11%	0.13%	0.16%	0.18%	0.21%	0.24%	0.24%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 42.41	\$ 55.37	\$ 75.36	\$ 95.11	\$ 112.33	\$ 125.37	\$ 138.99	\$ 149.30	\$ 166.17	\$ 169.23
Per FTSE	2,449	2,642	3,673	4,704	5,502	6,280	7,068	7,455	8,000	7,937
As a percentage of Taxable Assessed Value	0.04%	0.05%	0.08%	0.11%	0.13%	0.16%	0.19%	0.22%	0.25%	0.26%

Source: Dallas College Office of Finance

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

Debt per student calculated using full-time equivalent enrollment.



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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Assessed Value	\$ 271,168,476	\$ 269,683,890	\$ 250,711,266	\$ 228,748,604	\$ 216,527,977	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824
<b>General Bonded Debt</b>										
Statutory Tax Levy Limit for Debt Service	\$ 1,355,842	\$ 1,348,419	\$ 1,253,556	\$ 1,143,743	\$ 1,082,640	\$ 986,397	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	1,355,842	1,348,419	1,253,556	1,143,743	1,082,640	986,397	914,113	858,703	824,538	807,114
Current Year Debt Service Requirements	54,482	53,643	50,038	46,278	40,685	36,441	33,562	33,560	33,557	33,563
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 1,301,360	\$ 1,294,776	\$ 1,203,518	\$ 1,097,465	\$ 1,041,955	\$ 949,956	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551
Net Current Requirements as a % of Statutory Limit	4.02%	3.98%	3.99%	4.05%	3.76%	3.69%	3.67%	3.91%	4.07%	4.16%

Source: Taxable Assessed Value from Dallas County Appraisal District

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

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

<b>Fiscal Year Ended August 31</b>	<b>Pledged Revenues (\$000 omitted)</b>						<b>Debt Service Requirements (\$000 omitted)</b>			
	<b>Tuition</b>	<b>All Fees</b>	<b>Auxiliary Revenue</b>	<b>Lease Revenue</b>	<b>Interest Income</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>
2021	\$ 40,244	\$ 647	\$ 933	\$ 467	\$ 837	\$ 43,128	\$ -	\$ -	\$ -	0.00
2020	39,767	623	696	400	5,442	46,928	-	-	-	0.00
2019	42,800	808	969	400	7,731	52,708	-	-	-	0.00
2018	43,973	889	958	400	4,628	50,848	-	-	-	0.00
2017	41,329	923	1,005	400	3,000	46,657	-	-	-	0.00
2016	41,252	885	1,029	350	2,147	45,663	2,265	622	2,887	15.82
2015	40,516	859	1,939	250	1,668	45,232	2,175	721	2,896	15.62
2014	35,781	847	2,677	250	2,008	41,563	2,090	818	2,908	14.29
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

Source: Dallas College Office of Finance

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

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

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

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

<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (In Thousands)</b>	<b>Personal Income per Capita</b>	<b>Unemployment Rate</b>
2021	2,729,078	\$ 165,854,429	\$ 60,773	7.7%
2020	2,667,720	164,854,425	61,796	6.9%
2019	2,637,772	-	-	3.5%
2018	2,618,148	155,610,208	58,993	3.8%
2017	2,574,984	146,737,911	55,947	4.2%
2016	2,553,385	134,777,874	52,784	4.2%
2015	2,519,000	135,803,263	53,186	4.3%
2014	2,490,000	131,990,698	52,406	5.6%
2013	2,480,331	125,261,395	48,638	6.5%
2012	2,453,843	123,572,465	48,127	7.3%

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

**DALLAS COLLEGE  
STATISTICAL SUPPLEMENT 13  
PRINCIPAL EMPLOYERS  
FISCAL YEARS 2012 THROUGH 2021  
(UNAUDITED)**

<b>Employer</b>	<b>Number of Employees</b>									
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Wal-Mart Stores, Inc.	37,000	37,000	37,000	34,000	34,000	25,534	22,700	21,100	19,230	24,189
Baylor Scott & White	23,865	23,865	17,097	16,500	16,500	16,860	22,000	19,800	18,314	18,868
Texas Health Resources	23,466	23,466	19,230	22,296	22,296	19,131	16,205	16,850	17,097	17,097
Dallas Independent School District	22,674	22,222	18,314	19,740	19,740	20,000	20,793	19,219	24,700	24,888
Lockheed Martin Aeronautics Co.	22,200	22,200	14,126	14,350	13,750	13,700	12,600	12,100	13,122	13,053
UT Southwestern Medical Center	17,000	17,000	13,122	13,048	13,018	(a)	(a)	(a)	15,800	17,500
University of North Texas System	13,620	13,620	-	-	-	-	-	-	-	-
Bank of America	13,600	16,000	20,000	13,500	13,500	14,465	15,400	16,000	14,126	15,000
City of Dallas	13,114	13,114	12,836	13,350	13,336	13,000	13,000	13,000	12,836	13,369
JP Morgan Chase	12,554	-	13,500	(a)	(a)	12,600	13,000	14,000	-	-
AT&T, Inc.	-	16,000	15,800	-	-	-	-	-	-	-
American Airlines Group	-	-	24,700	27,000	27,000	25,000	23,700	20,000	20,000	20,000
Texas Instruments Inc.	-	-	9,100	13,000	13,000	13,000	13,000	14,500	13,500	13,500
<b>Total Top Ten</b>	<b>199,093</b>	<b>204,487</b>	<b>214,825</b>	<b>186,784</b>	<b>186,140</b>	<b>173,290</b>	<b>172,398</b>	<b>166,569</b>	<b>168,725</b>	<b>177,464</b>

<b>Employer</b>	<b>Percentage of Total Employment</b>									
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Wal-Mart Stores, Inc.	1.36%	1.01%	1.00%	0.91%	0.94%	0.72%	0.67%	0.66%	0.61%	0.78%
Baylor Scott & White	0.87%	0.65%	0.46%	0.44%	0.46%	0.48%	0.65%	0.62%	0.58%	0.61%
Texas Health Resources	0.86%	0.64%	0.52%	0.60%	0.62%	0.54%	0.48%	0.53%	0.55%	0.55%
Dallas Independent School District	0.83%	0.61%	0.49%	0.53%	0.55%	0.57%	0.62%	0.60%	0.79%	0.80%
Lockheed Martin Aeronautics Co.	0.81%	0.61%	0.38%	0.39%	0.38%	0.39%	0.37%	0.38%	0.42%	0.42%
UT Southwestern Medical Center	0.62%	0.46%	0.35%	0.35%	0.36%	(a)	(a)	(a)	0.50%	0.56%
University of North Texas System	0.50%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Bank of America	0.50%	0.44%	0.54%	0.36%	0.37%	0.41%	0.46%	0.50%	0.45%	0.48%
City of Dallas	0.48%	0.36%	0.35%	0.36%	0.37%	0.37%	0.39%	0.41%	0.41%	0.43%
JP Morgan Chase	0.46%	0.00%	0.36%	0.00%	0.00%	0.36%	0.39%	0.44%	0.00%	0.00%
AT&T, Inc.	0.00%	0.44%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
American Airlines Group	0.00%	0.00%	0.66%	0.73%	0.75%	0.71%	0.70%	0.62%	0.64%	0.64%
Texas Instruments Inc.	0.00%	0.00%	0.24%	0.35%	0.36%	0.37%	0.39%	0.45%	0.43%	0.43%
<b>Total Top Ten</b>	<b>7.30%</b>	<b>5.59%</b>	<b>5.78%</b>	<b>5.03%</b>	<b>5.15%</b>	<b>4.91%</b>	<b>5.11%</b>	<b>5.19%</b>	<b>5.38%</b>	<b>5.71%</b>
<b>Total Employment</b>	<b>2,729,078</b>	<b>3,657,500</b>	<b>3,716,000</b>	<b>3,716,000</b>	<b>3,612,900</b>	<b>3,531,000</b>	<b>3,370,500</b>	<b>3,207,300</b>	<b>3,135,000</b>	<b>3,106,034</b>

(a) Not in ten largest employers

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

DestinationDFW Largest Employers in the Dallas-Fort Worth Area

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

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

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Faculty</b>										
Full-Time	891	907	914	883	868	873	845	866	842	792
Part-Time	1,295	1,520	2,444	2,434	2,447	2,374	2,260	2,390	2,425	2,349
Total	2,186	2,427	3,358	3,317	3,315	3,247	3,105	3,256	3,267	3,141
<b>Percent</b>										
Full-Time	40.8%	37.4%	27.2%	26.6%	26.2%	26.9%	27.2%	26.6%	25.8%	25.2%
Part-Time	59.2%	62.6%	72.8%	73.4%	73.8%	73.1%	72.8%	73.4%	74.2%	74.8%
<b>Staff and Administrators</b>										
Full-Time	2,209	2,723	2,710	2,670	2,569	2,515	2,448	2,343	2,290	2,235
Part-Time	490	908	1,329	1,322	1,459	1,442	1,587	1,527	1,507	1,582
Total	2,699	3,631	4,039	3,992	4,028	3,957	4,035	3,870	3,797	3,817
<b>Percent</b>										
Full-Time	81.8%	75.0%	67.1%	66.9%	63.8%	63.6%	60.7%	60.5%	60.3%	58.6%
Part-Time	18.2%	25.0%	32.9%	33.1%	36.2%	36.4%	39.3%	39.5%	39.7%	41.4%
<b>Total Employees</b>										
Full-Time	3,100	3,630	3,624	3,553	3,437	3,388	3,293	3,209	3,132	3,027
Part-Time	1,785	2,428	3,773	3,756	3,906	3,816	3,847	3,917	3,932	3,931
Total	4,885	6,058	7,397	7,309	7,343	7,204	7,140	7,126	7,064	6,958
<b>Percent</b>										
Full-Time	63.5%	59.9%	49.0%	48.6%	46.8%	47.0%	46.1%	45.0%	44.3%	43.5%
Part-Time	36.5%	40.1%	51.0%	51.4%	53.2%	53.0%	53.9%	55.0%	55.7%	56.5%
FTSE per Full-Time Faculty	53.0	61.7	59.2	59.9	60.6	58.4	58.6	57.6	61.2	66.1
FTSE per Full-Time Staff Member	21.4	20.5	20.0	19.8	20.5	20.3	20.2	21.3	22.5	23.4
Average Annual Faculty Salary	\$ 97,036	\$ 96,995	\$ 91,487	\$ 91,059	\$ 89,846	\$ 85,678	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903

Source: Dallas College Office of Finance

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

<b>Cost of Providing Health Care Insurance</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Number of Retirees	1,481	1,375	1,355	1,315	1,272	1,229	1,200	1,157	1,136	1,135
Cost of Health Benefits for Retirees	\$12,789,460	\$11,900,644	\$11,724,677	\$11,220,884	\$10,812,824	\$ 9,828,159	\$ 8,926,494	\$ 7,994,217	\$ 7,525,732	\$ 6,926,484
Cost per Retiree	\$ 8,636	\$ 8,655	\$ 8,653	\$ 8,533	\$ 8,501	\$ 7,997	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103
Number of Active Full-Time Employees	3,284	3,662	3,690	3,620	3,496	3,396	3,334	3,242	3,142	3,060
Cost of Health Benefits for Active Full-Time Employees	\$30,361,142	\$32,159,245	\$31,837,080	\$31,080,279	\$29,816,889	\$27,282,077	\$24,662,718	\$22,599,984	\$20,509,715	\$18,583,294
Cost per Active Employee	\$ 9,245	\$ 8,782	\$ 8,628	\$ 8,586	\$ 8,529	\$ 8,034	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073
State Appropriation for Health Insurance	\$19,672,337	\$19,672,337	\$19,492,899	\$18,648,112	\$16,620,205	\$15,475,496	\$14,641,581	\$13,641,648	\$ 9,760,108	\$ 9,258,438
Net Cost to Dallas College	\$23,512,795	\$24,387,552	\$24,068,858	\$23,653,051	\$24,009,508	\$21,634,740	\$18,947,631	\$16,952,553	\$18,275,338	\$16,251,340
Dallas College % of total premium	54.5%	55.4%	55.3%	55.9%	59.1%	58.3%	56.4%	55.4%	65.2%	63.7%
Total employees	4,765	5,037	5,045	4,935	4,768	4,625	4,534	4,399	4,278	4,195
State funding per total employee	\$ 4,129	\$ 3,906	\$ 3,864	\$ 3,779	\$ 3,486	\$ 3,346	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207
Dallas College cost per total employee	\$ 4,934	\$ 4,842	\$ 4,771	\$ 4,793	\$ 5,036	\$ 4,678	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874
<b>Cost of Providing Retirement Benefits</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Actual Cost of TRS and ORP Benefits	\$19,395,694	\$19,395,694	\$17,223,224	\$16,438,431	\$15,404,550	\$14,669,866	\$13,866,958	\$13,096,063	\$12,071,014	\$10,600,889
Dallas College's Contribution	\$10,909,270	\$10,909,270	\$9,879,370	\$9,410,721	\$8,925,116	\$7,002,933	\$8,007,973	\$7,555,276	\$6,317,752	\$5,092,446
State's Contribution	\$8,486,424	\$8,486,424	\$7,343,853	\$7,027,710	\$6,479,434	\$7,666,933	\$5,858,985	\$5,540,787	\$5,753,262	\$5,508,443
<b>Cost of Providing All Benefits</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Dallas College's Contribution	\$34,422,065	\$35,296,822	\$33,948,228	\$33,063,772	\$32,934,624	\$28,637,673	\$26,955,604	\$24,507,829	\$24,593,090	\$21,343,786
State's Contribution	28,158,761	28,158,761	26,836,752	25,675,822	23,099,639	23,142,429	20,500,566	19,182,435	15,513,370	14,766,881
Total	\$62,580,826	\$63,455,583	\$60,784,980	\$58,739,594	\$56,034,263	\$51,780,102	\$47,456,170	\$43,690,264	\$40,106,460	\$36,110,667
<b>Cost of Providing All Benefits Percentage Share</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Dallas College	55.0%	55.6%	55.8%	56.3%	58.8%	55.3%	56.8%	56.1%	61.3%	59.1%
State	45.0%	44.4%	44.2%	43.7%	41.2%	44.7%	43.2%	43.9%	38.7%	40.9%

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

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

Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	34,382	44.19%	31,620	38.44%	34,560	42.86%	25,206	36.48%	32,149	42.50%
31-60 hours	18,596	23.90%	31,917	38.81%	29,168	36.18%	27,625	39.99%	27,837	36.80%
>60 hours	24,827	31.91%	18,709	22.75%	16,899	20.96%	16,258	23.53%	15,658	20.70%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	75,644	100.00%

Semester Hour Load	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	1,815	2.33%	2,205	2.68%	1,525	1.89%	1,351	1.95%	1,513	2.00%
3-5 semester hours	20,259	26.04%	34,382	41.80%	33,638	41.72%	27,207	39.38%	30,636	40.50%
6-8 semester hours	19,814	25.47%	21,698	26.38%	21,639	26.84%	18,555	26.86%	20,348	26.90%
9-11 semester hours	13,442	17.28%	12,457	15.16%	12,887	15.99%	11,981	17.34%	12,557	16.60%
12-14 semester hours	16,281	20.92%	9,756	11.86%	9,201	11.41%	8,497	12.30%	8,850	11.70%
15-17 semester hours	4,985	6.41%	1,549	1.88%	1,518	1.88%	1,188	1.72%	1,210	1.60%
18 and over	1,209	1.55%	199	0.24%	219	0.27%	310	0.45%	530	0.70%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	75,644	100.00%

Average course load	8.0	8.0	8.0	7.0	7.0
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Tuition Status	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	61,648	79.24%	67,484	82.05%	58,686	72.79%	49,321	71.39%	61,326	81.07%
Texas Resident (out-of-district)	11,487	14.76%	9,049	11.00%	14,668	18.19%	13,233	19.15%	7,813	10.33%
Non-Resident Tuition	4,670	6.00%	5,713	6.95%	7,273	9.02%	6,535	9.46%	6,505	8.60%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	75,644	100.00%

Source: Dallas College Office of Finance

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

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

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	47,346	60.85%	48,051	58.42%	46,739	57.97%	39,572	57.28%	47,534	54.00%
Male	30,459	39.15%	34,195	41.58%	33,888	42.03%	29,517	42.72%	40,488	46.00%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	88,022	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	14,359	18.45%	13,619	16.56%	14,088	17.47%	13,168	19.06%	18,021	20.47%
Hispanic	37,232	47.85%	35,468	43.12%	32,587	40.42%	26,128	37.82%	33,686	38.27%
African American	16,701	21.47%	16,941	20.60%	16,797	20.83%	14,213	20.57%	17,548	19.94%
Asian	6,034	7.76%	5,176	6.29%	4,894	6.07%	4,458	6.45%	5,651	6.42%
Foreign	207	0.27%	7,161	8.71%	8,478	10.52%	7,850	11.36%	7,869	8.94%
Native American	212	0.27%	-	0.00%	-	0.00%	313	0.46%	265	0.30%
Other	3,060	3.93%	3,881	4.72%	3,783	4.69%	2,959	4.28%	4,982	5.66%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	88,022	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	14,802	19.02%	20,590	25.03%	16,853	20.90%	8,232	11.92%	13,005	14.77%
18-21	29,817	38.32%	30,170	36.68%	29,618	36.73%	27,554	39.88%	30,143	34.25%
22-24	10,146	13.04%	9,756	11.86%	10,618	13.17%	10,502	15.20%	11,672	13.26%
25-30	9,265	11.92%	8,715	10.61%	9,671	12.00%	9,153	13.25%	11,335	12.88%
31-35	5,182	6.66%	4,862	5.91%	5,127	6.36%	4,977	7.20%	6,955	7.90%
36-50	6,646	8.54%	6,251	7.60%	6,682	8.29%	6,677	9.66%	11,100	12.61%
51 and over	1,947	2.50%	1,902	2.31%	2,058	2.55%	1,994	2.89%	3,812	4.33%
Total	77,805	100.00%	82,246	100.00%	80,627	100.00%	69,089	100.00%	88,022	100.00%

Average Age	24	24	24	24	25
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Source: Dallas College Office of Finance

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



**DALLAS COLLEGE**  
**STATISTICAL SUPPLEMENT 18**  
**TRANSFERS TO SENIOR INSTITUTIONS**  
**2018 FALL STUDENTS AS OF FALL 2019**  
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of Dallas College Transfer Students	% of Dallas College Transfer Students
University of Texas - Dallas	3433	344	3,777	17.30%
University of Texas - Arlington	3231	359	3,590	16.44%
University of North Texas	2867	316	3,183	14.58%
University of Texas - Austin	2164	201	2,365	10.83%
Texas Woman's University	1297	147	1,444	6.61%
University of North Texas - Dallas	1231	201	1,432	6.56%
Texas A&M University - College Station	1249	113	1,362	6.24%
Texas A&M University - Commerce	769	134	903	4.14%
Texas Tech University	832	52	884	4.05%
Texas State University	388	40	428	1.96%
Tarleton State University	204	43	247	1.13%
Stephen F. Austin State University	216	24	240	1.10%
Sam Houston State University	212	25	237	1.09%
University of Houston	212	19	231	1.06%
Midwestern State University	180	42	222	1.02%
Prairie View A&M University	187	13	200	0.92%
University of Texas - Tyler	157	17	174	0.80%
University of Texas - San Antonio	100	8	108	0.49%
Texas Southern University	75	14	89	0.41%
Texas Tech University Health Science Center	61	18	79	0.36%
Texas A&M University System Health Science Center	70	5	75	0.34%
University of Texas - Permian Basin	51	9	60	0.27%
Lamar University Institute of Technology	40	10	50	0.23%

**DALLAS COLLEGE**  
**STATISTICAL SUPPLEMENT 18**  
**TRANSFERS TO SENIOR INSTITUTIONS**  
**2018 FALL STUDENTS AS OF FALL 2019**  
(Continued)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of Dallas College Transfer Students	% of Dallas College Transfer Students
Texas A&M University - Corpus Christi	42	6	48	0.22%
West Texas A&M University	33	13	46	0.21%
University of Houston - Downtown	35	7	42	0.19%
Texas Tech University Health Science Center - El Paso	8	28	36	0.16%
University of North Texas Health Science Center - Fort Worth	31	5	36	0.16%
Texas A&M University -Texarkana	18	5	23	0.11%
University of Texas - El Paso	19	4	23	0.11%
University of Houston - Victoria	22	0	22	0.10%
University of Texas - Rio Grande Valley	20	2	22	0.10%
Texas A&M University - Galveston	19	0	19	0.09%
Texas A&M International University	16	1	17	0.08%
Angelo State University	15	1	16	0.07%
University of Texas Southwestern Medical Center - Dallas	12	4	16	0.07%
University of Texas Health Science Center - San Antonio	15	0	15	0.07%
University of Texas Health Science Center - Houston	12	2	14	0.06%
University of Texas Medical Branch Galveston	12	2	14	0.06%
Texas A&M University - Central Texas	8	3	11	0.05%
Texas A&M University - San Antonio	8	1	9	0.04%
University of Houston - Clear Lake	8	1	9	0.04%
Texas A&M University - Kingsville	6	0	6	0.03%
Sul Ross State University	5	0	5	0.02%
University of Texas M.D Anderson Cancer Center	4	0	4	0.02%
Baylor College of Medicine	3	0	3	0.01%
Sam Houston State University Medical School	0	1	1	0.00%
	<b>19,597</b>	<b>2,240</b>	<b>21,837</b>	<b>100.00%</b>

Source: THECB *Students Pursuing Additional Education* report for Academic Year 2019-20

**DALLAS COLLEGE**  
**STATISTICAL SUPPLEMENT 19**  
**CAPITAL ASSET INFORMATION**  
**FISCAL YEARS 2012 THROUGH 2021**  
(UNAUDITED)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Academic buildings</b>	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
<b>Libraries</b>										
Square footage	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765
Number of volumes	420,505	420,505	420,505	420,505	420,505	420,505	420,505	420,505	420,505	420,505
<b>Administrative and support buildings</b>	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
<b>Dining Facilities</b>										
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
<b>Athletic Facilities</b>	6	6	6	6	6	6	6	6	6	6
Square footage	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050
Athletic fields	43	43	43	43	43	43	43	43	43	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
<b>Plant facilities</b>	3	3	3	3	3	3	3	3	3	3
Square footage	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
<b>Transportation</b>										
Cars / SUV's	55	48	48	29	75	56	36	36	36	36
Light trucks/vans	77	109	109	93	94	94	79	79	79	79
Buses	14	9	9	8	6	8	8	8	8	8
<b>Total Square Footage</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>	<b>4,714,801</b>

Source: Dallas College Office of Finance

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

Information will be presented prospectively.

Transportation includes vehicles under fleet leasing program.

**SCHEDULES FOR  
FEDERAL AND STATE SINGLE AUDIT**



# McConnell Jones

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

### INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Dallas College

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 College (the "College"), which comprise of the statement of financial position as of August 31, 2021 and 2020, 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 7, 2021.

#### **Internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") 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 College's internal control.

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

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

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# McConnell Jones

## **Compliance and other matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

## **Purpose of this Report**

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

Dallas, Texas  
December 7, 2021



# McConnell Jones

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

Board of Trustees  
Dallas College

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

We have audited the compliance of Dallas College, (the "College") 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, 2021. The College'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 College's federal and state programs.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on compliance for each of the College'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 College'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 College's compliance.

### ***Opinion on each major federal and state program***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major

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# McConnell Jones

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, 2021.

## **Report on internal control over compliance**

Management of the College 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 College'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 College'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 College's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Dallas, Texas  
December 7, 2021



**DALLAS COLLEGE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021  
SCHEDULE E**

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>U.S. Department of Education</b>				
<b>Direct Programs:</b>				
<b>Student Financial Aid</b>				
Federal Supplemental Educational Opportunity Grant	84.007A (1)	P007A-203994, 219619	3,035,797	
Federal Work-Study Program	84.033A (1)	P033A-203994, 219619	106,720	
Federal Work-Study Program	84.033A (1)	P033A-203994, 219619	44,664	
		P063P-162269, 192269, 206818, 216818		
Federal PELL Grant Program	84.063P (1)	P063Q206818	74,585,940	
Federal Direct Student Loans	84.268 (1)	P268K-216818, 226818	26,369,066	
<b>Total Student Financial Aid</b>			<b>104,142,187</b>	
<b>TRIO</b>				
		P042A20-1077,1737,1873		
		P042A15-0487,0721		
TRIO Student Support Services	84.042A (2)	P042A161469	1,148,620	
TRIO Talent Search	84.044A (2)	P044A160665	302,548	
		P047A17-		
TRIO Upward Bound	84.047A (2)	1489,0826,0908	824,346	
TRIO Veterans Upward Bound	84.047V (2)	P047V170229	170,462	
<b>Total TRIO</b>			<b>2,445,976</b>	
<b>Coronavirus Aid, Relief, and Economic Security Act</b>				
		P425E20-0254,0262,0270,0280,		
HEERF Education Stabilization Fund	84.425E (6)	0284,0285,4062	26,976,375	
		P425F20 -		
		2341,2342,2343,2344,		
HEERF Education Stabilization Fund	84.425F (6)	2345,2346,3782	12,017,858	
		P425L20 -		
		0294,0295,0296,		
HEERF Education Stabilization Fund	84.425L (6)	0297,0298,0299	1,536,940	
<b>Total Direct Coronavirus Aid, Relief, and Economic Security Act</b>			<b>40,531,173</b>	
<b>Other Direct Programs</b>				
Higher Education Institutional Aid	84.031C (5)	P031C16-0035,0113	1,929,146	525,383
Higher Education Institutional Aid	84.031L (5)	P031L150024	84,789	
		P031S20-		
		0026,0116,0172		
Higher Education Institutional Aid	84.031S (5)	P031S- 150018,170019	560,606	
Strengthening Minority Serving Institutions	84.382A (5)	P382A150037	488,818	
<b>Total Other Direct Programs</b>			<b>3,063,359</b>	
<b>Total Direct U. S. Department of Education</b>			<b>150,182,695</b>	

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

# DALLAS COLLEGE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

### SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>Pass-Through From:</b>				
<b>Texas Higher Education Coordinating Board</b>				
Career and Technical Education- Basic Grants to States	84.048	21937	16,614	4,571
Career and Technical Education- Basic Grants to States	84.048	20033/204233	15,187	
Career and Technical Education- Basic Grants to States	84.048	21024/214224	1,230,866	
ESF Education Stabilization Fund	84.425C (6)	23576	378,554	
<b>Total Pass-Through Texas Higher Education Coordinating Board</b>			<b>1,641,221</b>	
<b>Dallas County Local Workforce Development Board</b>				
Adult Education -Basic Grants to States - Program Year 2019	84.002A	DCCCD - AEL 2018-1	(5,975)	
Adult Education -Basic Grants to States - Program Year 2020	84.002A	DCCCD - AEL 2018-1	3,373,734	
Adult Education -Basic Grants to States - Program Year 2021	84.002A	DCCCD - AEL 2018-1	619,564	
<b>Total Pass-Through Dallas County Local Workforce Development Board</b>			<b>3,987,323</b>	
<b>Total Pass-Through U.S. Department of Education</b>			<b>5,628,544</b>	
<b>Total U. S. Department of Education</b>			<b>155,811,239</b>	
<b>U. S. Department of Agriculture</b>				
<b>Pass-Through From:</b>				
<b>The Gleaning Network of Texas</b>				
Beginning Farmer and Rancher Development Program	10.311	2020-70017-32424	935	
<b>Total U.S. Department of Agriculture</b>			<b>935</b>	
<b>U.S. Department of Defense</b>				
<b>Pass-Through From:</b>				
<b>Advanced Robotics for Manufacturing Institute</b>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	ARM-EWD-18-01-P20	(88,238)	(67,390)
<b>Total U. S. Department of Defense</b>			<b>(88,238)</b>	
<b>U.S. Department of Justice</b>				
<b>Direct Programs:</b>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	2017-WA-AX-0051	2,791	
<b>Total U. S. Department of Justice</b>			<b>2,791</b>	
<b>U.S. Department of Labor</b>				
<b>Direct Programs:</b>				
H-1B Job Training Grants	17.268	HG-35908-21-60-A-48	63,002	
H-1B Job Training Grants	17.268	HG-33032-19-60-A-48	1,500,022	
<b>Total Direct U. S. Department of Labor</b>			<b>1,563,024</b>	

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

# DALLAS COLLEGE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

### SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>Pass-Through From:</b>				
<b>Dallas County Local Workforce Development Board</b>				
WIOA Youth Activities	17.259 (3)	RLC 1-2019	25,524	
WIOA Youth Activities	17.259 (3)	RLC 2-2019	28,590	
WIOA Youth Activities	17.259 (3)	RLC 3-2019	47,369	
<b>Total Pass-Through Dallas County Local Workforce Development Board</b>			<b>101,483</b>	
<b>Texas Workforce Commission</b>				
WIOA Dislocated Worker Formula Grants	17.278 (3)	0620WOS001	71,725	
WIOA Dislocated Worker Formula Grants	17.278 (3)	0621ATP001	99,802	
Apprenticeship USA Grants	17.285	0621ATG001	7,992	
<b>Total Pass-Through Texas Workforce Commission</b>			<b>179,519</b>	
<b>Houston Community College</b>				
H-1B Job Training Grants	17.268	AP-27829-15-60-A-48	73,985	
<b>San Jacinto College</b>				
H-1B Job Training Grants	17.268	DOL531719003	81,680	
<b>American Association of Community Colleges</b>				
Apprenticeship USA Grants	17.285	AP-33025-19-75-A-11	140,930	
<b>Total Pass-Through U.S. Department of Labor</b>			<b>577,597</b>	
<b>Total U.S. Department of Labor</b>			<b>2,140,621</b>	
<b>National Science Foundation</b>				
<b>Direct Programs:</b>				
Education and Human Resources	47.076 (5)	DUE-1902318	69,158	
Education and Human Resources	47.076 (5)	DUE-1764427	106,333	
<b>Total Direct National Science Foundation</b>			<b>175,491</b>	
<b>Total National Science Foundation:</b>			<b>175,491</b>	
<b>U. S. Small Business Administration</b>				
<b>Direct Programs:</b>				
Small Business Development Centers	59.037	9-603001-EZ-0019	86,516	
Small Business Development Centers	59.037	0-603001-EZ-0019	941,748	788,234
Small Business Development Centers	59.037	1-603001-EZ-00278	2,110,828	1,505,363
COVID-19 - Small Business Development Centers	59.037	0-603001-EZ-0119	2,769,983	2,040,968
<b>Total U. S. Small Business Administration</b>			<b>5,909,075</b>	

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

# DALLAS COLLEGE

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

### SCHEDULE E (CONTINUED)

Federal Grantor / Program Title	Federal ALN	Grant Award #	Expenditures	Pass-Through to Sub-recipients
<b>U.S. Department of Veterans Affairs</b>				
<b>Direct Program:</b>				
Post-9/11 Veterans Educational Assistance	64.027		1,035,472	
<b>Total U.S. Department of Veterans Affairs</b>			<u>1,035,472</u>	
<b>U.S. Department of Health &amp; Human Services</b>				
<b>Pass-Through From:</b>				
<b>University of Texas at Austin</b>				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	UTA17-000816	<b>8,453</b>	
<b>Dallas County Local Workforce Development Board</b>				
Child Care and Development Block Grant	93.575 (4)	DCCCD-CQI 1-2019	90,230	
Child Care and Development Block Grant	93.575 (4)	DCCCD-CCQ 1-2020	152,472	
<b>Total Pass-Through Dallas County Local Workforce Development Board</b>			<b>242,702</b>	
<b>Total Pass-Through Department of Health &amp; Human Services</b>			<b>251,155</b>	
<b>Total Department of Health &amp; Human Services</b>			<u>251,155</u>	
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>165,238,541</b></u>	4,797,129

(1) Clustered Student Financial Aid Programs	104,142,187
(2) Clustered TRIO Programs	2,445,976
(3) Clustered WIOA Programs	273,010
(4) Clustered CCDF Programs	242,702
(5) Clustered R&D Programs	3,238,850
(6) Education Stabilization Fund	40,909,727

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

# DALLAS COLLEGE

## SCHEDULE OF EXPENDITURES OF STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021 SCHEDULE F

State Grantor / Program Title	Grant #	Expenditures
<b>Texas Higher Education Coordinating Board</b>		
Texas Education Opportunity Grant	36002	4,093,023
Work Study Student Mentorship Program	22349	37,875
Nursing Shortage Reduction Program	NSRP FY20	802,022
Pathways Project Grant	16568	5,654
<b>Total Texas Higher Education Coordinating Board</b>		<b>4,938,574</b>
<b>Texas Workforce Commission</b>		
<b>Skills Development Funds</b>		
Manufacturing Consortium	0619SDF001	20,640
Health Management Systems, Inc.	0619SDF002	152,087
Business Consortium	0619SDF003	109,075
Owens Corning Roofing and Asphalt LLC	0619SDF004	31,588
Healthcare Consortium	0619SDF005	500,161
LPC TX Visual, LLC	0620SDF001	68,900
Manufacturing Consortium	0620SDF002	212,249
IT Consortium	0620SDF003	430,390
COVID-19 Special Initiative	0620COS001	66,620
COVID-19 Special Initiative	0620COS002	294,871
COVID-19 Special Initiative	0620COS003	40,942
COVID-19 Special Initiative	0620COS004	12,292
COVID-19 Special Initiative	0620COS005	128,527
<b>Total Skills Development Funds</b>		<b>2,068,342</b>
<b>Apprenticeship Training Program</b>		
Apprenticeship Training Program	0620ATP001	16,209
Apprenticeship Training Program	0621ATP001	316,670
<b>Total Apprenticeship Training Program</b>		<b>332,879</b>
<b>Skills for Small Business</b>		
Skills for Small Business	0619SSD001	13,800
Skills for Small Business	0620SSD001	72,900
Skills for Small Business	0620SSD003	167,300
Skills for Small Business	0620SSD004	101,350
<b>Total Skills for Small Business</b>		<b>355,350</b>
<b>Jobs and Education for Texans Program</b>	0620JET001	<b>232,230</b>
<b>Total Texas Workforce Commission</b>		<b>2,988,801</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>7,927,375</b>

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

## DALLAS COLLEGE

### NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

#### 1. GENERAL

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

#### 2. BASIS OF ACCOUNTING

The expenditures included in the Schedules are reported for the College's fiscal year ended August 31, 2021. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the College for the purposes of the awards. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the Schedules may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various funding agencies in the preparation of the Schedules.

#### 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal and State award revenues are reported in the financial statements of the College for the fiscal year ended August 31, 2021, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 34,346,892	\$ 7,887,074
Federal revenue, non-operating per Exhibit 2	91,946,504	-
Federal direct student loans	26,369,066	-
Fall tuition-related grants deferred to next year	12,576,079	40,301
Total expenditures for federal/state awards	<u>\$ 165,238,541</u>	<u>\$ 7,927,375</u>

**DALLAS COLLEGE**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

**4. AMOUNTS PASSED THROUGH TO OTHERS**

**Amounts Passed Through by the College – Federal:**

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

These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, ALN 59.037. (Award 0-603001-EZ-0019 and 1-603001-EZ-00278)

Collin College	\$ 375,852
Grayson College	189,202
McLennan Community College	150,894
Navarro College	141,521
North Central Texas College	276,403
Northeast Texas Community College	161,088
Paris Junior College	130,089
Tarrant County College	321,459
Trinity Valley Community College	204,963
Tyler Junior College	106,373
University of Texas at Tyler	235,753

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\$ 2,293,597

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

Collin College	\$ 94,190
Grayson College	54,020
McLennan Community College	79,480
Navarro College	151,170
North Central Texas College	268,441
Northeast Texas Community College	106,092
Paris Junior College	71,444
Tarrant County College	538,805
Trinity Valley Community College	144,514
Tyler Junior College	256,479
University of Texas at Tyler	276,333

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\$ 2,040,968

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**DALLAS COLLEGE**

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

These amounts were funded by the US Department of Defense for the Advanced Robotics for Manufacturing Institute, ALN 12.630. (Award ARM-EWD-18-01-P20)

5 Star Development, Inc.	\$ (25,000)
DAQ2GO LLC	(17,500)
Factory unlocked LLC	<u>(24,890)</u>
	<u>\$ (67,390)</u>

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

University of North Texas at Dallas	<u>\$ 525,383</u>
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These amounts were funded by the US Department of Education for the THECB Career and Technical Education – Basic Grants to States, ALN 84.048. (Award 21937)

South Texas College	<u>\$ 4,571</u>
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Total Amounts Passed Through – Federal	<u><u>\$ 4,797,129</u></u>
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# DALLAS COLLEGE

## NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021

### Amounts Passed Through by the College – State:

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

Collin College	\$ 88,333
Grayson College	89,587
McLennan Community College	114,879
Navarro College	92,054
North Central Texas College	33,624
Northeast Texas Community College	71,842
Paris Junior College	37,391
Tarrant County College	163,352
Trinity Valley Community College	78,343
Tyler Junior College	85,716
University of Texas at Tyler	72,530
Total Amounts Passed Through - State	<u>\$ 927,651</u>
Total Amounts Passed Through – Federal and State	<u>\$ 5,724,780</u>

### 5. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Although Direct Loans “are made to students (not the institution of higher education)” as confirmed in the June 2010 *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 2021 fiscal year are \$138,869,475.

Federal Grantor ALN Number/ Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
Department of Education 84.268 Direct Loans	\$ 26,369,066	-	\$ 26,369,066

## **DALLAS COLLEGE**

### **NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2021**

#### **6. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

#### **7. INDIRECT COST**

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

# DALLAS COLLEGE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2021

### 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?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 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 COLLEGE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year ended August 31, 2021**

Identification of major programs:

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

84.002	Adult Education – Basic Grants to States
84.425	Higher Education Emergency Relief Fund
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
59.037	Small Business Development Center

Major State Programs:

None	Skill Development Fund
None	Nursing Shortage Reduction Program
None	Skills for Small Business

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000 for federal programs \$300,000 for state programs
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Auditee qualified as low-risk auditee for federal programs?	Yes
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Auditee qualified as low-risk auditee for state programs?	Yes
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**SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AND STATE AWARDS**

The audit disclosed no findings required to be reported for the year ended August 31, 2021.

**DALLAS COLLEGE**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS**

**Year ended August 31, 2021**

Prior Year Finding (2020-001)

<b>CFDA Number:</b>	64.027
<b>Federal Title:</b>	Post-9/11 Veterans Educational Assistance
<b>Federal Agency:</b>	U.S. Department of Veterans Affairs
<b>Federal Award Number:</b>	None
<b>Program Year:</b>	2019 - 2020
<b>Compliance Requirement:</b>	Cash Management
<b>Type of Finding:</b>	Noncompliance

**Finding:**

We noted two (2) instances in which the colleges had either not applied funds to student accounts within 30 days, or returned to the VA, if required.

**Corrective Action Status -Client's Response:**

The College is currently reorganized from seven separately accredited colleges to a single accredited college with seven major campuses. Management of this and other Veterans programs are now centralized under a new management team. The new management team is charged to emphasize compliance requirements with staff and to foster best practices in the application of funds to students.

**Auditor's Response:**

Implemented.

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