



Comprehensive Annual Financial Report

For the Fiscal Years
Ended August 31, 2016
and 2015



Dallas County
Community College District

Higher Education That
Actually Gets You Hired

BROOKHAVEN • CEDAR VALLEY • EASTFIELD • EL CENTRO • MOUNTAIN VIEW • NORTH LAKE • RICHLAND



Dallas County
Community College District

Higher Education That
Actually Gets You Hired

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

PREPARED BY
BUSINESS AFFAIRS OFFICE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

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INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

BOARD OF TRUSTEES

OFFICERS

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

MEMBERS

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

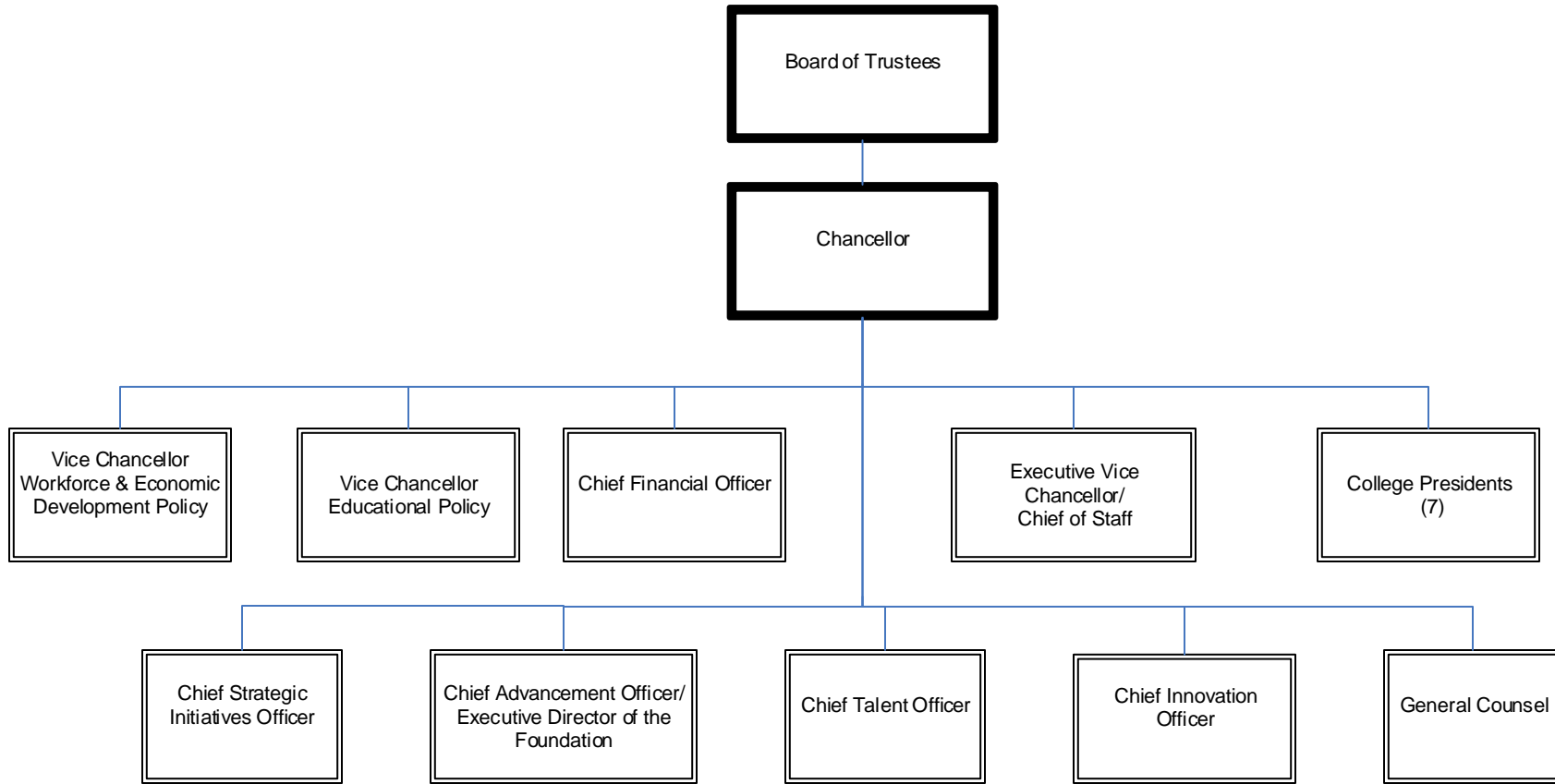
DISTRICT ADMINISTRATIVE OFFICERS

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

COLLEGE PRESIDENTS

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
2015-2016





Dallas County Community College District

December 15, 2016



Joe D. May

I am pleased to submit to the Board of Trustees for the Dallas County Community College District ("DCCCD") and the community of Dallas County our Comprehensive Annual Financial Report For the Fiscal Years Ended August 31, 2016 and 2015.

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

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

- DCCCD has partnered with the Dallas Independent School District (DISD) to offer dual credit learning opportunities through 19 early college high schools (ECHS) over the next two years; eight new collegiate academies opened in fall 2016, and 11 more ECHS locations will welcome students in fall 2017. This significant program will enable more than 2,000 students to receive both a high school diploma and an associate degree when they graduate, at no cost to those students or their parents. As you know, the District already has a history of building student success through several other ECHS facilities with DISD and other area school districts.
- Our early college high school program will help the state meet its goals through the Texas Higher Education Coordinating Board's "60X30TX" initiative: 60 percent of "Generation Texas" will have a postsecondary credential or degree by 2030. Our educational network with DISD is one example of how DCCCD seeks to be inclusive. We want to be known based on the people we include in our higher education network and the ways in which we connect them to the resources they need to succeed.
- The development of small businesses in the community is a vital element of job growth, too, and DCCCD is committed to establishing a Small Business Innovation Cultivator at the Bill J. Priest Institute for Economic Development.
- DCCCD's financial strength has enabled us to assist students who are left adrift as "for profit" institutions continue to close.

A Letter from the Chancellor

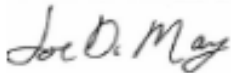
- We added our first dental hygiene program after the District acquired an existing program, which saved taxpayer dollars, compared to the start-up costs of a new program.
- We are adding new nursing cohorts and assisting students so that they can complete degrees in others areas where high-demand jobs are growing.
- DCCCD was one of only eight programs selected by the U.S. Department of Education for the Experimental Sites Initiative's Educational Quality through Innovative Partnerships (EQUIP) program. This program focuses on low-cost, online courses so that students (most of whom are out of state) can earn a degree in business or criminal justice.

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 all will require postsecondary education. DCCCD is a viable education partner with businesses and the communities we serve. We will continue to find ways to help students succeed, earn credentials that help them earn a living wage, and support their families and communities.

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

Respectfully,



Joe D. May
Chancellor



Dallas County Community College District

December 15, 2016

To the Board of Trustees:

Respectfully submitted for your review is the comprehensive annual financial report for the Dallas County Community College District ("DCCCD") for the fiscal years ended August 31, 2016 and 2015. The purpose of this report is to provide detailed information about the financial condition and performance of DCCCD. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

Comprehensive Annual Financial Report

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

Reporting Entity

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

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

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

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

Organization of DCCCD

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

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

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

Mission and Values

The mission of DCCCD is to equip students for successful living and responsible citizenship in a rapidly changing local, national and world community. Our purpose is to ensure that Dallas is vibrant, growing and economically stable for future generations. The Board of Trustees has established the thematic priorities of:

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

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

Together, our colleges enroll more undergraduate (freshman and sophomore) students than any other college, university or community college system in the state of Texas. Since 1965, we have served more than 3 million students. DCCCD equips students for successful living and responsible citizenship in a rapidly changing local, national and world community by providing:

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

- unparalleled quality at a tuition that students can afford

Our student population is 24.9 percent Anglo, 37.1 percent Hispanic, 24.8 percent African-American, 8.0 percent Asian, and 5.2 percent all others combined. DCCCD's workforce is becoming increasingly diverse: 51.1 percent Anglo, 15.1 percent Hispanic, 23.5 percent African-American, 7.3 percent Asian, and 3.0 percent all others combined.

Economic Conditions and Outlook

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

- Ad Valorem Taxes – increased by \$16.9 million due to the taxable assessed value increasing by 7.9%. The maintenance and operations tax rate remained unchanged.
- Tuition and Fees – increased by \$6.1 million due to the full fiscal year effect of tuition rate increases that were effective for the spring 2015 semester.
- State Appropriations – decreased by \$0.5 million due to a decrease in instructional funding but an increase in employee benefit funding.

Residential taxable property values increased by 7.2% in fiscal year 2016 while commercial and business personal property increased by 8.5%. According to the Dallas County Appraisal District, the property values for fiscal year 2017 have increased by 10.9% due to strong growth in Dallas' central business district and increases in residential properties.

The Board approved a \$7 per credit hour increase in the In-District tuition effective with the spring 2015 semester. Out-of-District, Out-of-State and Out-of-Country tuition rates were also increased. This investment will provide funds necessary to improve the students' learning experience and the Board's strategic initiatives.

From fiscal year 2008 through fiscal year 2011, student headcount enrollment increased 22% while state appropriations for instruction have remained relatively flat. In fiscal year 2016, credit student headcount increased by approximately 2% while continuing education headcount decreased by 7%. DCCCD expects that enrollments will increase slightly in fiscal year 2017 and in future years as the District invests in dual credit programs, workforce initiatives and targets non-consumer markets.

The State legislature completed the budget process for the 2016-2017 biennium and overall Texas Community Colleges had a slight decrease in the amount of funding for instructional expenses but an increase in employee benefit funding. DCCCD incurred a decrease of \$1.5 million in fiscal year 2016 for instructional funding and an increase of \$1.0 million in benefit and special item funding.

Operating expenses increased \$8.0 million in fiscal year 2016 due largely to the addition of new full-time positions, a 3% salary increase, and increases in instructional and facilities spending.

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

Financial Planning and Budgeting

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

- Strategic Plan

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

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

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

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

The Facilities Master Plan is developed on a rolling five year basis and presented to the Board of Trustees. Currently, District Facilities Management & Planning is working with each college to develop a new master plan for presentation to the Board of Trustees.

Major Initiatives

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

- \$86 million repair and restoration program to be funded from operations over the next 5-6 years. Approximately \$16 million is dedicated each fiscal year to complete the projects on a priority basis.
- \$12 million ADA upgrade program completed in 2016.

The Board also approved Labor Market Alignment strategies in fiscal year 2015 to fund high-demand educational programs in the Dallas area. Programs in targeted areas such as health care, hospitality, early childhood education, advanced manufacturing, construction technology, welding, and automotive collision repair were funded with \$8 million in fiscal year 2015, increasing to \$11 million in fiscal year 2016. Many of these programs will involve partnerships with area businesses to leverage the District's funding.

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DCCCD for its comprehensive annual financial report for the fiscal year ended August 31, 2015, for the fourth consecutive year. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our comprehensive annual financial report for the fiscal year ended August 31, 2016 continues to meet the Certificate of Achievement Program's requirements and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Financial Transparency

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

Acknowledgements

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

Respectfully submitted,



John Robertson
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Dallas County
Community College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2015

Executive Director/CEO

FINANCIAL SECTION



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
1717 Main Street, Suite 1800
Dallas, TX 75201-4667
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F 214.561.2370
GrantThornton.com
[linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)
twitter.com/GrantThorntonUS

Board of Trustees
Dallas County Community College District

Report on the financial statements

We have audited the accompanying financial statements of the Dallas County Community College District (the "District") as of and for the years ended August 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of August 31, 2016 and 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters*Required supplementary information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 29 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Awards for the year ended August 31, 2016, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State of Texas *Single Audit Circular* on pages 116 through 120, and the Texas Higher Education Coordinating Board ("THECB") supplemental schedules on pages 106 through 109, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The introductory section and statistical section on pages 2 through 10 and on pages 136 through 157, respectively, presented for purposes of additional analysis and are not a required part of the basic financial statements. The Summary of Revenues and Expenses and the Analysis of Unrestricted Net Position Components and Other Financial Stability Indicators of the Individual Colleges and the Central Administration of the District on pages 131 through 134 are presented for purpose of additional analysis as required by the Southern Association of Colleges and Schools. Such information has not been subjected to the auditing procedures applied in the audit of the 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 15, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas
December 15, 2016

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED)

Management's discussion and analysis of the annual financial statements of the Dallas County Community College District ("DCCCD") is designed to help readers understand some of the conditions and events contributing to the current financial position of DCCCD as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, DCCCD's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with DCCCD. For purposes of the summary and discussion, the terms "2016", "2015" and "2014" refer to fiscal years ended August 31, 2016, August 31, 2015, and August 31, 2014, respectively.

FINANCIAL HIGHLIGHTS FOR 2016

- Total assets for 2016 were \$1,050.6 million, decreasing by \$6.2 million from 2015 due to reductions in Short-Term Investments, Accounts Receivable and Accrued Charges. Total liabilities were \$494.7 million, a decrease of \$38.1 million due to the defeasance and refunding of bonds, reduction in Accounts Payable and Unearned Revenues. Deferred Outflows were \$32.8 million due to an increase in the accounting loss on bond refunding of \$8.3 million and \$24.5 million related to pensions. Deferred inflows related to pensions were \$20.0 million.
- Net position at August 31, 2016 was \$568.7 million, of which, \$218.4 million was unrestricted and may be used to meet DCCCD's ongoing obligations, an increase of \$10.6 million.
- Operating revenues were \$106.6 million, up \$4.9 million and operating expenses were \$480 million, up \$8.0 million. Non-operating revenues were \$423 million, for an increase of \$7.9 million.
- Debt Service decreased for 2016 due to the defeasance of all outstanding Series 2006 Revenue Refunding Bonds, reducing future debt service by an average of \$2.9 million per year.

OVERVIEW OF FINANCIAL STATEMENTS

While the Financial Statements are reported as a unit, DCCCD is comprised of seven separately accredited colleges:

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

Supplemental financial reporting and analysis on the colleges and district operations is included in these Financial Statements for informational purposes.

DCCCD qualifies as a special-purpose government engaged in business-type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statements No. 14 and No. 34*, and the financial statements are prepared on that basis. The resulting financial statement format focuses on DCCCD as

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)**

a whole. The basic financial statements are designed to emulate the corporate presentation model whereby DCCCD's fiscal activities are consolidated into one column total. Comparative data from the prior year is shown in a separate column on the face of each of the statements. The financial position is presented as of August 31, 2016 and 2015 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(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 assets available to DCCCD for further endeavors. In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2014 through 2016 is presented in Table 1 below.

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

	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
ASSETS					
Current Assets	\$ 180.4	\$ 213.9	\$ 125.3	\$ (33.5)	\$ 88.6
Capital Assets, net of depreciation	637.4	639.4	650.0	(2.0)	(10.6)
Other Non-current Assets	232.8	203.5	259.6	29.3	(56.1)
Total Assets	1,050.6	1,056.8	1,034.9	(6.2)	21.9
DEFERRED OUTFLOWS OF RESOURCES	32.8	11.5	1.9	21.3	9.6
LIABILITIES					
Current Liabilities	136.1	147.8	148.4	(11.6)	(0.6)
Non-current Liabilities	358.6	385.0	353.5	(26.4)	31.5
Total Liabilities	494.7	532.8	501.9	(38.1)	30.9
DEFERRED INFLOWS OF RESOURCES	20.0	16.4	0.0	3.6	16.4
NET POSITION					
Invested in Capital Assets, net of related debt	343.3	302.7	293.6	40.6	9.1
Restricted	7.0	8.6	3.4	(1.6)	5.2
Unrestricted	218.4	207.8	237.8	10.6	(30.0)
Total Net Position	\$ 568.7	\$ 519.1	\$ 534.8	\$ 49.6	\$ (15.7)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED)

Changes in Assets

Current assets decreased by \$33.5 million in 2016 compared to 2015 as a result of short-term investments of commercial paper decreasing by \$15 million; a \$10 million decrease in accounts receivable, due to a decrease in Federal grants receivables; and a \$9.8 million decrease in accrued charges, due to a decrease in grants and scholarships. Long-term investments increased \$24.5 million due to the reduced investment in commercial paper and liquid cash holdings in favor of purchasing longer term securities.

Change in Deferred Outflows

Deferred outflows increased \$21.3 million and was due to an increase of \$6.7 million on the accounting loss of the General Obligation bond refunding and an increase of \$14.7 million related to the future pension liability expense.

Changes in Liabilities

Current liabilities decreased in 2016 over 2015 by \$11.6 million due to a reduction in Accounts Payable.

Non-current liabilities decreased in 2016 by \$26.4 million, compared to 2015, due mainly to long-term bonds decreasing by \$39.7 million and net pension liability increasing \$12.9 million.

Changes in Deferred Inflows

Deferred Inflows increased \$3.6 million due to pension liability future revenues.

Changes in Net Position

Net Position, the difference in assets and liabilities, was \$568.7 million for 2016, an increase of \$49.6 million. Net Position, Invested in Capital Assets increased by \$40.6 million due to defeasance and refunding of bonds. The beginning Net Position for 2015 was restated as DCCCD implemented GASB Statement No. 68.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position presents the operating results, as well as non-operating revenues and expenses. Of the three main sources of revenue — ad valorem taxes, state appropriations, and tuition — only tuition represents an exchange for services. Taxes and state appropriations represent non-exchange transactions and thus are considered non-operating revenues. This approach to presenting revenues and expenses is intended to summarize and simplify the user's analysis of the various services offered to students and the public. Depending on whether revenues or expenses are greater for the year, a net increase or net decrease in net position is created. The ending balances of net position on these statements agree with those shown on the Statements of Net Position (Exhibit 1). Results of operations and non-operating activities are summarized in Table 2 on the following page, which was prepared from the Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2).

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)

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

	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
Operating Revenues					
Tuition and Fees (Net)	\$ 71.0	\$ 64.9	\$ 60.0	\$ 6.1	\$ 4.9
Grants and Contracts	31.0	31.2	26.2	(0.2)	5.0
Auxiliary Enterprises	2.1	3.4	4.5	(1.3)	(1.1)
Other Operating Revenues	2.5	2.2	1.9	0.3	0.3
Total Operating Revenues	<u>106.6</u>	<u>101.7</u>	<u>92.6</u>	<u>4.9</u>	<u>9.1</u>
Operating Expenses	<u>480.0</u>	<u>472.0</u>	<u>446.1</u>	<u>8.0</u>	<u>25.9</u>
Operating Loss	(373.4)	(370.3)	(353.5)	(3.1)	(16.8)
Non-Operating Revenues and (Expenses)					
State Appropriations	116.1	116.6	111.2	(0.5)	5.4
Ad Valorem Taxes	240.9	224.0	209.8	16.9	14.2
Federal Revenue	73.2	86.5	87.0	(13.3)	(0.5)
Investment Income	3.6	4.0	5.8	(0.4)	(1.8)
Interest on Capital-Related Debt	(11.6)	(15.1)	(15.8)	3.5	0.7
Other Non-Operating Revenue (Expense)	0.8	(0.9)	1.2	1.7	(2.1)
Net Non-Operating Revenues	<u>423.0</u>	<u>415.1</u>	<u>399.2</u>	<u>7.9</u>	<u>15.9</u>
Increase (Decrease) in Net Position	49.6	44.8	45.7	4.8	(0.9)
Net Position - Beginning of Year	<u>519.1</u>	<u>534.9</u>	<u>489.1</u>	<u>(15.8)</u>	<u>45.8</u>
Cumulative effect of GASB Statement No. 68	<u>-</u>	<u>(60.6)</u>	<u>-</u>	<u>60.6</u>	<u>(60.6)</u>
Net Position - End of Year	<u>\$ 568.7</u>	<u>\$ 519.1</u>	<u>\$ 534.8</u>	<u>\$ 49.6</u>	<u>\$ (15.7)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED)

Operating Revenues

The two major sources of operating revenues are tuition and various grants and contracts. Tuition revenue is reported net of discounts for tuition paid by various federal, state and local grants, including those associated with the Title IV Higher Education Administration Program. Additionally, state mandated or locally approved remissions and exemptions are reported as discounts against tuition. Tuition increased by \$6.1 million in 2016 due mainly to the full year effect of an increase in tuition. Overall, credit student enrollments are up slightly from 2015 and continuing education decreased slightly. Grants and contracts provided 29.1% of operating revenue for 2016, which is down slightly compared to 2015. Auxiliary revenue, bookstore commissions, vending and food service providers, has been decreasing since 2014. Auxiliary revenues decreased in 2016 by \$1.3 million as the District reduced textbook commissions to zero to reduce the cost of textbooks to students by approximately 13%.

Non-Operating Revenues

State appropriations decreased for 2016 by \$0.5 million as the District entered a new state biennium budget. Instructional related funding was down but benefit and special item funding increased by similar amounts.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased dramatically as the taxable assessed value increased 7.9% and the rate for maintenance and operations (M&O) was maintained at \$0.104 per \$100 valuation causing tax revenue to increase \$16.9 million in 2016. Ad Valorem Tax revenue is the DCCCD's primary funding source in all three fiscal years shown, representing over half of total non-operating revenues. Investment income decreased by \$0.4 million in 2016 over 2015 as the District moved to investments with shorter maturities.

Federal revenue was \$73.2 million, a decrease of \$13.3 million from 2015 as fewer students qualified due to the effect of changes in Title IV grants (Pell).

Revenues by Source

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

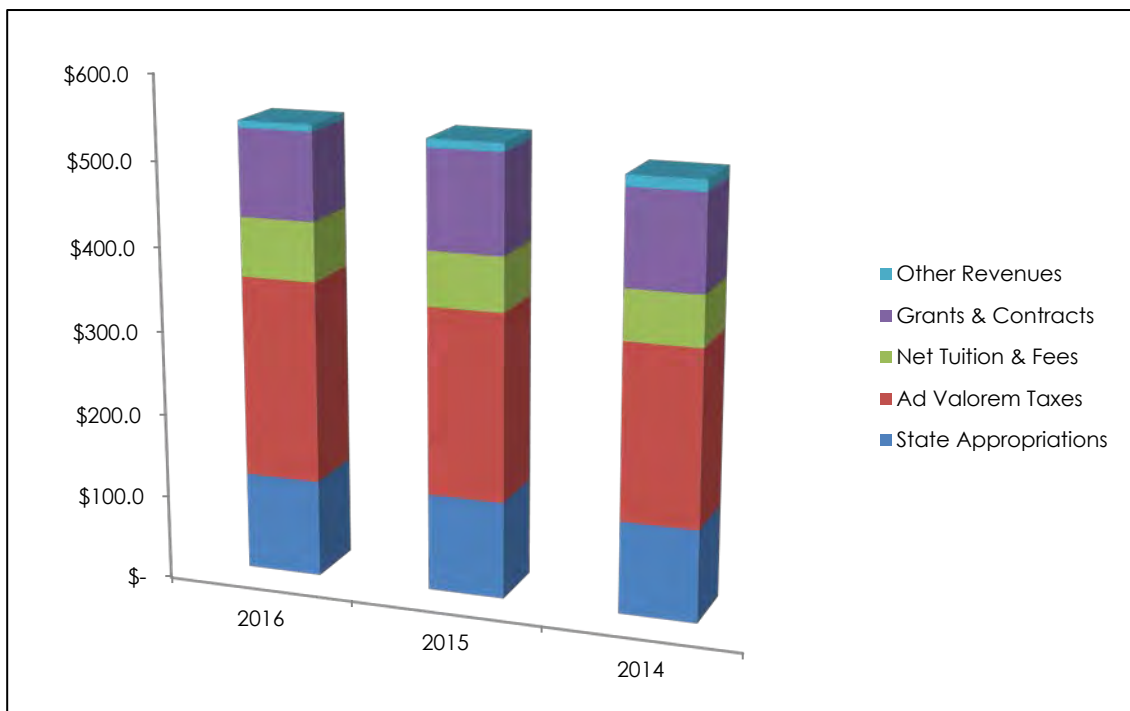
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)

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

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
State Appropriations	\$ 116.1	\$ 116.6	\$ 111.2	\$ (0.5)	\$ 5.4
Ad Valorem Taxes	240.9	224.0	209.8	16.9	14.2
Net Tuition & Fees	71.0	64.9	60.0	6.1	4.9
Grants & Contracts	104.2	117.7	113.3	(13.5)	4.4
Other Operating Revenues	2.5	2.2	2.0	0.3	0.2
Auxiliary Enterprises	2.1	3.4	4.5	(1.3)	(1.1)
Investment & Other Non-Operating Income	5.6	4.3	7.1	1.3	(2.8)
Total Revenues	\$ 542.4	\$ 533.1	\$ 507.9	\$ 9.3	\$ 25.2

REVENUE BY SOURCE
Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED)

Operating Expenses

Total Operating Expenses were \$480 million in 2016 and \$472 million in 2015 for an increase of \$8 million due largely to employees' salary increases of approximately 3% offset by a decrease in scholarships as fewer students qualified for Title IV grants and an increase in Institutional Support due to increased central services and District-wide initiatives.

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

Natural Classification

In 2016, salary expense increased \$11.9 million over 2015 due to the salary increase and additional full-time employees. Benefits increased in 2016 due to the effect of the salary increases on variable benefits and an increase in health benefits rates. As a percentage of salary expenses, benefits were 24.0% in 2016, 23.4% in 2015, and 21.5% in 2014. Supplies and Services increased due to educational initiatives and increased maintenance projects. See Table 4 and Figure 2.

Functional Classification

As would be expected, the bulk of operating expenses are for instruction, which increased \$6.1 million in 2016 as compared to 2015 with the salary increases accounting for the majority of the increase. The same is true for the other functional classifications as employee expense is the largest single type of expense. Institutional support increased due to new educational initiatives approved by the Board. The decrease in scholarships of \$12.7 million is attributable to changes to the Title IV eligibility requirements, reducing the number of students receiving Pell grants. Depreciation decreased \$1.9 million. See Table 5 and Figure 3.

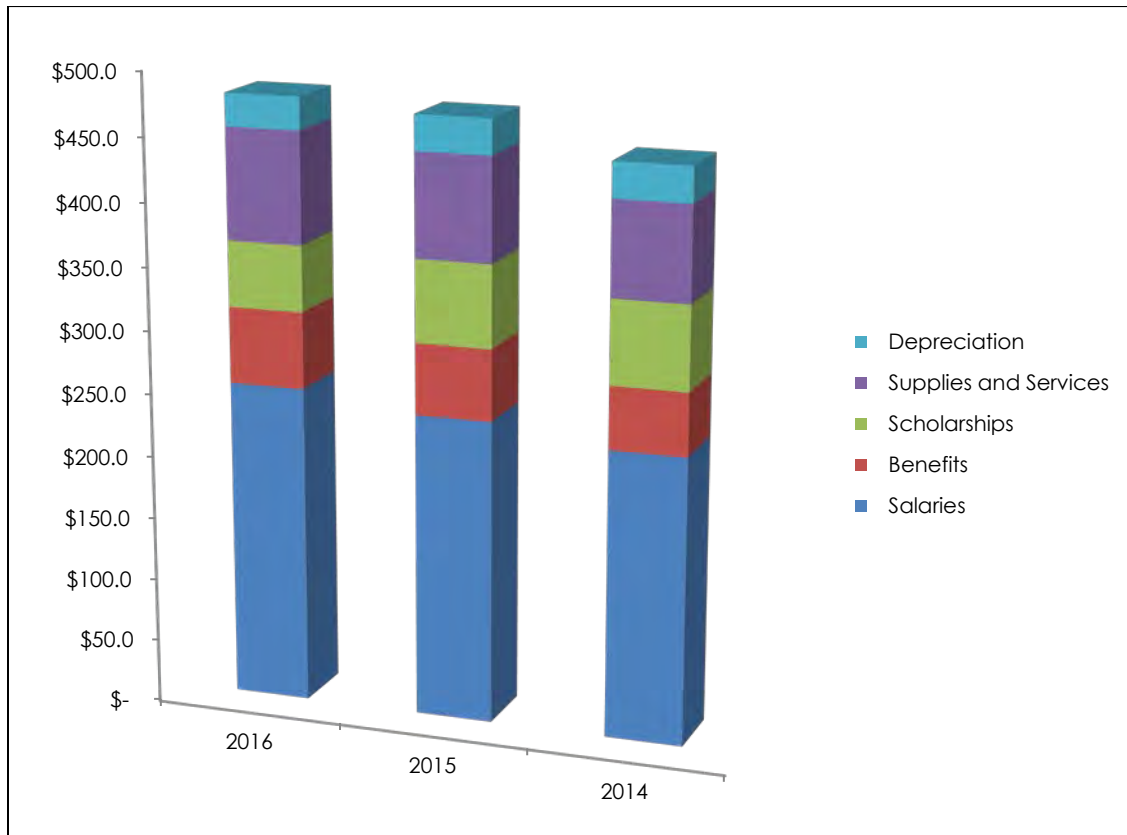
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
Salaries	\$ 252.9	\$ 241.0	\$ 228.6	\$ 11.9	\$ 12.4
Benefits	60.6	56.4	49.1	\$ 4.2	\$ 7.3
Scholarships	52.3	65.1	66.2	\$ (12.8)	\$ (1.1)
Supplies and Services	88.3	81.7	74.4	\$ 6.6	\$ 7.3
Depreciation	25.9	27.8	27.8	\$ (1.9)	\$ 0.0
Total Operating Expenses	\$ 480.0	\$ 472.0	\$ 446.1	\$ 8.0	\$ 25.9

OPERATING EXPENSES – NATURAL CLASSIFICATION
Figure 2



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

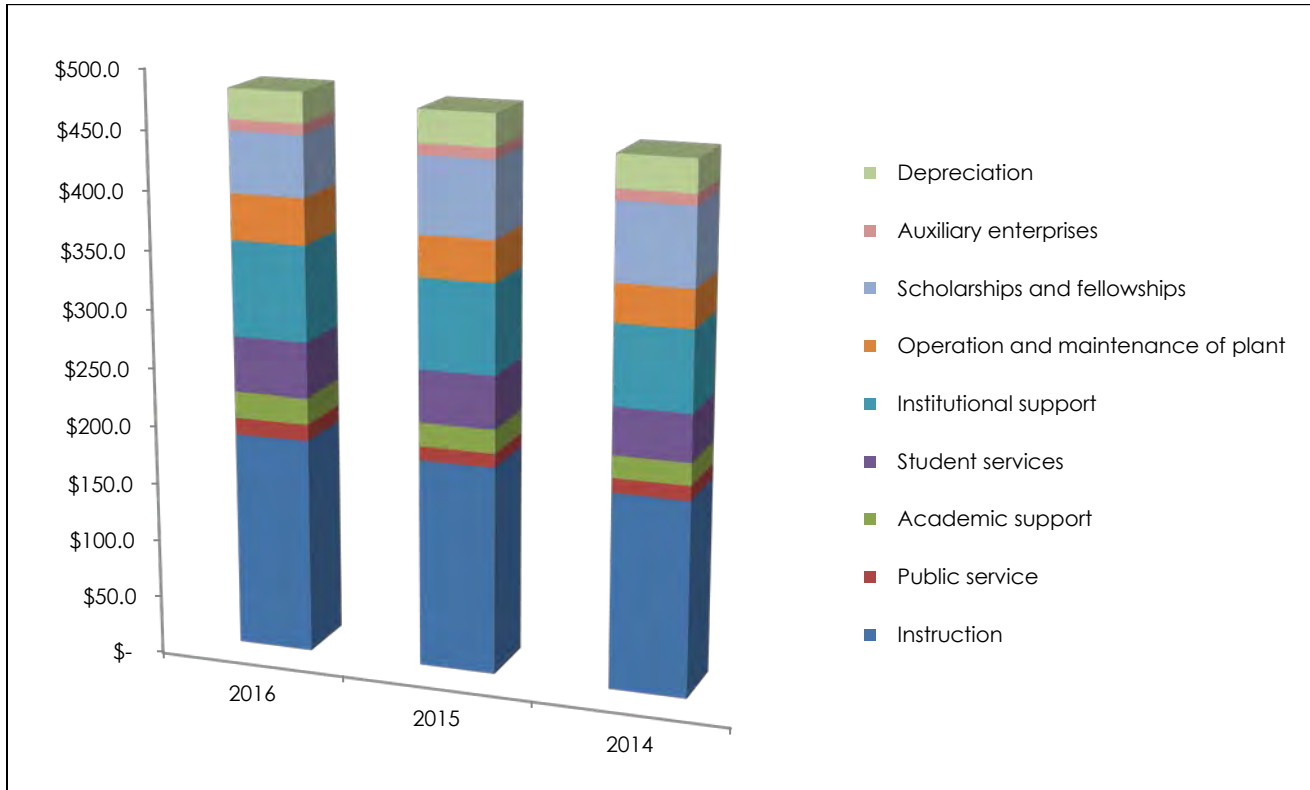
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)

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

OPERATING EXPENSES	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
Instruction	\$ 186.1	\$ 180.0	\$ 169.4	\$ 6.1	\$ 10.6
Public service	14.3	11.9	12.6	2.4	(0.7)
Academic support	22.5	20.4	19.0	2.1	1.4
Student services	47.8	44.7	40.6	3.1	4.1
Institutional support	82.3	77.2	68.4	5.1	8.8
Operation and maintenance of plant	39.5	35.3	32.5	4.2	2.8
Scholarships and fellowships	52.4	65.1	66.2	(12.7)	(1.1)
Auxiliary enterprises	9.2	9.6	9.6	(0.4)	-
Depreciation	25.9	27.8	27.8	(1.9)	-
Total Operating Expenses	\$ 480.0	\$ 472.0	\$ 446.1	\$ 8.0	\$ 25.9

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION

Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015 (UNAUDITED)

The Foundation

As required when meeting the reporting entity criteria in GASB Statement No. 61, DCCCD includes the Statements of Financial Position and Statements of Activities for the Foundation. For the fiscal year ended August 31, 2016, the Foundation's net assets were \$43.1 million, an amount that represents 7.6% of DCCCD's net assets for the same period. For the fiscal year ended August 31, 2015, the Foundation's net assets was \$41.2 million, which represents 7.9% of DCCCD's net position for the same fiscal year. The income from the Foundation is partially used to fund scholarships and grants for the students and employees of DCCCD. However, most of the Foundation's net assets are permanently restricted and therefore not available for DCCCD's direct use. Permanently restricted net assets of the Foundation were \$27.2 million and \$26.9 million for the fiscal years ended August 31, 2016 and 2015, respectively.

Statements of Cash Flows

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

Cash Flows from Operating Activities increased \$11.9 million with a decrease in scholarships, an increase in receipts from students, and an increase in payments to vendors and employees. Cash Flows from Non-Capital Financing Activities decreased \$1.2 million due mainly to the increase in ad valorem taxes offset by a similar decrease in Receipts from Federal Grants. Cash Flows from Financing Activities increased \$17.5 million due to the defeasance and refunding of bonds. Cash Flows from Investing Activities decreased \$22.5 million as securities were called or matured and were reinvested.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2016, net capital assets decreased \$2.0 million. Since 2013, DCCCD has dedicated \$16 million a year for deferred maintenance projects. Some of these are capitalized and are shown as additions to Buildings and Improvements. More information on Capital Assets can be found in Note 5 and Notes 6-10 for Long-Term Debt activity.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
CAPITAL ASSETS:					
Land	\$ 38.9	\$ 38.9	\$ 38.9	\$ -	\$ -
Buildings & Building Improvements	871.7	868.7	855.3	3.0	13.4
Land Improvements	33.9	27.9	27.9	6.0	-
Equipment, Furniture, and Software	82.8	78.9	77.1	3.9	1.8
Library Books	8.0	8.3	9.3	(0.3)	(1.0)
Construction In Progress	24.2	15.1	15.8	9.1	(0.7)
Total	1,059.5	1,037.8	1,024.3	21.7	13.5
Less Accumulated Depreciation	(422.1)	(398.4)	(374.3)	(23.7)	(24.1)
Net Capital Assets	\$ 637.4	\$ 639.4	\$ 650.0	\$ (2.0)	\$ (10.6)

In 2016, DCCCD defeased all of the outstanding revenue bonds. DCCCD also issued Series 2016 General Obligation Refunding Bonds to refund \$122.4 million of the Series 2008 General Obligation Bonds. The defeasance of the Revenue bonds, paid from operating reserves, will save the District approximately \$2.9 million per year in future debt service. No bonds were issued in the fiscal years 2015 and 2014. Total general bonded debt service per capita decreased to \$115.16 in 2016 from \$127.63 in 2015.

Debt Service is shown below:

TABLE 7: DEBT SERVICE
(In Millions)

	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
Revenue Bonds	\$ 15.5	\$ 2.9	\$ 2.9	\$ 12.6	\$ -
GO Bonds	33.6	33.6	33.6	-	-
Total	\$ 49.1	\$ 36.5	\$ 36.5	\$ 12.6	\$ -

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)**

The total of all bonds outstanding (See Note 7) are shown in Table 8 below.

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

	Fiscal Year			Change	
	2016	2015	2014	2016 to 2015	2015 to 2014
	Revenue Bonds	\$ -	\$ 17.2	\$ 20.1	\$ (17.2)
GO Bonds	375.6	436.5	470.1	(60.9)	(33.6)
Totals	\$ 375.6	\$ 453.7	\$ 490.2	\$ (78.1)	\$ (36.5)

Standard & Poor's Rating Services, Moody's Investors Service, Inc., and Fitch Ratings all assigned their highest credit rating of AAA for the District's General Obligation bonds. Some of the reasons cited for the rating were (1) a strong tax base, (2) flexible revenue sources, and (3) strong fiscal management. There are only a handful of community colleges in the country that have the highest rating from all three rating agencies. Fitch Ratings, Moody's and Standard & Poor's reaffirmed their ratings in 2016. Additional information on both capital assets and long-term debt can be found in Notes 6-10 of the financial statements.

Currently Known Facts, Decisions and Conditions

The certified tax assessed value increased for fiscal year 2016 by 10.1% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate was decreased slightly to \$0.018933 per \$100 valuation.

On September 14, 2016, the District closed on the purchase of a dental hygiene program from Sanford Brown, a division of Career Education Corporation. The District purchased the assets of a 19 chair dental hygiene program for \$200,000. The District also agreed to sublease approximately 10,357 square feet under the existing terms of the agreement through June 30, 2021, with an annual lease of \$191,244. The purchase and the sublease will be recorded in fiscal year 2017.

At its November 1, 2016, regular meeting of the Board of Trustees, the Board approved the transfer of the District's Quasi-Endowment fund to the Foundation. The transfer of approximately \$5.8 million of fund balance and the annual revenue of \$400,000 will be transferred during fiscal year 2017. The Foundation will continue the purpose of the fund, student scholarships.

Contacting DCCCD's Financial Management

This financial report is designed to provide DCCCD's citizens, taxpayers, students, investors, and creditors with a general overview of its finances and to demonstrate accountability for the money it receives. If you have questions about this report or need additional financial information, contact the

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
(UNAUDITED)**

Business Affairs office at 4343 IH-30, Mesquite, Texas 75150-2018 or visit our Financial Transparency link at the bottom of the homepage on our website at: <http://www.dcccd.edu>.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET POSITION
AUGUST 31, 2016 AND 2015
EXHIBIT 1**

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 86,563,046	\$ 88,096,739
Short-term investments	29,871,872	44,966,600
Accounts receivable (net of allowance for uncollectible accounts)	41,976,219	48,170,048
Accrued charges, net	19,981,923	29,732,050
Notes receivable	467	4,326
Inventories	236,778	240,215
Prepaid expenses	1,760,392	2,654,218
Total current assets	180,390,697	213,864,196
NON-CURRENT AND RESTRICTED ASSETS		
Restricted cash and cash equivalents	15,772,597	10,877,011
Long-term investments	216,946,663	192,478,828
Accrued charges, net	127,936	255,873
Capital assets, net		
Not subject to depreciation	63,050,646	54,033,105
Subject to depreciation	574,313,993	585,320,532
Total non-current and restricted assets	870,211,835	842,965,349
TOTAL ASSETS	1,050,602,532	1,056,829,545
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	8,278,465	1,580,946
Deferred outflows related to pension	24,527,599	9,868,601
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	13,422,842	27,642,953
Accrued liabilities	5,868,371	5,962,360
Accrued interest	598,673	711,284
Accrued compensable absences-current portion	8,019,355	7,458,511
Funds held for others	1,804,102	2,096,853
Unearned revenues	74,342,273	81,502,594
Bonds payable-current portion	32,087,419	22,409,081
Total current liabilities	136,143,035	147,783,636
NON-CURRENT LIABILITIES		
Accrued compensable absences	4,093,698	3,853,945
Net pension liability	66,420,502	53,480,756
Bonds payable	288,033,747	327,708,136
Total non-current liabilities	358,547,947	385,042,837
TOTAL LIABILITIES	494,690,982	532,826,473
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pension	20,012,796	16,359,922
NET POSITION		
Net investment in capital assets	343,314,639	302,683,637
Restricted for:		
Unexpended bond proceeds	4,648,507	4,648,507
Debt service	2,319,427	3,947,484
Unrestricted	218,422,245	207,813,069
TOTAL NET POSITION (Schedule D)	\$ 568,704,818	\$ 519,092,697

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2016 AND 2015
EXHIBIT 1A**

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 6,399,966	\$ 6,226,115
Investments	8,421,396	9,611,127
Accrued interest and dividends receivable	38,791	49,898
Contributions receivable, net	100,000	160,000
Other assets	<u>6,993</u>	<u>11,238</u>
Total current assets	<u>\$14,967,146</u>	<u>\$16,058,378</u>
Noncurrent assets:		
Cash equivalents restricted for endowments	\$ 2,207,938	\$ 2,207,874
Investments restricted for endowments	25,785,052	22,840,263
Contributions receivable, net	<u>295,148</u>	<u>395,148</u>
Total noncurrent assets	<u>28,288,138</u>	<u>25,443,285</u>
Total assets	<u>\$43,255,284</u>	<u>\$41,501,663</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Due to affiliate	\$ 193,770	\$ 310,456
Accounts payable	<u>12,081</u>	<u>7,515</u>
Total current liabilities	<u>205,851</u>	<u>317,971</u>
Total liabilities	<u>205,851</u>	<u>317,971</u>
Net Assets:		
Unrestricted	1,897,110	1,714,761
Temporarily restricted	13,928,744	12,600,857
Permanently restricted	<u>27,223,579</u>	<u>26,868,074</u>
Total net assets	<u>43,049,433</u>	<u>41,183,692</u>
Total liabilities and net assets	<u>\$43,255,284</u>	<u>\$41,501,663</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 2**

	2016	2015
OPERATING REVENUES		
Tuition and charges (net of discounts of \$51,393,510 and \$50,416,126, respectively)	\$ 70,968,674	\$ 64,915,350
Federal grants and contracts	18,071,493	16,375,569
State grants and contracts	10,587,154	12,342,567
Non-governmental grants and contracts	2,357,560	2,511,033
Sales and services of educational activities	591,143	550,611
Auxiliary enterprises	2,065,856	3,416,966
General operating revenues	1,909,901	1,626,474
Total operating revenues (Schedule A)	106,551,781	101,738,570
OPERATING EXPENSES		
Instruction	186,113,975	180,091,447
Public service	14,324,956	11,919,809
Academic support	22,516,868	20,384,036
Student services	47,797,753	44,665,591
Institutional support	82,313,813	77,177,500
Operation and maintenance of plant	39,480,074	35,295,596
Scholarships and fellowships	52,338,154	65,101,531
Auxiliary enterprises	9,226,433	9,584,615
Depreciation	25,877,552	27,815,265
Total operating expenses (Schedule B)	479,989,578	472,035,390
OPERATING LOSS	(373,437,797)	(370,296,820)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	116,141,683	116,564,538
Ad Valorem (net of bad debt and fees of \$3,059,430 and \$2,612,949, respectively)	240,886,672	224,008,395
Federal revenue, non-operating	73,159,045	86,496,630
Gifts	138,046	112,111
Investment income (loss)	3,564,424	4,039,978
Interest on capital related debt	(11,574,217)	(15,097,814)
Loss on disposal of fixed assets	(596,503)	(857,050)
Other non-operating revenue	1,998,324	187,256
Other non-operating expense	(667,556)	(316,904)
Net non-operating revenues (Schedule C)	423,049,918	415,137,140
INCREASE IN NET POSITION	49,612,121	44,840,320
NET POSITION		
Net Position—Beginning of Year	519,092,697	534,846,298
Effect of adoption of GASB Statement No. 68	-	(60,593,921)
Net Position—Beginning of Year, as restated	519,092,697	474,252,377
Net Position—End of Year	\$ 568,704,818	\$ 519,092,697

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
EXHIBIT 2A

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

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2015

EXHIBIT 2A
(CONTINUED)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 79,128	\$ 2,797,278	\$ 1,436,659	\$ 4,313,065
Interest and dividend income	443,052	1,066,068	-	1,509,120
Contributed employees' salaries and benefits	627,379	-	-	627,379
Net realized and unrealized (losses) on investments	(560,623)	(1,492,301)	-	(2,052,924)
Net assets released from restrictions	<u>2,624,903</u>	<u>(2,624,903)</u>	<u>-</u>	<u>-</u>
Total revenues	3,213,839	(253,858)	1,436,659	4,396,640
EXPENSES				
Program services:				
Scholarship awards	1,054,610	-	-	1,054,610
Grants	<u>1,663,549</u>	<u>-</u>	<u>-</u>	<u>1,663,549</u>
Total program services	2,718,159	-	-	2,718,159
Non-program services:				
Management and general	705,384	-	-	705,384
Fundraising	<u>117,393</u>	<u>-</u>	<u>-</u>	<u>117,393</u>
Total non-program services	<u>822,777</u>	<u>-</u>	<u>-</u>	<u>822,777</u>
Total expenses	<u>3,540,936</u>	<u>-</u>	<u>-</u>	<u>3,540,936</u>
Transfers between funds, based on donor instructions	<u>(2,600)</u>	<u>(113)</u>	<u>2,713</u>	<u>-</u>
Changes in net assets	(329,697)	(253,971)	1,439,372	855,704
Net assets, beginning of year	<u>2,044,458</u>	<u>12,854,828</u>	<u>25,428,702</u>	<u>40,327,988</u>
Net assets, end of year	<u>\$1,714,761</u>	<u>\$12,600,857</u>	<u>\$26,868,074</u>	<u>\$41,183,692</u>

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 3**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 78,123,512	\$ 75,836,047
Receipts from grants and contracts	31,906,884	32,169,495
Payments to suppliers for goods and services	(96,907,924)	(86,404,369)
Payments to or on behalf of employees	(286,368,534)	(278,291,398)
Payments for scholarships and fellowships	(54,704,424)	(59,035,143)
Loans issued to students	(7,094)	(20,246)
Collection of loans to students	14,634	20,053
Other receipts	1,909,901	1,626,474
Net cash used by operating activities	(326,033,045)	(314,099,087)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	243,347,065	226,878,809
Payments for collection of taxes	(2,784,329)	(2,788,657)
Receipts from state appropriations	93,805,277	98,268,127
Receipts from federal grants for non-operating activities	73,170,729	86,468,375
Receipts from federal student direct loan program	32,809,370	34,547,798
Payments of federal direct loans to students	(32,821,054)	(34,519,543)
Receipts from student organizations and other agency transactions	2,401,711	2,908,273
Payments to student organizations and other agency transactions	(2,694,462)	(3,385,053)
Net cash provided by non-capital financing activities	407,234,307	408,378,129
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Proceeds from the sale of capital assets	121,761	715,995
Purchases of capital assets	(20,726,148)	(18,523,778)
Payments on capital debt - refunding	(2,167,946)	-
Payments on capital debt - principal	(33,455,000)	(19,700,000)
Payments on capital debt - interest	(15,592,954)	(16,758,301)
Net cash used by capital and related financing activities	(71,820,287)	(54,266,084)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	238,538,000	73,700,000
Proceeds from interest on investments	2,643,048	2,643,714
Purchases of investments	(247,200,130)	(59,907,448)
Net cash provided by investing activities	(6,019,082)	16,436,266
 INCREASE CASH AND CASH EQUIVALENTS	 3,361,893	 56,449,224
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	98,973,750	42,524,526
CASH AND CASH EQUIVALENTS, AUGUST 31	\$ 102,335,643	\$ 98,973,750

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 3
(CONTINUED)**

	2016	2015
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (373,437,797)	\$ (370,296,820)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	25,877,552	27,815,265
Bad debt expense	1,405,800	580,600
Pension expense	2,908,714	3,032,986
Payments made directly by State for benefits	15,475,496	14,641,581
Change in fair value of investments		
Changes in assets and liabilities:		
Receivables (net)	6,922,614	3,436,210
Accrued charges	9,878,064	9,570,121
Inventories	3,437	48,768
Notes receivable	3,859	(193)
Prepaid expenses	893,826	(1,622,462)
Accounts payable	(16,035,260)	(106,195)
Accrued liabilities	(93,989)	549,643
Compensable absences	800,597	808,232
Pension	4,322,026	(132,708)
Deferred outflows - pension	6,289,634	(489,136)
Deferred inflows - pension	(4,087,297)	-
Unearned revenue	(7,160,321)	(1,934,979)
Net cash used by operating activities	\$ (326,033,045)	\$ (314,099,087)
 NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Payments made directly by state for benefits	\$ 15,475,496	\$ 14,641,581
Net pension liability and related deferred inflows/outflows	6,524,363	24,245,740
Loss on Refunding, net of amortization	(6,697,519)	-
	\$ 15,302,340	\$ 38,887,321

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

1. REPORTING ENTITY

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

While the Financial Statements are reported as a unit, the District is comprised of seven separately accredited colleges:

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

Financial reporting on the individual colleges and the District's central administration operations is included in the Financial Section, "Supplemental Financial Reporting by College."

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines—The District is classified as a special-purpose government engaged in business-type activities. The Statements of Net Position display the financial position of the District at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of the District for the fiscal years ended August 31, 2016 and 2015. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

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

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

Tuition Discounting

Texas Public Education Grant (TPEG)

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

Title IV, Higher Education Administration (HEA) Program Funds

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

Other Tuition Discounts

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

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

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

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

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

Accrued Charges—Current accrued charges of \$19,981,923 and \$29,732,050 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2016 and 2015, respectively.

The District defers and amortizes the production costs associated with instructional television programs and other related materials on a straight-line basis over the estimated useful life of such media, which ranges from two to five years. These materials are produced and used both internally for instruction and for lease by the District to other educational institutions. Aggregate deferred production costs, net of accumulated amortization, amounted to \$127,936 and \$255,873 at August 31, 2016 and 2015, respectively, and have been included in the accompanying Statements of Net Position as non-current accrued charges.

Capital Assets—Capital assets are stated at cost. Donated capital assets are recorded at their estimated fair value on the date received. The District reports depreciation under a single-line item as a business-type unit. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Library materials purchased during the fiscal year in an aggregate amount of

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

\$5,000 or more are subject to capitalization and depreciation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expenses in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Equipment, furniture, telecommunications, and peripheral equipment apply depreciation on a half-month convention. A full-year convention is applied for buildings, facilities, land improvements, and library books. Estimated useful lives of capital assets are established according to the following:

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

Pension—For the year ended August 31, 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multi-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS' fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Unearned Revenues—Tuition of \$43,433,129 and \$41,089,375 and federal, state and local grants of \$30,909,144 and \$40,413,219 have been reported by the District as unearned revenues at August 31, 2016 and 2015, respectively.

Deferred Outflows of Resources—The Statements of Net Position include a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by GASB. For 2016 and 2015, the deferred loss on bond refunding and the future expense related to pension is presented as Deferred Outflows of Resources.

Deferred Inflows of Resources—The Statements of Net Position also include a section for deferred inflows of resources, which represents a consumption of net position that applies to

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

future periods and will not be recognized as an inflow of resources (revenue) until then. Governments are permitted only to report deferred inflows in circumstances specifically authorized by GASB. For 2016 and 2015, the Deferred Inflows of Resources were due to future revenues related to the pension.

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

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

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

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

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

GASB Pronouncements—Effective with fiscal year 2015, the District implemented the following:

GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27

GASB Statement No. 69, Government Combinations and Disposals of Government Operations

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

Effective with fiscal year 2016, the District implemented the following:

GASB Statement No. 72, Fair Value Measurement and Application

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

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

Effective with fiscal year 2017, the District will implement the following:

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

GASB Statement No. 77, Tax Abatement Disclosures

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

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

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

GASB Statement No. 81, Irrevocable Split-Interest Agreements

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

3. AUTHORIZED INVESTMENTS

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

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

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

Investment in any and all types of derivatives is prohibited.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

4. DEPOSITS AND INVESTMENTS

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

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

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

The carrying amount of the District's deposits with financial institutions as of August 31, 2016 was \$9,361,086, and the bank balance was \$10,565,946. The carrying amount of the District's deposits with financial institutions as of August 31, 2015 was \$11,023,713, and the bank balance was \$12,909,996. At August 31, 2016 and 2015, all of the District's non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third-party agreements.

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

	2016	2015
Bank deposits		
Local funds - demand	\$ 9,325,904	\$ 10,987,445
Imprest funds	10,000	9,700
Total deposits	9,335,904	10,997,145
Cash on hand	25,182	26,568
Cash equivalents		
Investment in TexPool	1,257,210	1,253,895
Investment in TexSTAR	14,050,095	14,010,722
Investment in LOGIC	28,328,115	38,377,712
Investment in Lone Star	20,241,592	34,307,708
Investment in Texas CLASS	14,304,720	-
Investment in Texas Term	14,792,825	-
Total cash equivalents	92,974,557	87,950,037
Total cash and cash equivalents	\$ 102,335,643	\$ 98,973,750

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

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

At August 31, 2016 and 2015, long-term investments consisted of U.S. government and agency securities and obligations of municipalities.

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

At August 31, 2016, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U. S. Agency	\$ 221,947,343	\$ 5,000,680	\$ 15,000,315	\$ 47,500,022	\$ 42,983,982	\$ 57,569,672	\$ 53,892,672
Commercial paper	24,871,192	24,871,192	-	-	-	-	-
Investment Pools:							
TexPool	1,257,210	1,257,210	-	-	-	-	-
TexSTAR	14,050,095	14,050,095	-	-	-	-	-
LOGIC	28,328,115	28,328,115	-	-	-	-	-
Lone Star	20,241,592	20,241,592	-	-	-	-	-
Texas CLASS	14,304,720	14,304,720	-	-	-	-	-
Texas Term	14,792,825	14,792,825	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 339,793,092</u>	<u>\$ 122,846,429</u>	<u>\$ 15,000,315</u>	<u>\$ 47,500,022</u>	<u>\$ 42,983,982</u>	<u>\$ 57,569,672</u>	<u>\$ 53,892,672</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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At August 31, 2015, the District had the following cash equivalents, investments, and maturities:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U.S. Agency	\$ 192,478,828	\$ -	\$ 24,982,586	\$ 12,013,908	\$ 18,070,557	\$ 24,485,690	\$ 112,926,087
Commercial paper	44,966,600	44,966,600	-	-	-	-	-
Investment Pools:							
TexPool	1,253,895	1,253,895	-	-	-	-	-
TexSTAR	14,010,722	14,010,722	-	-	-	-	-
LOGIC	38,377,712	38,377,712	-	-	-	-	-
Lone Star	34,307,708	34,307,708	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 325,395,465</u>	<u>\$ 132,916,637</u>	<u>\$ 24,982,586</u>	<u>\$ 12,013,908</u>	<u>\$ 18,070,557</u>	<u>\$ 24,485,690</u>	<u>\$ 112,926,087</u>

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

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

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District's investment policy sets guidelines for the maximum percent of portfolio for any one type of investment. However, all of the District's investments are backed by the U.S. Government and are not subject to concentration of credit risk. Investment in U.S. Agency Securities, as the largest component of the portfolio, comprises 59.2% of the District's total portfolio at August 31, 2016 and meets the District's guideline of no more than 85% of the portfolio being U.S. Agency Securities.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	<u>Fair Market Value August 31, 2016</u>	<u>Fair Market Value August 31, 2015</u>
Total cash and cash equivalents	\$ 102,335,643	\$ 98,973,750
Total investments	<u>246,818,535</u>	<u>237,445,428</u>
 Total	 <u>\$ 349,154,178</u>	 <u>\$ 336,419,178</u>
 Cash and cash equivalents (Exhibit 1)	 \$ 86,563,046	 \$ 88,096,739
Restricted cash and cash equivalents (Exhibit 1)	15,772,597	10,877,011
Short-term investments (Exhibit 1)	29,871,872	44,966,600
Long-term investments (Exhibit 1)	<u>216,946,663</u>	<u>192,478,828</u>
 Total	 <u>\$ 349,154,178</u>	 <u>\$ 336,419,178</u>

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2016 or 2015.

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

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

Local Government Investment Cooperative (LOGIC) is managed by JP Morgan Chase and First Southwest Asset Management, Inc. in compliance with the Texas Public Funds Investment Act. LOGIC carries Standard & Poor's AAAM rating. In addition to investing in U.S. Treasury and Agency Securities, LOGIC provides additional diversification by investing in repurchase agreements and prime commercial paper. Investments in LOGIC are included within cash and cash equivalents in the accompanying Statements of Net Position.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

The Texas Term Local Government Investment Pool was created by and for Texas local governments to provide investment programs tailored to the needs of Texas public investors. Texas Term portfolios seek to provide these investors with safety, flexibility and competitive yields. Texas Term investments are designed to comply with all Texas statutes, including regulations for the allowable investment of public funds. Texas Term is rated AAAM by Standards & Poor's. Investments in Texas Term are included within cash and cash equivalents in the accompanying Statements of Net Position for 2016 only.

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

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

Fair Value of Financial Instruments

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

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

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

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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are recorded at amortized cost. Level 2 inputs are utilized for valuations at the measurement date.

Fair Value Hierarchy of investments at August 31, 2016 and 2015 are:

	Fiscal Year 2016			Fiscal Year 2015
	Level 1	Level 2	Level 3	Total
US Government Agencies	\$221,947,343	\$ -	\$ -	\$221,947,343
Commercial Paper	-	24,871,192	-	24,871,192
Total fair value	<u>\$221,947,343</u>	<u>\$24,871,192</u>	<u>\$ -</u>	<u>\$246,818,535</u>
				<u>\$192,478,828</u>
				<u>44,966,600</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

5. CAPITAL ASSETS

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

	Balance September 1, 2015	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2016
Capital assets not subject to depreciation:				
Land	\$ 38,919,062	\$ -	\$ -	\$ 38,919,062
Construction in progress	<u>15,114,043</u>	<u>18,565,155</u>	<u>(9,547,614)</u>	<u>24,131,584</u>
Total not depreciated	54,033,105	18,565,155	(9,547,614)	63,050,646
Capital assets subject to depreciation:				
Buildings and building improvements	868,753,930	2,897,184	-	871,651,114
Land improvements	27,843,155	6,035,799	-	33,878,954
Furniture, machinery, vehicles, and other equipment	78,852,200	6,282,158	(2,302,046)	82,832,312
Library books	<u>8,263,478</u>	<u>373,334</u>	<u>(588,184)</u>	<u>8,048,628</u>
Total depreciated	983,712,763	15,588,475	(2,890,230)	996,411,008
Accumulated depreciation:				
Buildings and building improvements	(311,013,735)	(20,260,307)	-	(331,274,042)
Land improvements	(20,021,990)	(556,330)	(54,466)	(20,632,786)
Furniture, machinery, vehicles, and other equipment	(62,023,228)	(4,665,379)	2,226,783	(64,461,824)
Library books	<u>(5,333,278)</u>	<u>(395,536)</u>	<u>452</u>	<u>(5,728,362)</u>
Total accumulated depreciation	<u>(398,392,231)</u>	<u>(25,877,552)</u>	<u>2,172,769</u>	<u>(422,097,014)</u>
Net capital assets subject to depreciation	585,320,532			574,313,994
Net capital assets	<u>\$ 639,353,637</u>	<u>\$ 8,276,078</u>	<u>\$ (10,265,075)</u>	<u>\$ 637,364,640</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

Capital assets activity for the fiscal year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Increases/ Reclassifications	Decreases/ Adjustments	Balance August 31, 2015
Capital assets not subject to depreciation:				
Land	\$ 38,946,849	\$ -	\$ (27,787)	\$ 38,919,062
Construction in progress	<u>15,808,714</u>	<u>12,785,601</u>	<u>(13,480,272)</u>	<u>15,114,043</u>
Total not depreciated	54,755,563	12,785,601	(13,508,059)	54,033,105
Capital assets subject to depreciation:				
Buildings and building improvements	855,273,658	13,480,272	-	868,753,930
Land improvements	27,843,155	-	-	27,843,155
Furniture, machinery, vehicles, and other equipment	77,116,415	5,766,644	(4,030,859)	78,852,200
Library books	<u>9,253,904</u>	<u>208,770</u>	<u>(1,199,196)</u>	<u>8,263,478</u>
Total depreciated	969,487,132	19,455,686	(5,230,055)	983,712,763
Accumulated depreciation:				
Buildings and building improvements	(288,604,904)	(22,408,831)	-	(311,013,735)
Land improvements	(19,523,646)	(498,344)	-	(20,021,990)
Furniture, machinery, vehicles, and other equipment	(59,980,345)	(4,520,084)	2,477,201	(62,023,228)
Library books	<u>(6,144,448)</u>	<u>(388,002)</u>	<u>1,199,172</u>	<u>(5,333,278)</u>
Total accumulated depreciation	<u>(374,253,343)</u>	<u>(27,815,261)</u>	<u>3,676,373</u>	<u>(398,392,231)</u>
Net capital assets subject to depreciation	595,233,789			585,320,532
Net capital assets	<u>\$ 649,989,352</u>	<u>\$ 4,426,026</u>	<u>\$ (15,061,741)</u>	<u>\$ 639,353,637</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

6. Non-current Liabilities

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

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 15,160,000	\$ -	\$ (15,160,000)	\$ -	\$ -
Series 2008 General Obligation Bonds	159,830,000	-	(140,530,000)	19,300,000	9,410,000
Series 2009 General Obligation Bonds	82,235,000	-	(4,230,000)	78,005,000	4,425,000
Series 2010 General Obligation Bonds	39,570,000	-	(1,860,000)	37,710,000	1,945,000
Series 2010 General Obligation Refunding Bonds	39,875,000	-	(3,255,000)	36,620,000	3,380,000
Series 2016 General Obligation Refunding Bonds	-	122,415,000	-	122,415,000	8,310,000
Unamortized bond premium	<u>13,447,217</u>	<u>18,956,949</u>	<u>(6,333,000)</u>	<u>26,071,166</u>	<u>4,617,419</u>
Subtotal bonds	350,117,217	141,371,949	(171,368,000)	320,121,166	32,087,419
Accrued interest	711,284	-	(112,611)	598,673	598,673
Compensable absences	11,312,456	800,597	-	12,113,053	8,019,355
Net pension liability	<u>53,480,756</u>	<u>12,939,746</u>	<u>-</u>	<u>66,420,502</u>	<u>-</u>
Total	<u>\$ 415,621,713</u>	<u>\$ 155,112,292</u>	<u>\$ (171,480,611)</u>	<u>\$ 399,253,394</u>	<u>\$ 40,705,447</u>

Non-current liability activity for the fiscal year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 17,335,000	\$ -	\$ (2,175,000)	\$ 15,160,000	\$ 2,265,000
Series 2008 General Obligation Bonds	168,385,000	-	(8,555,000)	159,830,000	8,950,000
Series 2009 General Obligation Bonds	86,280,000	-	(4,045,000)	82,235,000	4,230,000
Series 2010 General Obligation Bonds	41,350,000	-	(1,780,000)	39,570,000	1,860,000
Series 2010 General Obligation Refunding Bonds	43,020,000	-	(3,145,000)	39,875,000	3,255,000
Unamortized bond premium	<u>15,396,726</u>	<u>-</u>	<u>(1,949,509)</u>	<u>13,447,217</u>	<u>1,849,081</u>
Subtotal bonds	371,766,726	-	(21,649,509)	350,117,217	22,409,081
Accrued interest	745,807	-	(34,523)	711,284	711,284
Compensable absences	10,504,224	808,232	-	11,312,456	7,458,511
Net pension liability	<u>65,669,980</u>	<u>13,335,593</u>	<u>(25,524,817)</u>	<u>53,480,756</u>	<u>-</u>
Total	<u>\$ 448,686,737</u>	<u>\$ 14,143,825</u>	<u>\$ (47,208,849)</u>	<u>\$ 415,621,713</u>	<u>\$ 30,578,876</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

7. DEBT AND LEASE OBLIGATIONS

The District has authorized debt of General Obligation (GO) bonds only as the Revenue bonds were defeased in 2016. GO bonds are authorized by the Board and approved by the voters of the District's service area and secured by an ad valorem tax rate Interest & Sinking (I&S) portion to cover the debt service of the bonds. The following table shows the debt service for the GO bonds for the next five years and thereafter:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended August 31:			
2017	\$ 27,470,000	\$ 13,214,581	\$ 40,684,581
2018	30,190,000	11,922,531	42,112,531
2019	25,945,000	10,580,806	36,525,806
2020	28,080,000	9,283,832	37,363,832
2021	20,850,000	8,070,182	28,920,182
2022 - 2026	103,745,000	24,911,456	128,656,456
2027 - 2030	57,770,000	3,583,909	61,353,909
Total	<u>\$ 294,050,000</u>	<u>\$ 81,567,297</u>	<u>\$ 375,617,297</u>

Included in operating expenses is \$941,722 and \$704,975 of rent paid during fiscal years 2016 and 2015, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2016 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2017	\$ 501,440
2018	433,332
2019	483,333
2020	533,333
2021	183,333
Total	<u>\$ 2,134,771</u>

There are currently no lease obligations beyond the fiscal year ending August 31, 2021.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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8. BONDS PAYABLE

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

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

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

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

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

In 2016, the District incurred \$11,574,217 in interest cost, of which \$11,574,217 was expensed. In 2015, the District incurred \$15,097,814 in interest cost, of which \$15,097,814 was expensed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

9. ADVANCE REFUNDING BONDS

On December 15, 2006, the District advance refunded \$27,050,000 of its outstanding Series 2001 Bonds for maturities 2011 and later by issuing \$25,275,000 in Series 2006 Revenue Financing System Refunding Bonds ("Series 2006 Refunding Bonds"). All Series 2006 Refunding Bonds authorized have been issued to date. The average interest rate of the Series 2006 Refunding Bonds is 4.408% with a coupon range of 4.000-5.000%. After payment of \$413,578 in underwriting fees, insurance, and other issuance costs, all resources from the Series 2006 Refunding Bonds including transfers of \$2,965,199 of Series 2001 Bonds, debt service funds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded Series 2001 Bonds. The Series 2001 Bonds are considered fully defeased for maturities 2011 and later and the liability for those bonds has accordingly been removed from the Statements of Net Position. Advance refunding of the Series 2001 Bonds reduces the District's debt service payments by \$2,444,134. An economic gain (the difference between net present values of the debt service payments on the old and new debt adjusted for cash paid out) of \$1,208,966 was obtained by the advance refunding. The accounting "loss" that resulted from the bond refunding is \$1,130,637 and is being amortized over the life of the new debt by the effective interest method. At August 31, 2016, there was no liability for these bonds as the bonds were defeased during fiscal year 2016.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
2006	Revenue Financing System Refunding Bonds	\$ 25,275,000	4.00%-5.00%	2011	2021	2/15/2017
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	2/15/2021

Note: The 2006 Revenue bonds were defeased in 2016

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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10. DEFEASED BONDS OUTSTANDING

As of August 31, 2016, the District had \$131,580,000 defeased General Obligation bonds outstanding. No defeased bonds were outstanding as of August 31, 2015.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
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11. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas – Defined Benefit Plan

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

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

Pension Plan Fiduciary Net Position - Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

<u>Contribution Rates</u>	<u>2016</u>	<u>2015</u>
Member rates	7.2%	6.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Fiscal Year 2015 Member contributions	\$ 4,840,375	
Fiscal Year 2015 State of Texas on-behalf contributions	\$ 4,034,747	
Fiscal Year 2015 District Contributions	\$ 5,563,829	

The District's contributions to the TRS pension plan in fiscal year 2016 were \$4,538,008 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year 2015 were \$5,505,749.

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

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

Actuarial Assumptions – The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return*	8.00%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

Actuarial methods and assumptions were updated based on a study of actual experience for the four-year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. The most significant changes were related to the update of the post-retirement mortality rates based on the most recent TRS member experience and the decrease in the assumption for general wage inflation from 3.0% to 2.5%. Other changes to overall assumptions and methods had a minor impact on the results of the actuarial valuation and the related pension liability.

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

Discount Rate – The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015, are summarized in the following chart.

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NOTES TO THE FINANCIAL STATEMENTS
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Asset Class	Target Allocation	Long-term Expected Geometric Real Rate of Return	Expected Contribution to Long-term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non - U.S. developed	13.0%	5.1%	0.8%
Emerging markets	9.0%	5.9%	0.7%
Directional hedge funds	4.0%	3.2%	0.1%
Private equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute return	0.0%	1.8%	0.0%
Stable value hedge funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global inflation linked bonds	3.0%	0.9%	0.0%
Real assets	16.0%	5.1%	1.1%
Energy and natural resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk parity	5.0%	6.7%	0.3%
Inflation expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

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

Source: Teacher Retirement System of Texas 2015 Comprehensive Annual Financial Report

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Discount Rate Sensitivity Analysis – The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 104,068,408	\$ 66,420,502	\$ 35,062,136

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At August 31, 2016, the District reported liability of \$66,420,502 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportional share of the collective net pension liability	\$ 66,420,502
State's proportional share that is associated with District	<u>35,699,280</u>
Total	<u><u>\$ 102,119,782</u></u>

The net pension liability was measured as of August 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At the measurement date of August 31, 2015, the employer's proportion of the collective net pension liability was 0.1879010%, which was a decrease of 0.0123161% from its proportion measured as of August 31, 2014 (0.2002171%).

For the fiscal year ended August 31, 2016, the District recognized pension expense of \$4,034,747 and revenue of \$4,034,747 for support provided by the State. Refer to the fiscal year 2016 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements No. 67 and 68.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,552,600
Changes in actuarial assumptions	2,891,098	2,369,592
Difference between projected and actual investment earnings	16,357,891	12,259,427
Differences between expected and actual experience	687,869	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	2,831,177
Contributions paid to TRS subsequent to the measurement date (calculated by the District)	4,590,741	-
Total	\$ 24,527,599	\$ 20,012,796

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

Year Ended August 31	Pension Expense Amount
2017	\$ (584,634)
2018	\$ (584,634)
2019	\$ (584,633)
2020	\$ 3,501,840
2021	\$ (630,612)
Thereafter	\$ (1,183,926)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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Optional Retirement Plan – Defined Contribution Plan

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

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

In certain instances, the reporting district is required to make all or a portion of the State's contribution amounts. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

<u>Optional Retirement Plan Contribution Rates</u>	<u>2016</u>	<u>2015</u>
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.60%
District Contribution of Participant's Annual Compensation for Participants Enrolled Prior to September 1, 1995	1.90%	1.90%
District Contribution of Participant's Annual Compensation for Participants Enrolled After September 1, 1995	0.00%	0.00%

Note: State Contribution is 50% of eligible employees

The total retirement expense to the state for the District was \$7,666,933 and \$5,858,985 for fiscal years 2016 and 2015, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the college.

The total payroll for all District employees was \$252,921,320 and \$241,014,498 for fiscal years 2016 and 2015, respectively. The total payroll of employees covered by the TRS was \$153,203,688 and \$139,925,162, respectively. The District's ORP payroll for 2016 was \$57,213,466 and \$58,223,535 for 2015. The State's contribution for ORP was \$1,781,115 and \$1,849,472 for 2016 and 2015, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

12. DEFERRED COMPENSATION PLAN

The District has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code §609.001. For the fiscal years ended August 31, 2016 and 2015, the District had one employee participating in the program.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

13. COMPENSABLE ABSENCES

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

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2016	2015
Balance as of September 1,	\$ 11,312,456	\$ 10,504,224
Leave Accruals/Adjustments	9,328,628	8,318,910
Leave Used	(7,594,133)	(6,634,252)
Accrued Leave Paid Terminated Employees	(933,898)	(876,426)
Balance as of August 31,	<u>\$ 12,113,053</u>	<u>\$ 11,312,456</u>
Current Liability	\$ 8,019,355	\$ 7,458,511
Non-current Liability	\$ 4,093,698	\$ 3,853,945

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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14. HEALTH CARE AND LIFE INSURANCE BENEFITS

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

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

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

<u>HealthSelect of Texas Plan</u>	<u>2015 State/Employer Contribution</u>	<u>2015 Annualized Contribution</u>
Member Only	\$ 537.66	\$ 6,451.92
Member & Spouse	845.54	10,146.48
Member & Child(ren)	743.80	8,925.60
Member & Family	1,051.68	12,620.16

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

<u>Cost of Providing Health Care Insurance</u>	<u>2016</u>	<u>2015</u>
Number of Retirees	1,229	1,200
Cost of Health Benefits for Retirees	\$ 9,828,159	\$ 8,926,494
Number of Active Full-Time Employees	3,396	3,334
Cost of Health Benefits for Active Full-Time Employees	27,282,077	24,662,718
State Appropriation for Health Insurance-Retirees	4,691,480	4,275,390
State Appropriation for Health Insurance-Active	10,784,016	10,366,191
Net Cost to DCCCD	\$ 21,634,740	\$ 18,947,631

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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

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

Funding Policy—Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for PostEmployment Benefits Other than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the plan for the fiscal years ended August 31, 2016 and 2015 were \$21,634,740 and \$18,947,631 respectively, which equaled the required contributions each year.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

16. COMMITMENTS AND CONTINGENCIES

Commitments—The District has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses within the District. Commitments remaining under such contracts at August 31, 2016 are \$8,433,700.

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

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2016 and 2015 were as follows:

	2016	2015
Ad valorem taxes	\$ 8,844,930	\$ 8,245,893
Student tuition and charges	19,292,831	15,965,986
Accounts Receivable		
Federal grants	20,650,778	30,653,028
State grants	791,100	837,828
Local grants	394,866	740,639
Interest on investments	578,567	368,167
Other receivables	1,129,763	952,496
Total receivables	51,682,835	57,764,037
Less allowances for uncollectible amounts		
Ad valorem taxes	(7,008,164)	(6,733,064)
Student tuition and charges	(2,668,797)	(2,840,829)
Other receivables	(29,655)	(20,096)
Total allowances	(9,706,616)	(9,593,989)
Total receivables, net of allowances	\$ 41,976,219	\$ 48,170,048

Payables—Accounts Payable for the fiscal years ended August 31, 2016 and 2015 were as follows:

	2016	2015
Vendors payable	\$ 10,879,197	\$ 13,013,126
Salaries and benefits payable	57,554	27,226
Students payable	2,486,091	14,602,601
Total accounts payable	\$ 13,422,842	\$ 27,642,953

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

18. FUNDS HELD IN TRUST BY OTHERS

The District holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amounts of \$1,804,102 and \$2,096,853 for 2016 and 2015, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

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 year 2016 for which monies have not been received nor funds expended totaled \$48,685,801. Of this amount, \$39,103,248 is from Federal contract and grant awards, \$8,241,149 is from State contract and grant awards, and \$1,341,404 is from Local contract and grant awards. Included in the State grant awards are state appropriations for STARLINK \$346,619 and Small Business Development Center \$2,389,372 for a total of \$2,735,991. Contract and grant award funds already committed or funds awarded during fiscal year 2015 for which monies had not been received nor funds expended totaled \$44,407,287. Of this amount, \$32,696,614 was from Federal contract and grant awards, \$10,257,219 was from State contract and grant awards, and \$1,453,454 was from Local contract and grant awards. Included in the State grant awards are state appropriations for STARLINK \$321,204 and Small Business Development Center \$2,615,030 for a total of \$2,936,234.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

20. SELF-INSURED PLANS

The District is exposed to various risks of loss related torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District fully insures its buildings, structures, contents, and equipment with the purchase of commercial property insurance and also procures general and excess liability insurance and auto coverages. Insurance claims settled with the District's carriers during fiscal years ended August 31, 2016 and 2015 did not exceed insurance coverages.

Prior to August 31, 1998, the District was self-insured for workers' compensation. Effective September 1, 1998, the District implemented a guaranteed cost workers' compensation insurance program to handle workers' compensation claims. The District returned to a self-insured plan effective September 1, 2002. The accrued liability balance is based upon third party actuarial information. Future payments for the incurred claims will be paid from the accrued liability.

Self-insurance activity for the plan prior to 1998 for the fiscal years ended August 31, 2016 and 2015 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
2016	\$ 244,361	\$ -	\$ -	\$ 244,361
2015	244,361	-	-	244,361

Self-insurance activity for the current plan for the fiscal years ended August 31, 2016 and 2015 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
2016	\$ 350,000	\$ 340,694	\$ (340,694)	\$ 350,000
2015	350,000	268,946	(268,946)	350,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

21. AD VALOREM TAXES

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, 2016 and 2015 were \$244,302,623 and \$228,474,342, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2016 and 2015 are as follows:

	2016		
	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	\$ 0.01965	\$ 0.12365

	2015		
	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	\$ 0.02078	\$ 0.12478

At August 31, 2016 and 2015, certified valuation for property taxed by the District was as follows:

	2016	2015
Assessed valuation of DCCCD	\$ 246,799,391,250	\$ 229,252,905,570
Less exempt property	23,738,621,211	22,361,172,000
Less exemptions and Capped Loss	25,781,439,167	24,069,224,510
Net assessed valuation of DCCCD	\$ 197,279,330,872	\$ 182,822,509,060

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

Gross taxes collected for fiscal year 2016:

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

Gross taxes collected for fiscal year 2015:

<u>Gross Taxes Collected - 2015</u>	<u>Maintenance & Operations</u>	<u>Interest & Sinking</u>	<u>2015 Total</u>
Current	\$ 186,164,831	\$ 37,637,606	\$ 223,802,437
Delinquent	854,920	(37,035)	817,885
Penalties and interest	2,001,022	-	2,001,022
Total Gross Collections	<u>\$ 189,020,773</u>	<u>\$ 37,600,571</u>	<u>\$ 226,621,344</u>
Less:			
Appraisal & Collection Fees	2,441,206	347,451	2,788,657
Bad Debt Expense	(149,907)	(25,801)	(175,708)
Total Net Collections	<u>\$ 186,729,474</u>	<u>\$ 37,278,921</u>	<u>\$ 224,008,395</u>

Tax collections for the fiscal years ended August 31, 2016 and 2015 were approximately 99% of the current tax levy for both years. Allowances for uncollectible taxes (See Note 4) are based upon historical experience in collecting ad valorem taxes.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

22. TAX INCREMENT FINANCING DISTRICTS

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

TIF Title	Percentage of Incremental Tax Committed	Expiration Date	Taxes Forgone in 2016	Taxes Forgone in 2015
City of Irving	100%	2014	\$ (83,713)	\$ (86,631)
City of Farmers Branch Mercer Crossing	35	2014	-	(27,399)
City of Farmers Branch Old Farmers Branch	100	2015	-	18,143
City of Grand Prairie #1	100	2020	161,067	135,173
City of Grand Prairie #2	100	2015	(93,303)	94,783
City of Grand Prairie #3	100	2014	(11,856)	-
City of Garland #1	100	2024	28,542	102,401
Total taxes forgone			<u>\$ 737</u>	<u>\$ 236,470</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

23. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The District had no material unrelated business income tax liability for the fiscal years ended August 31, 2016 or 2015.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

24. COMPONENT UNITS

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

Dallas County Community College District Foundation, Inc. (the "Foundation") was established as a separate non-profit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus---An Amendment of GASB Statements No. 14 and No. 34*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in the District's comprehensive annual financial report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for August 31, 2016 and 2015.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

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

General

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

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis financial reporting framework, in accordance with Financial Accounting Standards Board’s (FASB) Accounting Standards Codification (ASC) Topic 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC Topic 958-205, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets:

- **Unrestricted Net Assets** – These are net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- **Temporarily Restricted Net Assets** – These are net assets that are subject to donor-imposed stipulations that require the passage of time and/or the occurrence of a specific event, for them to be used.
- **Permanently Restricted Net Assets** – These are net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

In addition, the Foundation is required by FASB ASC Topic 958-205 to present a statement of cash flows.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash equivalents included in cash and cash equivalents at August 31, 2016 and 2015, amounted to \$3,673,424 and \$2,089,108, respectively. Cash and cash equivalents that are restricted for long-term purposes, including those restricted for endowments, or are not available for the Foundation’s general use have been reported as noncurrent assets in the statements of financial position.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities.

The Foundation maintains an investment management agreement with Smith Asset Management Group, L.P.; Vanguard; Acadian Asset Management, LLC; Harbor Funds; IVA Funds; and Barrow Henley, Mewhinney and Strauss, LLC. These investment managers manage the Foundation's investments in a manner consistent with the investment goals and policies established by the Foundation's Board of Directors.

Revenue Recognition

The Foundation records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized as revenues in the period unconditional promises to give are received by the Foundation. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted using the risk-free rate as of the date the unconditional promise to give was received by the Foundation. Amortization of discounts is recorded as additional contributions in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible receivables is provided based upon management's judgment including such factors as prior collection history, type of contribution and nature of fund-raising activity. Amounts deemed by management to be uncollectible are charged to expenses. Recoveries on receivables previously charged-off are credited to expenses. Management believes that all outstanding pledges are collectible and no allowance is necessary as of August 31, 2016 and 2015.

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

Contributed Services

The salaries of certain Foundation employees have been donated by the District. The estimated fair value of these contributed services is \$991,478 and \$627,379 for fiscal years 2016 and 2015, respectively, and has been included in contributed employees' salaries and benefits in the revenues section, and management and general expenses in the accompanying statements of activities.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

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

The District also provides 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 financial statements.

Federal Income Taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) of 1986, as amended, as an organization described in Section 501(c)(3) of the Code. Income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code. The Foundation did not conduct any unrelated business activities in fiscal years 2016 and 2015. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation has also been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code. The Federal income tax returns, Form 990, filed by the Foundation are subject to routine examinations. There are no current examinations in progress; however, fiscal years 2013 through 2015 are still subject to examination by the Internal Revenue Service.

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. Accordingly, actual results could differ from those estimates. Significant estimates included in the financial statements are (a) present values of contributions receivable expected to be received beyond one year, and (b) the valuation of the investments at fair value.

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	2016		2015	
	Cost	Fair value	Cost	Fair value
Fixed income securities	\$ 3,158,250	\$ 5,334,768	\$ 3,169,984	\$ 5,028,795
Equity investments	5,203,289	6,119,408	4,625,189	5,729,335
Mutual funds	<u>20,906,194</u>	<u>22,752,272</u>	<u>20,036,889</u>	<u>21,693,260</u>
	<u>\$29,267,733</u>	<u>\$34,206,448</u>	<u>\$27,832,062</u>	<u>\$32,451,390</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
Dallas County Community College District Foundation, Inc.**

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE B – INVESTMENTS - Continued

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 change could significantly affect the amounts reported in the financial statements.

For the years ended August 31, 2016 and 2015, the components of investment earnings are:

	2016	2015
Interest and dividend income	\$ 962,927	\$ 1,509,120
Net gain/(loss) on investments carried at fair value	816,186	(2,052,924)
Total return on investments	\$1,779,113	\$ (543,804)

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give:

	August 31,	
	2016	2015
Contributions receivable	\$400,000	\$560,000
Less unamortized discount of .49% at August 31, 2016 and August 31, 2015	(4,852)	(4,852)
	\$395,148	\$555,148

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

	2016	2015
Maturing in less than one year	\$100,000	\$160,000
Maturing between one and five years	295,148	395,148
Total contributions receivable	\$395,148	\$555,148

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>August 31,</u>	
	<u>2016</u>	<u>2015</u>
Student scholarships for tuition and books	\$10,996,940	\$ 8,258,497
Professional development, student related activities, and program support	<u>2,931,804</u>	<u>4,342,360</u>
	<u>\$13,928,744</u>	<u>\$12,600,857</u>

NOTE E - PERMANENTLY RESTRICTED NET ASSETS

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

	<u>August 31,</u>	
	<u>2016</u>	<u>2015</u>
Student scholarships for tuition and books	\$25,686,713	\$25,831,511
Professional development, student related activities, and program support	<u>1,536,866</u>	<u>1,036,563</u>
	<u>\$27,223,579</u>	<u>\$26,868,074</u>

The Foundation's permanently restricted net assets are restricted to investments in perpetuity, although the income from these permanently restricted assets is available for scholarships and grants.

NOTE F - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisting of temporarily and permanently restricted funds were due mainly to satisfaction of purpose restrictions. Net Assets released from restrictions amounted to \$2,548,378 and \$2,624,903 for the years ended August 31, 2016 and 2015, respectively.

NOTE G - CONCENTRATION OF CREDIT RISK

The Foundation maintains deposits in financial institutions which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Foundation's deposit account balance exceeded the federally insured limit by \$287,457 as of August 31, 2016, which was not otherwise insured. The Foundation did not experience any losses in such accounts.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

NOTE H - TRANSACTIONS WITH RELATED PARTIES

The Foundation's payments to the District for scholarships and grants amounted to \$2,134,525 and \$2,388,993 for fiscal years 2016 and 2015, respectively. At August 31, 2016 and 2015, the Foundation recorded a total of \$193,770 and \$310,456, respectively, for scholarships and grants payable to the District.

Also, as described in the Contributed Services paragraph of Note A, the District paid the salaries and benefits of Foundation employees and the estimated fair value of these contributed services is \$991,478 and \$627,379 for fiscal years 2016 and 2015, respectively. Further, the District also provided office space and equipment at no cost to the Foundation. Because the Foundation does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts have been reflected in the Foundation's financial statements.

NOTE I - FAIR VALUE MEASUREMENTS

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

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

Level 1 – Investments in this category 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 in this category 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 in this category 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE I - FAIR VALUE MEASUREMENTS – Continued

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.

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

August 31, 2016	<u>Fair Value Measurement Using Input Considered as:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities	\$ -	\$ 5,334,768	\$ -	\$ 5,334,768
Equity investments	6,119,408	-	-	6,119,408
Mutual funds	-	<u>22,752,272</u>	-	<u>22,752,272</u>
	<u>\$6,119,408</u>	<u>\$28,087,040</u>	<u>\$ -</u>	<u>\$34,206,448</u>

August 31, 2015	<u>Fair Value Measurement Using Input Considered as:</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed income securities	\$ -	\$ 5,028,795	\$ -	\$ 5,028,795
Equity investments	5,729,335	-	-	5,729,335
Mutual funds	-	<u>21,693,260</u>	-	<u>21,693,260</u>
	<u>\$5,729,335</u>	<u>\$26,722,055</u>	<u>\$ -</u>	<u>\$32,451,390</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 significant transfers between Levels 1, 2 and 3 during the year.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS

August 31, 2016 and 2015

NOTE J - ENDOWMENTS

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

On September 1, 2007, the State of Texas promulgated 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. The purposes of UPMIFA are to modernize rules, to articulate prudence standards, and to provide guidance and authority for the management and investment of charitable funds and for endowment spending. The act provides greater direction with respect to making prudent determinations and requires charities to focus on donor intent and the purpose of endowment funds when managing institutional funds.

Interpretation of Relevant Law

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE J - ENDOWMENTS – Continued

Investment Return Objectives and Risk Parameters

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

Strategies Employed for Achieving Objectives

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

Spending Policy

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE J - ENDOWMENTS - Continued

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$9,322,761	\$27,223,579	\$36,546,340
Board restricted endowment funds	<u>8,745</u>	<u>-</u>	<u>-</u>	<u>8,745</u>
Total	<u>\$ 8,745</u>	<u>\$9,322,761</u>	<u>\$27,223,579</u>	<u>\$36,555,085</u>
Endowment net assets, beginning of year	\$ 8,401	8,354,826	26,868,074	35,231,301
Contributions			331,901	331,901
Investment income:				
Dividends and interest	228	712,139	-	712,367
Net realized and unrealized gains on investments	116	596,907	-	597,023
Transfer-in	-	(27,641)	23,604	(4,037)
Amount appropriated for expenditures	<u>-</u>	<u>(313,470)</u>	<u>-</u>	<u>(313,470)</u>
Endowment net assets, end of year	<u>\$ 8,745</u>	<u>\$9,322,761</u>	<u>\$27,223,579</u>	<u>\$36,555,085</u>

Endowment Net Asset Composition by Type of Fund as of August 31, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 8,354,826	\$26,868,074	\$35,222,900
Board restricted endowment funds	<u>8,401</u>	<u>-</u>	<u>-</u>	<u>8,401</u>
Total	<u>\$ 8,401</u>	<u>\$ 8,354,826</u>	<u>\$26,868,074</u>	<u>\$35,231,301</u>
Endowment net assets, beginning of year	\$ 7,878	\$ 9,133,884	\$25,428,702	\$34,570,464
Contributions	-	-	1,436,659	1,436,659
Investment income:				
Dividends and interest	333	1,066,068	-	1,066,401
Net realized and unrealized gains (losses) on investments	190	(1,492,301)	-	(1,492,109)
Released from restrictions	-	(113)	2,713	2,600
Amount appropriated for expenditures	<u>-</u>	<u>(352,712)</u>	<u>-</u>	<u>(352,712)</u>
Endowment net assets, end of year	<u>\$ 8,401</u>	<u>\$ 8,354,826</u>	<u>\$26,868,074</u>	<u>\$35,231,301</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Dallas County Community College District Foundation, Inc.

NOTES TO FINANCIAL STATEMENTS
August 31, 2016 and 2015

NOTE K - NET ASSET VALUE PER SHARE

In accordance with FASB Accounting Standards Update No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, the Foundation expanded its disclosure to include the categories, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value (NAV) per share or its equivalent for which the fair value is not readily determinable as of August 31, 2016 and 2015.

For the Foundation, such assets include investments in a fixed income fund. Investments in the fund are valued at a NAV of \$18.50 and \$17.37 per unit, as of August 31, 2016 and 2015, respectively, and the Foundation had 288,444 and 289,515 units as of August 31, 2016 and 2015, respectively.

The following table sets forth a summary of the investments for which the fair value has been estimated using the NAV of the investments.

	Fair Value Estimated Using NAV per Share August 31, 2016 and 2015					Redemption Notice Period
	Fair Value as of August 2016	Fair Value as of August 2015	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	
Barrow, Hanley, Mewhinney & Strauss BHMS Core Fixed Income Fund (a)	<u>\$5,334,768</u>	<u>\$5,028,795</u>	None	Daily	None	30 days
Total	<u>\$5,334,768</u>	<u>\$5,028,795</u>				

(a) The fund seeks to provide long term total return with prudent risk of principal by investing in U.S. investment-grade fixed income securities with diversified maturities.

NOTE L - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2016, the date financial statements were available to be issued.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

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

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

Beginning with Fall 2010 classes, a new area of emphasis for students to select from was added - performing and other arts. Because of the expanded offerings, the "Mathematics, Science, and Engineering" portion of the school name has been dropped and is now simply Richland Collegiate High School.

The Richland Collegiate High School has the same legal identity as the District and is governed by the same Board. For operating purposes, in accord with TEA requirements, all revenue and expenses are tracked through a separate general ledger account. For financial reporting purposes, fiscal information for the charter high school is included in the financial statements of the District.

The Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, a Statements of Cash Flows, and a Schedule of Expenses for the fiscal years ended August 31, 2016 and 2015 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2016.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 1

DATA CONTROL CODES	ASSETS	2016	2015
	CURRENT ASSETS:		
1110	Cash and cash equivalents	\$ 352,417	\$ 85,091
1120	Short-term investments	335,216	479,862
1240	Accounts receivable (net) - governments	17,034	32,081
1290	Accounts receivable (net) - others	<u>12,986</u>	<u>10,040</u>
	Total current assets	717,653	607,074
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	10,284	11,583
1910	Investments	<u>1,684,531</u>	<u>1,604,041</u>
1900	Total non-current assets	<u>1,694,815</u>	<u>1,615,624</u>
1000	TOTAL ASSETS	2,412,468	2,222,698
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	<u>-</u>	<u>-</u>
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2110	Accounts payable	-	2,300
2123	Funds held for others	360	929
2501	Due to District (parent organization)	<u>17,034</u>	<u>32,081</u>
	Total current liabilities	<u>17,394</u>	<u>35,310</u>
2000	TOTAL LIABILITIES	17,394	35,310
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	<u>-</u>	<u>-</u>
	Total deferred inflows of resources	-	-
	NET POSITION		
3600	Invested in capital assets, net of related debt	10,284	11,583
3600	Unrestricted	<u>2,384,790</u>	<u>2,175,805</u>
3000	TOTAL NET POSITION	<u>\$ 2,395,074</u>	<u>\$ 2,187,388</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 2

District Presentation		
	2016	2015
OPERATING REVENUES:		
Federal grants and contracts	\$ 17,034	\$ 32,081
Total operating revenues	17,034	32,081
OPERATING EXPENSES:		
Instruction	2,192,915	1,434,305
Public Service	315,544	278,504
Academic support	181,328	186,993
Student services	492,847	521,306
Institutional support	758,788	796,965
Plant Maintenance and operation	13,948	702
Depreciation	1,299	1,299
Total operating expenses	3,956,669	3,220,074
OPERATING LOSS	(3,939,635)	(3,187,993)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	4,123,192	3,234,306
Investment income	24,129	19,979
Net non-operating revenues	4,147,321	3,254,285
INCREASE IN NET POSITION	207,686	66,292
NET POSITION:		
Net Position—Beginning of Year	2,187,388	2,121,096
Net Position—End of Year	\$ 2,395,074	\$ 2,187,388

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

EXHIBIT 2
(CONTINUED)

TEA Classifications		2016	2015
Data Control Codes			
	OPERATING REVENUES:		
5929	Federal grants revenue distributed by TEA	\$ 17,034	\$ 32,081
5929	Total operating revenues	17,034	32,081
	OPERATING EXPENSES:		
0011	Instruction	2,508,458	1,712,808
0012	Instructional resources and media services	38,840	37,895
0013	Curriculum development & instructional	109,103	119,560
0023	School leadership	491,800	485,547
0031	Guidance, counseling and evaluation services	400,593	436,952
0033	Health services	55,455	38,885
0034	Student transportation	28,000	28,882
0035	Food service	10,098	17,883
0036	Co-Curricular/Extra-curricular	-	4
0041	General administration	189,630	237,350
0051	Plant maintenance and operation	13,950	702
0052	Security and monitoring services	77,358	74,068
0053	Data processing services	33,384	29,538
6000	Total operating expenses	3,956,669	3,220,074
1100	OPERATING LOSS	(3,939,635)	(3,187,993)
	NON-OPERATING REVENUES (EXPENSES):		
5800	State appropriations	4,123,192	3,234,306
5742	Investment income	24,129	19,979
	Net non-operating revenues	4,147,321	3,254,285
1200	INCREASE IN NET POSITION	207,686	66,292
	NET POSITION:		
0100	Net Position—Beginning of Year	2,187,388	2,121,096
3000	Net Position—End of Year	\$ 2,395,074	\$ 2,187,388

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
EXHIBIT 3

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ 32,081	\$ 7,527
Payments to suppliers for goods and services	<u>(3,976,232)</u>	<u>(3,189,952)</u>
Net cash used in operating activities	<u>(3,944,151)</u>	<u>(3,182,425)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	<u>4,123,192</u>	<u>3,234,306</u>
Net cash provided by non-capital financing activities	<u>4,123,192</u>	<u>3,234,306</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of equipment	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	24,129	19,979
Purchase of investments	-	(236,423)
Sale of investments	<u>64,157</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>88,286</u>	<u>(216,444)</u>
Increase (decrease) in cash and cash equivalents	267,327	(164,563)
Cash and cash equivalents - September 1	<u>85,091</u>	<u>249,654</u>
Cash and cash equivalents - August 31	<u>\$ 352,418</u>	<u>\$ 85,091</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (3,939,635)	\$ (3,187,993)
Depreciation	1,299	1,299
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	12,101	(24,554)
Inventories	-	-
Accounts payable	<u>(17,916)</u>	<u>28,823</u>
Net cash used in operating activities	<u>\$ (3,944,151)</u>	<u>\$ (3,182,425)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016

		Budgeted Amounts		Actual	Actual to Budget	Percent Actual
		Original	Final	Amounts	Variance	to Final Budget
REVENUES						
Local Support						
5740	Local and intermediate sources	\$ 19,763	\$ 19,763	\$ 24,129	\$ 4,366	22.09% ^a
3600	Decrease/use of fund balance	-	-	-	-	n/a
State program revenues:						
5800	Foundation School Program Act Revenues	3,482,733	4,123,192	4,123,192	-	0.00%
Federal program revenues:						
5900	5900 Federal program revenues	-	32,717	17,034	(15,683)	-47.94% ^b
	Total revenues	3,502,496	4,175,672	4,164,355	(11,317)	-0.27%
EXPENDITURES						
State program expenditures						
0011	11 Instruction ¹	1,937,977	2,613,859	2,508,458	(105,401)	-4.03%
0012	12 Instructional resources and media services	38,804	42,500	38,840	(3,660)	-8.61%
0013	13 Curriculum and staff development ¹	126,644	127,400	109,103	(18,297)	-14.36% ^c
0023	23 School leadership	495,548	520,000	491,800	(28,200)	-5.42%
0031	31 Guidance, counseling, and evaluation services	406,142	435,000	400,593	(34,407)	-7.91%
0033	33 Health services	56,363	60,000	55,455	(4,545)	-7.58%
0034	34 Student transportation	28,763	28,763	28,000	(763)	-2.65%
0035	35 Food service	15,098	11,500	10,098	(1,402)	-12.19% ^d
0041	41 General administration	285,365	203,000	189,630	(13,370)	-6.59%
0051	51 Facilities maintenance and operations	1,000	15,400	13,950	(1,450)	-9.42%
0052	52 Security and monitoring services	80,545	85,000	77,358	(7,642)	-8.99%
0053	53 Data processing services	30,247	33,250	33,384	134	0.40%
	Total expenditures	3,502,496	4,175,672	3,956,669	(219,003)	-5.24%
1200	Net change in fund balances	-	-	207,686	207,686	n/a
0100	Fund balances--beginning	2,187,388	2,187,388	2,187,388	-	0.00%
3000	Fund balances--ending	\$2,187,388	\$2,187,388	\$2,395,074	\$ 207,686	9.49%

¹ Includes grant-funded expenditures

Variance Explanations

^a Reflects unrealized market gains

^{c,d} Anticipated expenses were not realized

^b Grant funds are not reported in original PEIMS budget

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF EXPENSES
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Expenses Object	2016	2015
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	3,054,971	2,608,248
6300 Supplies/Material	881,659	590,961
6400 Other Operating	20,039	20,864
	<u>\$ 3,956,670</u>	<u>\$ 3,220,074</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015

Asset Object	Local Ownership Interest	
	2016	2015
1110 Cash and cash equivalents	\$ 352,417	\$ 85,091
1120 Short-term investments	335,216	479,862
1539 Furniture and equipment	10,284	11,583
	<u>\$ 697,917</u>	<u>\$ 576,536</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

26. RELATED PARTIES

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

The Foundation's payments to the District for scholarships and grants amounted to \$2,134,525 and \$2,388,993 for fiscal years 2016 and 2015, respectively. At August 31, 2016 and 2015, the Foundation recorded a total of \$193,770 and \$310,456, respectively, for scholarships and grants payable to the District.

The District paid the salaries and benefits of certain Foundation employees. The value of these contributed services is \$991,478 and \$627,379 for fiscal years 2016 and 2015, respectively. Also, the District provided office space and equipment at no cost to the Foundation. Because DCCCD does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts can be disclosed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015**

27. SUBSEQUENT EVENTS

On September 14, 2016, the District closed on the purchase of a dental hygiene program from Sanford Brown, a division of Career Education Corporation. The District purchased the assets of a 19 chair dental hygiene program for \$200,000. The District also agreed to sublease approximately 10,357 square feet under the existing terms of the agreement through June 30, 2021, with annual lease of \$191,244. The purchase and the sublease will be recorded in fiscal year 2017.

At its November 1, 2016, regular meeting of the Board of Trustees, the Board approved the transfer of the District's Quasi-Endowment fund to the Foundation. The transfer of approximately \$5.8 million of fund balance and the annual revenue of \$400,000 will be transferred during fiscal year 2017. The Foundation will continue the purpose of the fund, student scholarships.

Management has evaluated subsequent events through December 15, 2016. 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 SCHEDULES FOR
NET PENSION LIABILITY**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF DISTRICT'S SHARE OF NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
SCHEDULE G**

<u>Fiscal Year Ending August 31*,</u>	<u>2016**</u>	<u>2015**</u>
TRS net position as percentage of total pension liability	78.43%	83.25%
District's proportionate share of collective net pension liability (%)	0.18790100%	0.20021710%
District's proportional share of collective net pension liability (\$)	\$ 66,420,502	\$ 53,480,756
Portion of NECE's total proportionate share of NPL associated with District	35,699,280	39,533,837
Total	<u>\$ 102,119,782</u>	<u>\$ 93,014,593</u>
District's covered payroll amount	\$ 153,203,688	\$ 139,925,162
Ratio of ER proportionate share of collective NPL/ER's covered payroll amount	43.35%	38.22%

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2016 AND 2015
SCHEDULE H**

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

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES FOR NET PENSION LIABILITY
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

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

Changes in Benefit Terms include:

There were no changes in benefit terms for the fiscal year ended August 31, 2016.

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, 2016.

Changes of Assumptions:

There were no changes of assumptions for the fiscal year ended August 31, 2016.

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

Legally required contributions for fiscal year 2016 increased \$908,564 or 9.5% from fiscal year 2015. Legally required contributions for fiscal year 2015 increased \$789,432 or 9.0% from fiscal year 2014. The District's covered payroll amount in fiscal year 2016 increased \$13.3 million or 9.4% from fiscal year 2015. The District's covered payroll amount in fiscal year 2015 increased \$11.6 million or 9.0% from fiscal year 2014. In 2016, the District's Board of Trustees approved a cost of living increase to the majority of its staff of 3.0%. In fiscal year 2015, the District's Board of Trustees approved a cost of living increase to the majority of its staff of 2.5% and additionally revised its salary schedules to increases ranging from 7.5% to 8.5% which primarily effected rates of pay to new hires.

SUPPLEMENTAL INFORMATION

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPERATING REVENUES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2015)
 SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2016	2015
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 62,190,641	\$ -	\$ 62,190,641	\$ -	\$ 62,190,641	\$ 61,173,729
Out-of-district resident tuition	18,847,560	-	18,847,560	-	18,847,560	16,077,785
Non-resident tuition	19,129,045	-	19,129,045	-	19,129,045	15,514,691
TPEG - credit (set aside) *	5,248,360	-	5,248,360	-	5,248,360	4,492,777
State-funded continuing education	10,794,615	-	10,794,615	-	10,794,615	12,167,405
TPEG - non-credit (set aside) *	1,200,379	-	1,200,379	-	1,200,379	1,350,900
Non-state funded educational programs	4,066,210	-	4,066,210	-	4,066,210	3,694,834
Total Tuition	<u>121,476,810</u>	<u>-</u>	<u>121,476,810</u>	<u>-</u>	<u>121,476,810</u>	<u>114,472,121</u>
Fees:						
Installment plan fees	886,455	-	886,455	-	886,455	859,220
Prior year tuition and fees	(1,081)	-	(1,081)	-	(1,081)	135
Total fees	<u>885,374</u>	<u>-</u>	<u>885,374</u>	<u>-</u>	<u>885,374</u>	<u>859,355</u>
Scholarship allowances and discounts:						
Bad debt allowance	(1,243,100)	-	(1,243,100)	-	(1,243,100)	(640,300)
Remissions and exemptions - state	(1,454,484)	-	(1,454,484)	-	(1,454,484)	(1,480,236)
Remissions and exemptions - local	(12,523,939)	-	(12,523,939)	-	(12,523,939)	(9,616,382)
Title IV federal grants	(25,756,235)	-	(25,756,235)	-	(25,756,235)	(27,059,780)
Other federal grants	(2,612,714)	-	(2,612,714)	-	(2,612,714)	(2,848,761)
State grants	(5,317,595)	-	(5,317,595)	-	(5,317,595)	(5,662,196)
TPEG awards	(2,244,292)	-	(2,244,292)	-	(2,244,292)	(2,934,824)
Rising Star program	(249,663)	-	(249,663)	-	(249,663)	(221,310)
Other local grants	8,512	-	8,512	-	8,512	47,663
Total scholarship allowances	<u>(51,393,510)</u>	<u>-</u>	<u>(51,393,510)</u>	<u>-</u>	<u>(51,393,510)</u>	<u>(50,416,126)</u>
Total net tuition and fees	<u>70,968,674</u>	<u>-</u>	<u>70,968,674</u>	<u>-</u>	<u>70,968,674</u>	<u>64,915,350</u>
Additional operating revenues:						
Federal grants and contracts	1,589,084	16,372,135	17,961,219	110,274	18,071,493	16,375,569
State grants and contracts	234,636	10,335,785	10,570,421	16,733	10,587,154	12,342,567
Non-governmental grants and contracts	3,118	2,354,442	2,357,560	-	2,357,560	2,511,033
Sales and services of educational activities	591,143	-	591,143	-	591,143	550,611
Other operating revenues	1,909,901	-	1,909,901	-	1,909,901	1,626,474
Total additional operating revenues	<u>4,327,882</u>	<u>29,062,362</u>	<u>33,390,244</u>	<u>127,007</u>	<u>33,517,251</u>	<u>33,406,254</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	394,168	394,168	1,332,011
Food Service	-	-	-	634,574	634,574	607,424
Center for Educational Telecommunications	-	-	-	539,416	539,416	919,336
Business Incubation Center	-	-	-	56,426	56,426	163,565
Student Programs	-	-	-	441,272	441,272	394,630
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,065,856</u>	<u>2,065,856</u>	<u>3,416,966</u>
Total Operating Revenues	<u>\$ 75,296,556</u>	<u>\$ 29,062,362</u>	<u>\$ 104,358,918</u>	<u>\$ 2,192,863</u>	<u>\$ 106,551,781</u>	<u>\$ 101,738,570</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$5,843,677 and \$5,332,554 for the fiscal years August 31, 2016 and 2015, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

DALLAS COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPERATING EXPENSES BY OBJECT
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
 SCHEDULE B

	Operating Expenses				Total 2016	Total 2015
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED - Educational Activities						
Instruction	\$ 132,160,073	\$ -	\$ 14,640,176	\$ 19,399,842	\$ 166,200,091	\$ 161,306,161
Public Service	3,594,628	-	675,271	2,596,981	6,866,880	6,155,714
Academic Support	14,137,380	-	2,035,594	4,520,144	20,693,118	18,579,102
Student Services	26,534,261	-	4,574,942	10,071,207	41,180,410	37,723,752
Institutional Support	54,111,825	-	9,239,378	9,857,007	73,208,210	67,163,968
Operation and Maintenance of Plant	9,297,728	-	2,937,178	27,245,168	39,480,074	35,295,596
Total unrestricted educational activities	<u>239,835,895</u>	<u>-</u>	<u>34,102,539</u>	<u>73,690,349</u>	<u>347,628,783</u>	<u>326,224,293</u>
RESTRICTED - Educational Activities						
Instruction	3,025,764	14,044,785	515,969	2,327,366	19,913,884	18,785,286
Public Service	1,396,291	-	297,205	5,764,580	7,458,076	5,764,095
Academic Support	281,134	1,502,394	47,174	(6,952)	1,823,750	1,804,934
Student Services	2,189,781	2,819,823	418,745	1,188,994	6,617,343	6,941,839
Institutional Support	1,952,565	5,750,519	373,843	1,028,676	9,105,603	10,013,532
Scholarships and Fellowships	-	-	-	52,338,154	52,338,154	65,101,531
Total restricted educational activities	<u>8,845,535</u>	<u>24,117,521</u>	<u>1,652,936</u>	<u>62,640,818</u>	<u>97,256,810</u>	<u>108,411,217</u>
TOTAL EDUCATIONAL ACTIVITIES	248,681,430	24,117,521	35,755,475	136,331,167	444,885,593	434,635,510
AUXILIARY ENTERPRISES	4,237,236	-	766,639	4,222,558	9,226,433	9,584,615
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	20,816,636	20,816,636	22,907,176
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,060,916	5,060,916	4,908,089
TOTAL OPERATING EXPENSES	<u>\$ 252,918,666</u>	<u>\$ 24,117,521</u>	<u>\$ 36,522,114</u>	<u>\$ 166,431,277</u>	<u>\$ 479,989,578</u>	<u>\$ 472,035,390</u>
				(Exhibit 2)	(Exhibit 2)	

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 2016</u>	<u>Total 2015</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 85,655,418	\$ -	\$ -	\$ 85,655,418	\$ 87,146,027
State group insurance	-	15,475,496	-	15,475,496	14,641,581
State retirement matching	-	8,642,025	-	8,642,025	9,513,815
SBDC state match	-	1,903,339	-	1,903,339	1,743,938
Starlink	-	300,620	-	300,620	275,364
Hazlewood state reimbursement	41,593	-	-	41,593	9,507
Foundation school program	4,123,192	-	-	4,123,192	3,234,306
Total state appropriations	<u>89,820,203</u>	<u>26,321,480</u>	<u>-</u>	<u>116,141,683</u>	<u>116,564,538</u>
Maintenance ad valorem taxes	202,642,012	38,244,660	-	240,886,672	224,008,395
Federal revenue, non-operating	-	73,159,045	-	73,159,045	86,496,630
Gifts	138,046	-	-	138,046	112,111
Investment income (loss)	3,251,822	51,852	260,750	3,564,424	4,039,978
Gain on sale of investment	-	-	-	-	-
Contributions in aid of construction	-	-	-	-	-
Other non-operating revenue	1,998,324	-	-	1,998,324	187,256
Total non-operating revenues	<u>297,850,407</u>	<u>137,777,037</u>	<u>260,750</u>	<u>435,888,194</u>	<u>431,408,908</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	11,574,217	-	-	11,574,217	15,097,814
Loss on disposal of capital assets	596,503	-	-	596,503	857,050
Other non-operating expense	667,556	-	-	667,556	316,904
Total non-operating expenses	<u>12,838,276</u>	<u>-</u>	<u>-</u>	<u>12,838,276</u>	<u>16,271,768</u>
NET NON-OPERATING REVENUES	<u>\$ 285,012,131</u>	<u>\$ 137,777,037</u>	<u>\$ 260,750</u>	<u>\$ 423,049,918</u> (Exhibit 2)	<u>\$ 415,137,140</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2015)
 SCHEDULE D

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 137,977,806	\$ -	\$ -	\$ -	\$ 137,977,806	\$ 137,977,806	\$ -
Auxiliary enterprises	18,396,262	-	-	-	18,396,262	18,396,262	-
Restricted	-	-	-	-	-	-	-
Loan	134,648	-	-	-	134,648	-	134,648
Endowment:							
Quasi:							
Unrestricted	5,760,846	-	-	-	5,760,846	-	5,760,846
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	56,152,683	4,648,507	-	-	60,801,190	-	60,801,190
Debt Service	-	2,319,427	-	-	2,319,427	-	2,319,427
Investment in Plant	-	-	-	343,314,639	343,314,639	-	343,314,639
TOTAL NET POSITION-- August 31, 2016	218,422,245	6,967,934	-	343,314,639	568,704,818 (Exhibit 1)	156,374,068	412,330,750
TOTAL NET POSITION-- August 31, 2015	207,813,069	8,595,991	-	302,683,637	519,092,697 (Exhibit 1)	144,140,634	374,952,063
NET INCREASE (DECREASE) IN NET POSITION	\$ 10,609,176	\$ (1,628,057)	\$ -	\$ 40,631,002	\$ 49,612,121 (Exhibit 2)	\$ 12,233,434	\$ 37,378,687

**SCHEDULES FOR
FEDERAL AND STATE SINGLE AUDIT**



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

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Board of Trustees
Dallas County Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements Dallas County Community College District (the "District") as of and for the year ended August 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 15, 2016.

Internal control over financial reporting

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

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

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Intended purpose

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

GRANT THORNTON LLP

Dallas, Texas
December 15, 2016



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

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Board of Trustees
Dallas County Community College District

Report on compliance for each major federal program

We have audited the compliance of Dallas County Community College District (the “District”) with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* and the State of Texas *Single Audit Circular* that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2016. The District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s responsibility

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

Auditor’s responsibility

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

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

Opinion on each major federal program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2016.

Other matters

The results of our audit procedures disclosed an instance of noncompliance, described in the accompanying schedule of findings and questioned costs as item 2016-001 that is required to be reported in accordance with the Uniform Guidance and the *Circular*. Our opinion on each major federal and state program is not modified with respect to this matter.

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

Report on internal control over compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned as item 2016-001 that we consider to be a significant deficiency in the District's internal control over compliance.

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

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

GRANT THORNTON LLP

Dallas, Texas
December 15, 2016

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
SCHEDULE E**

Grantor Program Name	CFDA	Grant #	Expenditures	Pass-Through to Sub-Recipients
U.S. Department of Education				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant	84.007A (1)		\$ 551,814.00	
Federal Work-Study Program	84.033A (1)		1,344,782	
Federal Work-Study Program	84.033A (1)		58,268	
Federal PELL Grant Program	84.063P (1)		60,230,995	
Federal Direct Student Loans	84.268 (1)		32,821,054	
TRIO Cluster				
TRIO_Student Support Services	84.042A (2)	P042A1-00709/00253/00557/ & 10753/51162/50487/50721	1,104,839	
TRIO_Talent Search	84.044A (2)	P044A111046	232,161	
TRIO_Upward Bound	84.047A (2)	P047A12-0553,0112,0815,0819,1612	1,301,778	
Other Direct Programs				
Higher Education_Institutional Aid	84.031A	P031A140139	385,551	
Higher Education_Institutional Aid	84.031C	P031C110083 / P031C110086	1,682,892	
Higher Education_Institutional Aid	84.031S	P031S- 100071/150018	612,846	
Higher Education_Institutional Aid	84.031L	P031L-100010/150024	139,656	
Higher Education_Institutional Aid	84.031S	P031S100113	116,341	
Strengthening Minority-Serving Institutions	84.382A	P382A150037	104,000	
Fund for the Improvement of Postsecondary Education	84.116G	P116G150121	68,701	
Total Direct from U. S. Department of Education			100,755,678	
Pass-Through From:				
Texas Higher Education Coordinating Board				
Career and Technical Education -- Basic Grants to States	84.048	15031/154231/16026/164226	1,972,898	
Career and Technical Education -- Basic Grants to States	84.048A	13252	13,793	
Career and Technical Education -- Basic Grants to States	84.048	16005	116,887	
Education Research, Development and Dissemination	84.305H	R305H1502094	-	
			<u>2,103,578</u>	
Texas Workforce Commission / Workforce Solutions Greater Dallas				
Adult Education - Basic Grants to States	84.002A	AEL 1-2015	106,793	
Adult Education - Basic Grants to States	84.002A	DCCCD-AEL 1-2014	1,323,492	
Adult Education - Basic Grants to States	84.002A	DCCCD-AEL 3-2016	309,672	
			<u>1,739,957</u>	
Del Mar College				
Career and Technical Education -- Basic Grants to States	84.048	151117	1,000	
Texas Education Agency				
Title I Grants to Local Educational Agencies	84.010A	S010A150043	17,034	
Total Pass-Through Other Agencies			3,861,569	
Total U. S. Department of Education			104,617,247	

(1) Clustered Student Financial Aid Programs
(2) Clustered TRIO Programs
(3) Clustered SNAP Programs
(4) Clustered WIA Programs
(5) Clustered TANF Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

**SCHEDULE E
(CONTINUED)**

Grantor Program Name	CFDA	Grant #	Expenditures	Pass-Through to Sub-Recipients
U. S. Department of Commerce				
Direct Programs:				
Education Quality Award Ambassadorship	11.013	60NANB11D134	\$ 4,135	
Total U. S. Department of Commerce			4,135	
U.S. Department of Labor				
Direct Programs:				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	TC-26492-14-60-A-48	2,062,065	
Total Direct from U. S. Department of Labor			2,062,065	
Pass-Through From:				
Dallas County Local Workforce Development Board				
WIA/WIOA Cluster:				
WIA/WIOA Adult Program	17.259 (4)	RLC 3-2011	(6,980)	
WIA/WIOA Adult Program	17.259 (4)	RLC 4-2011	70,282	
WIA/WIOA Adult Program	17.259 (4)	RLC 5-2015	543,640	
			606,942	
Cincinnati State Technical & Community College				
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282	TC-22486-11-60-A-39	2,288	
Houston Community College				
H-1B Job Training Grants	17.268	AP-27829-15-60-A-48	68,536	
Texas Workforce Commission				
WIA/WIOA Dislocated Worker Formula Grants	17.278 (4)	0616ATP000	17,777	
WIA/WIOA Dislocated Worker Formula Grants	17.278 (4)	0615ATP000	1,276	
			19,053	
Total Pass-Through from U.S. Department of Labor			696,820	
Total U.S. Department of Labor			2,758,885	

(1) Clustered Student Financial Aid Programs
(2) Clustered TRIO Programs
(3) Clustered SNAP Programs
(4) Clustered WIA Programs
(5) Clustered TANF Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
SCHEDULE E
(CONTINUED)

Grantor Program Name	CFDA	Grant #	Expenditures	Pass-Through to Sub-Recipients
National Science Foundation				
Direct Programs:				
Education and Human Resources	47.076	DUE-1304004	\$ 16,334	
Education and Human Resources	47.076	DUE-1501105	10,849	
Total Direct from National Science Foundation			27,183	
Pass-Through From:				
Collin County Community College				
Education and Human Resources	47.076	DUE-1205077	20,131	
Texas A&M University				
Education and Human Resources	47.076	DUE-1304843	36,116	
Total Pass-Through from National Science Foundation			56,247	
Total National Science Foundation:			83,430	
U. S. Small Business Administration				
Direct Programs:				
Small Business Development Centers	59.037	5-603001-EZ-0044 & 6-603001-EZ-0014	2,902,793	1,478,519
Total Small Business Administration			2,902,793	1,478,519
U.S. Department of Veterans Affairs				
Direct Programs:				
Post-9/11 Veterans Educational Assistance	64.027		2,011,614	
Total U.S. Department of Veterans Affairs			2,011,614	
U.S. Department of Health & Human Services				
Pass-Through From:				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	1U79SM062515-01	24,825	
University of Texas at Austin				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	UTA12-001079	39,628	
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558 (5)	DCCCD-AEL 1-2014	171,517	
Temporary Assistance for Needy Families	93.558 (5)	0616ATP000	23,616	
Temporary Assistance for Needy Families	93.558 (5)	0615ATP000	917	
Temporary Assistance for Needy Families	93.558 (5)	0615SMP000	(147)	
Temporary Assistance for Needy Families	93.558 (5)	0616SMP001	14,671	
Temporary Assistance for Needy Families	93.558 (5)	0616SMP002	22,747	
Temporary Assistance for Needy Families	93.558 (5)	2915SSF000	27,205	
			260,526	
Dallas County Local Workforce Development Board				
Child Care and Development Block Grant	93.575	CCO 1-2013/CCO 2-2013/ CQI 1-2015	306,635	
Child Care and Development Block Grant	93.575	RLC-AEL 3-2016	41,477	
			348,112	
Total Pass-Through from Department of Health & Human Services:			673,091	
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 113,051,195	\$ 1,478,519

- (1) Clustered Student Financial Aid Programs
- (2) Clustered TRIO Programs
- (3) Clustered SNAP Programs
- (4) Clustered WIA Programs
- (5) Clustered TANF Programs

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
SCHEDULE F

State Agency/ Program Name	Grant #	Expenditures
Texas Higher Education Coordinating Board		
Texas Grant Program		\$ 125,942
Texas Education Opportunity Grant		3,715,903
Texas College Work Study		240,315
Top 10% Scholarship Program		9,600
T-Stem Challenge Scholarship	15140	202,793
	11829/31/32/39	
Work Study Student Mentorship Program	15552/56/61/62	179,949
Transition Texas	12345, 12354, 12357	13,348
Career and Technical Education Early College		
High School	13252	62,019
Nursing Shortage Reduction Program	NSRP FY2010-11 Under 70	43,326
Pathways Project Grant	16568	2,462
Total Direct Texas Higher Education Coordinating Board		4,595,657
Pass-Through THECB		
University of Texas at Arlington		
Nursing Innovation Grant (NIGP)	14007	102,038
Total Pass-Through THECB		102,038
Total Texas Higher Education Coordinating Board		4,697,695
Texas Education Agency		
Dropout Recovery Performance Pay	111045587110018	3,259
Total Texas Education Agency		3,259

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016
SCHEDULE F
(CONTINUED)**

State Agency/ Program Name	Grant #	Expenditures
Texas Workforce Commission		
Skills Development Funds		
Manufacturing Consortium	0614SDF000	\$ 15,653
Partnership with Integracolor	0614SDF003	50,777
Partnership with Manufacturing Consortium	0614SDF004	63,264
BC with International Flavors & Fragrances	0614SDF005	54,591
Partnership with Associa Client	0614SDF006	182,259
AT&T Services	0614SDF007	(768)
Health Care Innovator	0614SDF010	628,581
Technical Education Advancement	0614SDF011	722,456
NLC/CEF Construction Consortium	0614SDF012	846,376
SDF Veteran & Industry Partnership	0614SDF013	27,282
Manufacturing Consortium	0615SDF000	84,722
Swaydental Management Company	0615SDF001	139,766
AAA Texas	0615SDF002	402,332
Medical Center Alliance	0615SDF003	395,538
DCMA Manufacturing	0615SDF004	440,410
Airbus Helicopters	0615SDF005	381,400
Electrical Contractor Consortium	0615SDF006	478,141
AT&T Services	0616SDF000	448,332
Architect Consortium (AIA)	0616SDF001	41,411
Accelerated Customized Manufacturing Skills	0616SDF002	9,850
Total Skills Development Funds		5,412,373
Apprenticeship Training Program	0616ATP000	205,351
Apprenticeship Training Program	0615ATP000	(1,952)
Total Apprenticeship Training Program		203,399
Jobs and Education for Texans Program (JET)	0614JETS000 / 5535-6	(19,101)
Skills for Small Business	0614SSD001	2,933
Skills for Small Business	0614SSD002	2,100
Skills for Small Business	0614SSD003	12,949
Skills for Small Business	0614SSD005	(4,600)
Skills for Small Business	0614SSD006	25,958
Skills for Small Business	0616SSD001	10,000
Total Skills for Small Business		49,340
Total Direct from Texas Workforce Commission		5,646,011
Pass-Through Texas Workforce Commission		
Dallas County Local Workforce Development Board		
Adult Education Literacy	DCCCD-AEL 1-2014	121,747
Total Pass-Through Dallas County Local Workforce Development Board		121,747
Total Texas Workforce Commission		5,767,758
TOTAL EXPENDITURES OF STATE AWARDS		\$ 10,468,712

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

1. GENERAL

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

2. BASIS OF ACCOUNTING

The expenditures included in the Schedules are reported for the District's fiscal year ended August 31, 2016. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the District for the purposes of the awards. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the Schedules may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various funding agencies in the preparation of the Schedules.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal and State award revenues are reported in the financial statements of the District for the fiscal year ended August 31, 2016, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 18,071,493	\$ 10,587,154
Federal revenue, non-operating per Exhibit 2	73,159,045	-
Federal Direct Student Loans	32,821,054	-
Fall tuition-related grants deferred to next fiscal year	(11,000,397)	(118,442)
Other - Audit Adjustments	-	-
	<u> </u>	<u> </u>
Total expenditures for Federal/State Awards	<u>\$ 113,051,195</u>	<u>\$ 10,468,712</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

4. AMOUNTS PASSED THROUGH TO OTHERS

Amounts Passed Through by the District – Federal:

The following amounts were passed through to the listed sub-recipients by the District. These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, CFDA 59.037. (Award 5-603001-EZ-0044 and 6-603001-EZ-0014)

Collin College	\$ 234,157
Grayson College	110,275
Kilgore College	170,164
McLennan Community College	139,411
Navarro College	122,026
North Central Texas College	89,854
Northeast Texas Community College	142,986
Paris Junior College	114,152
Tarrant County College	241,345
Trinity Valley Community College	63,416
Tyler Junior College	50,733
	1,478,519

Amounts Passed Through by the District – State:

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

Collin College	\$ 115,048
Grayson College	105,217
Kilgore College	115,565
McLennan Community College	123,376
Navarro College	101,920
North Central Texas College	99,890
Northeast Texas Community College	115,630
Paris Junior College	40,693
Tarrant County College	221,770
Trinity Valley Community College	118,218
Tyler Junior College	131,969
	1,289,296

Total Amounts Passed Through to Others	\$ 2,767,815
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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2016**

5. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Although Direct Loans “are made to students (not the institution of higher education)” as confirmed in the June 2010 *A-133 Compliance Supplement*, page 5-3-48, they also recommend the amounts for such loans be included on the face of the Schedule of Expenditures of Federal Awards (SEFA). Subtracting the effect of including these loans on the SEFA, actual expenditures of Federal awards for the 2016 fiscal year are \$80,230,141.

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
Department of Education			
84.268 Direct Loans	\$ 32,821,054	-	\$ 32,821,054

6. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

7. INDIRECT COST

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

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? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes

Type of auditor's report issued on compliance for major programs: Unmodified

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

State Awards

Internal control over major programs:

- Material weakness identified? No
- Significant deficiencies identified that are not considered to be material weaknesses? 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 State of Texas *Single Audit Circular*? No

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

Identification of major programs:

<u>CFDA/Grant Numbers/State Identifying Number</u>	<u>Name of Federal and State Programs or Cluster</u>
Major Federal Program:	
17.282	Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants
84.042, 84.044, 84.047	TRIO Cluster
84.048	Vocational Education-Basic Grants to States
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster
Major State Program:	
None	Texas Education Opportunity Grant
Dollar threshold used to distinguish between type A and type B federal programs:	\$750,000 for federal programs \$300,000 for state programs
Auditee qualified as low-risk auditee for federal programs?	Yes
Auditee qualified as low-risk auditee for state programs?	Yes

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

SECTION II - FINANCIAL STATEMENT FINDINGS

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2016.

SECTION III - FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Finding #:	2016-001
CFDA Title:	Student Financial Aid Cluster
CFDA Numbers:	84.007, 84.033, 84.063, 84.268
Federal Award Numbers:	None
Federal Agency:	Department of Education
Compliance Requirement:	Special Tests: Enrollment Reporting
Type of Finding:	Significant Deficiency and Non-Compliance (finding does not involve students of Richland Collegiate High School, a charter high school of the District)
Criteria:	Under 34 CFR 685.309, the District is required to report to the Secretary of the Department of Education when a student who has received a loan ceases to be enrolled on at least a half-time basis. The method for this reporting is the National Student Loan Data System (NSLDS). Per the NSLDS Enrollment Reporting Guide, enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days.
Condition:	During our testing of this compliance requirement, we noted that four out of the forty judgmentally selected students tested did not have their change in status reported to the NSLDS within thirty days of their attendance change.
Questioned Costs:	None
Context:	Students that attended classes at more than one campus within the District did not have their change in status reported to the NSLDS within the required time period.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended August 31, 2016

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

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

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

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

Recommendations: We recommend that the District implement enhanced monitoring controls to ensure that all required reporting is completed timely and accurately. We also recommend that the District conduct regular reviews of the system-generated reports to ensure compliance.

Views of Responsible Officials: The District will develop procedures and training to ensure that all required reporting is complete, timely and accurate. These procedures and training will include regular reviews of the system generated reports and the methodology of preparing the reports. We anticipate having these procedures and training ready by the end of the first quarter of calendar 2017.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2015

Finding #: 2015-001

CFDA Title: Student Financial Aid Cluster

CFDA Numbers: 84.007, 84.033, 84.063, 84.268

Federal Award Numbers: None

Federal Agency: Department of Education

Compliance Requirement: Special Tests: Enrollment Reporting

Type of Finding: Significant Deficiency and Non-Compliance (finding does not involve students of Richland Collegiate High School, a charter high school of the District)

Criteria: Under 34 CFR 682.610, the District is required to report to the Secretary of the Department of Education when a student who has received a loan ceases to be enrolled on at least a half-time basis. The method for this reporting is the National Student Loan Data System (NSLDS). Per the NSLDS Enrollment Reporting Guide, students who withdraw from all courses are to be reported to NSLDS within thirty days as withdrawn as of the last date that attendance can be verified.

Condition: During our testing of this compliance requirement, we noted that seventeen out of the forty judgmentally selected students tested had not been reported to the NSLDS within thirty days as withdrawn as of their last date of attendance.

Questioned Costs: None

Context: Students who withdrew were not reported to the NSLDS as withdrawn or within the required time period.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SUMMARY OF PRIOR YEAR AUDIT FINDINGS

Year ended August 31, 2015

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

Cause:	The students either received all F grades or dropped out of classes but did not formally withdraw from the District. The Financial Aid office correctly identified that the student had received no credit and accurately performed the "Return of Title IV" R2T4 calculation at the end of the semester because the student had a zero GPA. The District uses the National Student Clearinghouse (Clearinghouse) to report student status changes to the NSLDS. However this information was not reported to the Clearinghouse, within the required timeframe, and therefore the Clearinghouse did not update the student's withdrawn status and withdrawal date to the NSLDS within the thirty day requirement.
Effect:	Lenders are not able to correctly assess when students should begin their grace period or enter loan repayment.
Prior Year Recommendations:	We recommended that the District implement enhanced monitoring controls to ensure that all required reporting is completed timely and accurately. We also recommended that the District conduct regular reviews of the system-generated reports to ensure compliance.
Status of Planned Corrective Action:	We remain in the process of transitioning to direct reporting to NSLDS in spring 2017. We have solicited NSLDS staff to assist with training of our team members and to assure an efficient transition to direct reporting to NSLDS. We have hired additional personnel dedicated to resolving the reporting deficiency. We are vetting data against NSLDS rosters to ensure compliance and are working with District staff to increase efficiencies in determining accurate enrollment status of students.

**SUPPLEMENTAL FINANCIAL REPORTING
BY COLLEGE**

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

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
REVENUES									
Tuition and fees, net	\$ 70,968,674	\$ 13,437,418	\$ 4,999,169	\$ 10,074,966	\$ 5,471,081	\$ 6,465,564	\$ 11,444,023	\$ 18,970,401	\$ 106,052
Federal grants and contracts	18,071,493	1,310,461	754,763	2,582,577	1,975,556	2,084,570	1,324,980	4,590,704	3,447,882
State grants and contracts	10,587,154	880,398	550,246	1,621,478	3,368,034	1,009,256	1,479,528	1,349,985	328,229
Local grants and contracts	2,357,560	(264,780)	(120,321)	(280,704)	7,365	205,866	(265,366)	(349,985)	3,425,485
Sales and services of auxiliary enterprises	2,065,856	183,532	115,755	178,508	247,086	242,278	175,940	351,459	571,298
Sales and services of educational activities	591,143	59,665	25,396	293,406	73,716	47,810	40,140	51,010	-
Other	1,909,901	156,554	73,739	109,991	623,515	243,857	259,409	47,769	395,067
Total Operating Revenue	106,551,781	15,763,248	6,398,747	14,580,222	11,766,353	10,299,201	14,458,654	25,011,343	8,274,013
State appropriations	116,141,683	14,851,822	8,699,112	16,742,479	17,844,833	9,927,436	14,664,032	28,143,057	5,268,912
Taxes, net	240,886,672	26,007,537	23,728,972	27,691,028	34,900,152	24,022,877	27,253,661	34,094,849	43,187,596
Federal grants and contracts	73,159,045	7,424,609	6,278,252	13,576,673	12,094,212	9,570,641	9,137,156	15,077,502	-
Gifts	138,046	2,938	15,363	30,372	79,962	6,111	2,550	-	750
Investment income (loss)	3,564,424	6,125	5,427	7,430	3,610	-	10,597	32,258	3,498,977
Other	1,998,324	2,574	2,513	1,495	151,546	253	1,566	6,325	1,832,052
Total Non-operating Revenue	435,888,194	48,295,605	38,729,639	58,049,477	65,074,315	43,527,318	51,069,562	77,353,991	53,788,287
Total revenues	542,439,975	64,058,853	45,128,386	72,629,699	76,840,668	53,826,519	65,528,216	102,365,334	62,062,300
EXPENSES									
Instruction	186,113,975	27,566,024	16,170,214	27,019,719	30,099,222	17,672,265	24,739,657	41,607,786	1,239,088
Public service	14,324,956	938,430	509,585	197,315	3,436,949	504,671	44,355	1,367,542	7,326,109
Academic support	22,516,868	2,124,942	2,221,743	3,633,248	2,027,875	2,478,618	3,041,586	5,578,133	1,410,723
Student services	47,797,753	5,169,442	3,942,923	7,122,895	6,129,703	5,166,920	6,663,732	9,330,920	4,271,218
Institutional support	82,313,813	6,879,905	5,809,577	7,289,211	9,582,810	6,395,331	6,417,778	9,822,614	30,116,587
Operation and maintenance of plant	39,480,074	4,717,326	3,428,559	5,708,221	6,740,674	4,201,115	4,639,649	7,455,919	2,588,611
Scholarships and fellowships	52,338,154	5,122,230	4,347,232	10,675,652	8,328,728	7,034,341	6,187,683	10,642,288	-
Auxiliary enterprises	9,226,433	1,236,625	611,990	1,271,253	1,825,136	1,051,493	1,047,205	1,808,590	374,141
Depreciation	25,877,552	3,083,930	2,255,764	3,128,354	3,441,915	2,374,428	4,011,626	3,984,689	3,596,846
Total Operating Expense	479,989,578	56,838,854	39,297,587	66,045,868	71,613,012	46,879,182	56,793,271	91,598,481	50,923,323
Interest on indebtedness	11,574,217	1,576,344	1,274,137	1,642,778	1,822,779	1,283,951	1,594,289	1,887,424	492,515
Other non-operating expense	1,264,059	92,053	1,959	29,742	110,616	271,017	45,050	146,988	566,634
Total Non-operating Expense	12,838,276	1,668,397	1,276,096	1,672,520	1,933,395	1,554,968	1,639,339	2,034,412	1,059,149
Total expenses	492,827,854	58,507,251	40,573,683	67,718,388	73,546,407	48,434,150	58,432,610	93,632,893	51,982,472
Change in net position	49,612,121	5,551,602	4,554,703	4,911,311	3,294,261	5,392,369	7,095,606	8,732,441	10,079,828
Net position - beginning of year	519,092,697	48,760,425	40,731,126	47,378,718	35,559,587	38,565,843	69,889,900	74,765,989	163,441,109
Cumulative Effect of Change in Principle	-	-	-	-	-	-	-	-	-
Net position - beginning of year	519,092,697	48,760,425	40,731,126	47,378,718	35,559,587	38,565,843	69,889,900	74,765,989	163,441,109
Net position - end of year	\$ 568,704,818	\$ 54,312,027	\$ 45,285,829	\$ 52,290,029	\$ 38,853,848	\$ 43,958,212	\$ 76,985,506	\$ 83,498,430	\$ 173,520,937

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2015**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
REVENUES									
Tuition and fees, net	\$ 64,915,350	\$ 10,556,835	\$ 3,540,791	\$ 7,233,393	\$ 5,219,636	\$ 4,840,892	\$ 9,459,234	\$ 16,448,885	\$ 7,615,684
Federal grants and contracts	16,375,569	832,686	438,911	2,080,798	3,185,889	2,557,014	1,223,476	3,526,694	2,530,101
State grants and contracts	12,342,567	735,518	487,354	2,565,539	3,757,925	955,424	2,047,435	1,567,734	225,638
Local grants and contracts	2,511,033	(118,331)	58,805	(12,218)	561,724	239,005	(218,236)	(329,757)	2,330,041
Sales and services of auxiliary enterprises	3,416,966	310,310	157,867	324,541	411,378	316,990	393,459	558,342	944,079
Sales and services of educational activities	550,611	43,358	40,987	283,921	66,592	37,571	36,320	41,862	-
Other	1,626,474	129,622	85,393	105,817	601,377	191,946	212,571	17,291	282,457
Total Operating Revenue	<u>101,738,570</u>	<u>12,489,998</u>	<u>4,810,108</u>	<u>12,581,791</u>	<u>13,804,521</u>	<u>9,138,842</u>	<u>13,154,259</u>	<u>21,831,051</u>	<u>13,928,000</u>
State appropriations	116,564,538	14,388,495	7,889,540	16,594,299	18,032,422	9,907,856	13,963,264	26,963,091	8,825,571
Taxes, net	224,008,395	27,103,963	20,749,066	27,473,913	31,351,535	18,885,417	21,846,340	30,839,583	45,758,578
Federal grants and contracts	86,496,630	8,756,595	7,211,010	16,900,811	15,571,524	11,132,414	9,813,700	17,110,576	-
Gifts	112,111	2,002	2,056	29,300	16,500	-	52,639	2,282	7,332
Investment income (loss)	4,039,978	7,226	5,267	4,676	5,822	776	8,705	25,634	3,981,872
Other	187,256	51,065	1,389	1,608	1,754	950	1,681	1,827	126,982
Total Non-operating Revenue	<u>431,408,908</u>	<u>50,309,346</u>	<u>35,858,328</u>	<u>61,004,607</u>	<u>64,979,557</u>	<u>39,927,413</u>	<u>45,686,329</u>	<u>74,942,993</u>	<u>58,700,335</u>
Total revenues	<u>533,147,478</u>	<u>62,799,344</u>	<u>40,668,436</u>	<u>73,586,398</u>	<u>78,784,078</u>	<u>49,066,255</u>	<u>58,840,588</u>	<u>96,774,044</u>	<u>72,628,335</u>
EXPENSES									
Instruction	180,091,447	27,716,633	15,339,357	27,150,030	28,836,619	16,310,529	24,899,880	39,021,015	817,384
Public service	11,919,809	833,271	633,405	196,292	4,104,644	521,053	128,357	1,254,655	4,248,132
Academic support	20,384,036	2,011,659	1,892,623	3,227,565	1,796,542	2,378,047	2,928,638	4,999,356	1,149,606
Student services	44,665,591	4,962,104	3,788,598	6,515,528	6,266,938	4,726,491	6,350,181	8,455,556	3,600,195
Institutional support	77,177,500	6,451,209	5,320,727	6,158,073	9,236,486	6,604,173	5,914,525	9,549,892	27,942,415
Operation and maintenance of plant	35,295,596	4,380,343	3,325,215	4,753,169	5,626,307	3,308,468	4,046,633	7,354,837	2,500,624
Scholarships and fellowships	65,101,531	6,208,545	5,484,388	13,991,640	12,436,406	8,322,951	7,011,774	12,428,403	(782,576)
Auxiliary enterprises	9,584,615	1,703,081	659,606	1,089,246	1,281,581	1,055,232	1,097,340	1,691,332	1,007,197
Depreciation	27,815,265	3,240,073	2,524,989	3,214,092	3,703,523	2,568,253	4,509,067	4,064,644	3,990,624
Total Operating Expense	<u>472,035,390</u>	<u>57,506,918</u>	<u>38,968,908</u>	<u>66,295,635</u>	<u>73,289,046</u>	<u>45,795,197</u>	<u>56,886,395</u>	<u>88,819,690</u>	<u>44,473,601</u>
Interest on indebtedness	15,097,814	2,056,239	1,662,029	2,142,897	2,377,697	1,674,831	2,079,645	2,462,022	642,454
Other non-operating expense	1,173,954	(205,417)	73,806	162,247	580,049	185,135	142,557	375,946	(140,369)
Total Non-operating Expense	<u>16,271,768</u>	<u>1,850,822</u>	<u>1,735,835</u>	<u>2,305,144</u>	<u>2,957,746</u>	<u>1,859,966</u>	<u>2,222,202</u>	<u>2,837,968</u>	<u>502,085</u>
Total expenses	<u>488,307,158</u>	<u>59,357,740</u>	<u>40,704,743</u>	<u>68,600,779</u>	<u>76,246,792</u>	<u>47,655,163</u>	<u>59,108,597</u>	<u>91,657,658</u>	<u>44,975,686</u>
Change in net position	44,840,320	3,441,604	(36,307)	4,985,619	2,537,286	1,411,092	(268,009)	5,116,386	27,652,649
Net position - beginning of year	534,846,298	45,318,821	40,767,433	42,393,099	33,022,301	37,154,751	70,157,909	69,649,603	196,382,381
Cumulative Effect of Change in Principle	(60,593,921)	-	-	-	-	-	-	-	(60,593,921)
Net position - beginning of year	<u>474,252,377</u>	<u>45,318,821</u>	<u>40,767,433</u>	<u>42,393,099</u>	<u>33,022,301</u>	<u>37,154,751</u>	<u>70,157,909</u>	<u>69,649,603</u>	<u>135,788,460</u>
Net position - end of year	<u>\$ 519,092,697</u>	<u>\$ 48,760,425</u>	<u>\$ 40,731,126</u>	<u>\$ 47,378,718</u>	<u>\$ 35,559,587</u>	<u>\$ 38,565,843</u>	<u>\$ 69,889,900</u>	<u>\$ 74,765,989</u>	<u>\$ 163,441,109</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2016**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
Unrestricted	\$ 218,422,245	\$ 9,225,937	\$ 6,831,314	\$ 9,472,405	\$ 8,875,730	\$ 6,139,977	\$ 15,058,707	\$ 20,071,570	\$ 142,746,605
Temporarily restricted	6,967,934	-	-	-	-	-	-	-	6,967,934
Capital assets, net	343,314,639	45,086,090	38,454,515	42,817,624	29,978,118	37,818,235	61,926,799	63,426,860	23,806,398
Total net position	\$ 568,704,818	\$ 54,312,027	\$ 45,285,829	\$ 52,290,029	\$ 38,853,848	\$ 43,958,212	\$ 76,985,506	\$ 83,498,430	\$ 173,520,937
Unrestricted	\$ 218,422,245	\$ 9,225,937	\$ 6,831,314	\$ 9,472,405	\$ 8,875,730	\$ 6,139,977	\$ 15,058,707	\$ 20,071,570	\$ 142,746,605
Unrestricted, net of compensated absences	\$ 218,422,245	\$ 9,225,937	\$ 6,831,314	\$ 9,472,405	\$ 8,875,730	\$ 6,139,977	\$ 15,058,707	\$ 20,071,570	\$ 142,746,605
Current assets	\$ 180,390,697	\$ 18,312,666	\$ 12,086,423	\$ 20,234,907	\$ 22,744,256	\$ 14,713,790	\$ 18,235,686	\$ 29,418,571	\$ 44,644,398
Current liabilities	136,143,035	16,796,482	10,757,374	18,519,608	15,813,316	13,775,877	16,681,343	25,335,547	18,463,488
Current ratio	1.33	1.09	1.12	1.09	1.44	1.07	1.09	1.16	2.42
Operating revenues	\$ 106,551,781	\$ 15,763,248	\$ 6,398,747	\$ 14,580,222	\$ 11,766,353	\$ 10,299,201	\$ 14,458,654	\$ 25,011,343	\$ 8,274,013
Add non-operating revenues	435,888,194	48,295,605	38,729,639	58,049,477	65,074,315	43,527,318	51,069,562	77,353,991	53,788,287
Less operating expenses	479,989,578	56,838,854	39,297,587	66,045,868	71,613,012	46,879,182	56,793,271	91,598,481	50,923,323
Operational "bottom line" net of interest on capital related debt	62,450,397	7,219,999	5,830,799	6,583,831	5,227,656	6,947,337	8,734,945	10,766,853	11,138,977
Add back depreciation expense	25,877,552	3,083,930	2,255,764	3,128,354	3,441,915	2,374,428	4,011,626	3,984,689	3,596,846
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 88,327,949	\$ 10,303,929	\$ 8,086,563	\$ 9,712,185	\$ 8,669,571	\$ 9,321,765	\$ 12,746,571	\$ 14,751,542	\$ 14,735,823
Cash and equivalents	\$ 102,335,643	\$ 13,726,466	\$ 9,251,023	\$ 12,940,777	\$ 14,903,601	\$ 9,825,565	\$ 13,116,293	\$ 19,318,165	\$ 9,253,753
Acquisition and construction of capital assets	\$ 34,153,630	\$ 4,976,367	\$ 3,670,547	\$ 2,106,374	\$ 4,574,933	\$ 4,168,683	\$ 5,050,814	\$ 7,135,717	\$ 2,470,195

Source: Location IPEDS Finance Reports

Combined with all other DCCCD locations, ties to audited financial statements.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2015**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
Unrestricted	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Temporarily restricted	8,595,991	-	-	-	-	-	-	-	8,595,991
Capital assets, net	303,607,790	41,129,048	33,115,610	38,032,272	24,198,745	33,125,037	56,337,593	53,449,721	24,219,764
Total net position	\$ 520,016,850	\$ 48,760,425	\$ 40,731,126	\$ 47,378,718	\$ 35,559,587	\$ 38,565,843	\$ 69,889,900	\$ 74,765,989	\$ 164,365,262
Unrestricted	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Unrestricted, net of compensated absences	\$ 207,813,069	\$ 7,631,377	\$ 7,615,516	\$ 9,346,446	\$ 11,360,842	\$ 5,440,806	\$ 13,552,307	\$ 21,316,268	\$ 131,549,507
Current assets	\$ 213,864,196	\$ 23,223,908	\$ 15,603,212	\$ 27,485,619	\$ 29,915,316	\$ 18,584,128	\$ 23,373,999	\$ 37,713,490	\$ 37,964,524
Current liabilities	147,783,636	16,807,704	10,347,897	17,751,317	15,241,990	12,942,588	16,048,925	25,818,734	32,824,481
Current ratio	1.45	1.38	1.51	1.55	1.96	1.44	1.46	1.46	1.16
Operating revenues	\$ 101,738,570	\$ 12,489,998	\$ 4,810,108	\$ 12,581,791	\$ 13,804,521	\$ 9,138,842	\$ 13,154,259	\$ 21,831,051	\$ 13,928,000
Add non-operating revenues	431,408,908	50,309,346	35,858,328	61,004,607	64,979,557	39,927,413	45,686,329	74,942,993	58,700,335
Less operating expenses	472,035,390	57,506,918	38,968,908	66,295,635	73,289,046	45,795,197	56,886,395	88,819,690	44,473,601
Operational "bottom line" net of interest on capital related debt	61,112,088	5,292,426	1,699,528	7,290,763	5,495,032	3,271,058	1,954,193	7,954,354	28,154,734
Add back depreciation expense	27,815,265	3,240,073	2,524,989	3,214,092	3,703,523	2,568,253	4,509,067	4,064,644	3,990,624
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 88,927,353	\$ 8,532,499	\$ 4,224,517	\$ 10,504,855	\$ 9,198,555	\$ 5,839,311	\$ 6,463,260	\$ 12,018,998	\$ 32,145,358
Cash and equivalents	\$ 131,973,750	\$ 47,082,476	\$ 9,431,962	\$ 13,013,260	\$ 15,168,250	\$ 8,909,480	\$ 12,886,620	\$ 19,785,439	\$ 5,696,263
Acquisition and construction of capital assets	\$ 18,649,611	\$ 4,118,028	\$ 771,394	\$ 3,498,949	\$ 963,056	\$ 1,618,138	\$ 867,376	\$ 4,375,498	\$ 2,437,172

Source: Location IPEDS Finance Reports

Combined with all other DCCCD locations, ties to audited financial statements.

**STATISTICAL SECTION
(UNAUDITED)**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

STATISTICAL SECTION TABLE OF CONTENTS

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

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

- Demographic and Economic Information – Taxing District
- Principal Employers

OPERATING INFORMATION

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

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

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

	For the Fiscal Year Ended August 31,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Investment in Capital Assets	\$ 343,315	\$ 302,684	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511	\$ 237,335	\$ 236,563
Restricted - expendable	6,968	8,596	3,422	2,145	1,166	5,828	11,902	11,708	11,563	12,463
Unrestricted	218,422	207,813	237,805	201,861	182,047	169,237	182,738	186,261	178,053	156,254
Total net position	<u>\$ 568,705</u>	<u>\$ 519,093</u>	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>	<u>\$ 456,918</u>	<u>\$ 460,253</u>	<u>\$ 450,480</u>	<u>\$ 426,951</u>	<u>\$ 405,280</u>

Notes:

GASB Statement No. 65 applied to the 2013 beginning Net Position.

GASB Statement No. 68 applied to the 2015 beginning Net Position.

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

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tuition and charges (net of discounts)	\$ 70,969	\$ 64,915	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918	\$ 53,800	\$ 51,735
Federal grants and contracts	18,071	16,376	14,937	15,671	15,696	20,307	21,647	18,842	16,245	15,934
State grants and contracts	10,587	12,343	9,663	8,578	7,914	6,681	7,733	7,237	3,438	2,338
Non-governmental grants and contracts	2,358	2,511	1,673	1,839	1,356	4,547	2,860	2,318	4,368	4,263
Sales and services of educational activities	591	551	453	607	474	527	627	509	538	543
Auxiliary enterprises	2,066	3,417	4,467	4,521	5,072	5,163	5,409	5,576	5,914	6,663
General operating revenues	1,910	1,626	1,498	1,502	1,858	1,902	2,240	1,643	1,740	1,800
Total Operating Revenues	106,552	101,739	92,641	91,054	88,854	98,262	101,196	96,043	86,043	83,276
State appropriations	116,142	116,564	111,242	109,030	109,268	119,373	123,304	119,415	118,197	110,740
Maintenance ad valorem taxes	240,887	224,008	209,829	190,553	156,741	158,309	159,137	153,057	130,734	121,220
Federal revenue, non-operating	73,159	86,497	86,929	90,602	90,499	87,927	74,419	40,458	32,230	31,405
Gifts	138	112	73	115	499	149	83	779	205	65
Investment income	3,564	4,040	5,821	(4,052)	1,921	3,943	7,385	8,343	11,975	12,349
Gain on sale of investment	-	-	105	59	-	7	-	153	-	-
Contributions in aid of construction	-	-	-	243	-	-	-	75	-	-
Gain on disposal of capital assets & easements	-	-	-	-	50	-	-	-	-	-
Other non-operating revenue	1,998	187	1,232	1,049	218	1,363	1,571	50	241	51
Total Non-operating Revenues	435,888	431,408	415,231	387,599	359,196	371,071	365,899	322,330	293,582	275,830
Total Revenues	\$ 542,440	\$ 533,147	\$ 507,872	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095	\$ 418,373	\$ 379,625	\$ 359,106

For the Fiscal Year Ended August 31,

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tuition and charges (net of discounts)	13.08%	12.18%	11.80%	12.19%	12.61%	12.60%	12.99%	14.32%	14.17%	14.41%
Federal grants and contracts	3.33%	3.07%	2.94%	3.27%	3.50%	4.33%	4.63%	4.50%	4.28%	4.44%
State grants and contracts	1.95%	2.32%	1.90%	1.79%	1.77%	1.42%	1.66%	1.74%	0.91%	0.65%
Non-governmental grants and contracts	0.43%	0.47%	0.33%	0.38%	0.30%	0.97%	0.61%	0.55%	1.15%	1.19%
Sales and services of educational activities	0.11%	0.10%	0.09%	0.13%	0.11%	0.11%	0.13%	0.12%	0.14%	0.15%
Auxiliary enterprises	0.38%	0.64%	0.88%	0.95%	1.13%	1.10%	1.16%	1.33%	1.56%	1.85%
General operating revenues	0.35%	0.30%	0.30%	0.31%	0.41%	0.41%	0.48%	0.39%	0.46%	0.50%
Total Operating Revenues	19.63%	19.08%	18.24%	19.02%	19.83%	20.94%	21.66%	22.95%	22.67%	23.19%
State appropriations	21.41%	21.86%	21.90%	22.78%	24.39%	25.44%	26.40%	28.54%	31.14%	30.84%
Maintenance ad valorem taxes	44.41%	42.02%	41.32%	39.81%	34.98%	33.73%	34.07%	36.59%	34.44%	33.75%
Federal revenue, non-operating	13.49%	16.22%	17.12%	18.93%	20.20%	18.73%	15.93%	9.67%	8.49%	8.75%
Gifts	0.03%	0.02%	0.01%	0.03%	0.11%	0.03%	0.02%	0.19%	0.05%	0.02%
Investment income	0.66%	0.76%	1.15%	-0.85%	0.43%	0.84%	1.58%	1.99%	3.15%	3.44%
Gain on sale of investment	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%
Contributions in aid of construction	0.00%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%
Gain on disposal of capital assets & easements	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenue	0.37%	0.04%	0.24%	0.22%	0.05%	0.29%	0.34%	0.01%	0.06%	0.01%
Total Non-operating Revenues	80.37%	80.92%	81.76%	80.98%	80.17%	79.06%	78.34%	77.05%	77.33%	76.81%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction	\$ 186,114	\$ 180,091	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414	\$ 141,112	\$ 137,429
Public service	14,325	11,920	12,601	12,393	11,123	12,191	13,503	13,954	10,839	10,578
Academic support	22,517	20,384	18,972	18,154	16,480	19,988	20,065	19,363	18,713	18,303
Student services	47,798	44,666	40,649	37,960	35,092	37,616	38,354	35,151	32,418	31,527
Institutional support	82,314	77,177	68,431	67,357	61,815	69,320	72,466	67,196	58,216	52,878
Operation and maintenance of plant	39,480	35,296	32,454	33,201	33,105	38,844	38,718	33,000	30,058	27,083
Scholarships and fellowships	52,338	65,101	66,243	68,820	71,174	72,415	61,104	33,144	26,383	24,053
Auxiliary enterprises	9,226	9,585	9,547	8,400	8,771	9,439	10,389	9,539	10,104	10,774
Depreciation	25,878	27,815	27,842	29,338	26,167	25,982	22,986	18,530	17,084	17,584
Total Operating Expenses	479,990	472,035	446,131	439,627	417,437	454,124	439,354	380,291	344,927	330,209
Interest on capital debt	11,574	15,098	15,809	16,124	16,862	18,094	16,508	13,907	6,149	4,992
Loss on disposal of capital assets	596	857	173	58	-	35	1,041	270	5,343	1,736
Other non-operating expense	668	317	4	1,167	741	415	419	376	1,535	382
Total Non-operating Expenses	12,838	16,272	15,986	17,349	17,603	18,544	17,968	14,553	13,027	7,110
Total Expenses	\$ 492,828	\$ 488,307	\$ 462,117	\$ 456,976	\$ 435,040	\$ 472,668	\$ 457,322	\$ 394,844	\$ 357,954	\$ 337,319

For the Fiscal Year Ended August 31,

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction	37.76%	36.88%	36.65%	35.89%	35.33%	35.61%	35.37%	38.10%	39.41%	40.73%
Public service	2.91%	2.44%	2.73%	2.71%	2.56%	2.58%	2.95%	3.53%	3.03%	3.14%
Academic support	4.57%	4.17%	4.11%	3.97%	3.79%	4.23%	4.39%	4.90%	5.23%	5.43%
Student services	9.70%	9.15%	8.80%	8.31%	8.07%	7.96%	8.39%	8.90%	9.06%	9.35%
Institutional support	16.70%	15.81%	14.81%	14.74%	14.21%	14.66%	15.84%	17.02%	16.26%	15.68%
Operation and maintenance of plant	8.01%	7.23%	7.02%	7.26%	7.61%	8.22%	8.47%	8.36%	8.40%	8.03%
Scholarships and fellowships	10.62%	13.33%	14.33%	15.06%	16.36%	15.32%	13.36%	8.39%	7.37%	7.13%
Auxiliary enterprises	1.87%	1.96%	2.07%	1.84%	2.01%	2.00%	2.27%	2.42%	2.82%	3.19%
Depreciation	5.25%	5.70%	6.02%	6.42%	6.01%	5.50%	5.03%	4.69%	4.77%	5.21%
Total Operating Expenses	97.39%	96.67%	96.54%	96.20%	95.95%	96.08%	96.07%	96.31%	96.35%	97.89%
Interest on capital debt	2.35%	3.09%	3.42%	3.53%	3.88%	3.82%	3.61%	3.52%	1.72%	1.48%
Loss on disposal of capital assets	0.12%	0.18%	0.04%	0.01%	0.00%	0.01%	0.23%	0.07%	1.50%	0.52%
Other non-operating expense	0.14%	0.06%	0.00%	0.26%	0.17%	0.09%	0.09%	0.10%	0.43%	0.11%
Total Non-operating Expenses	2.61%	3.33%	3.46%	3.80%	4.05%	3.92%	3.93%	3.69%	3.65%	2.11%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2015-16	\$59	\$111	\$708	\$1,332	13.46%	14.43%
2014-15	52	97	624	1,164	0.00%	0.00%
2013-14	52	97	624	1,164	15.56%	16.87%
2012-13	45	83	540	996	0.00%	0.00%
2011-12	45	83	540	996	9.76%	9.21%
2010-11	41	76	492	912	0.00%	0.00%
2009-10	41	76	492	912	5.13%	5.56%
2008-09	39	72	468	864	0.00%	0.00%
2007-08	39	72	468	864	8.33%	9.09%
2006-07	36	66	432	792	9.09%	10.00%

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2015-16	\$174	\$174	\$2,088	\$2,088	13.73%	13.73%
2014-15	153	153	1,836	1,836	0.00%	0.00%
2013-14	153	153	1,836	1,836	15.91%	15.91%
2012-13	132	132	1,584	1,584	0.00%	0.00%
2011-12	132	132	1,584	1,584	9.09%	9.09%
2010-11	121	121	1,452	1,452	0.00%	0.00%
2009-10	121	121	1,452	1,452	5.22%	5.22%
2008-09	115	115	1,380	1,380	0.00%	0.00%
2007-08	115	115	1,380	1,380	8.49%	8.49%
2006-07	115	106	1,272	1,272	10.42%	10.42%

Source: District Office of Business Affairs

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

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

Fiscal Year	(In Thousands)					Ratio to Market Value	Direct Rate per \$100 TAV		
	Market Value	Exempt Property	Exemptions	Capped Value Loss	Assessed Value August 31,		Maintenance & Operations	Debt Service	Total
2015-16	\$246,799,391	\$(23,738,621)	\$(24,127,574)	\$(1,653,865)	\$ 197,279,331	79.94%	\$ 0.10400	\$ 0.01970	\$ 0.12370
2014-15	229,252,906	(22,361,172)	(23,163,610)	(905,615)	182,822,509	79.75%	0.10400	0.02078	0.12478
2013-14	215,247,998	(21,135,859)	(22,099,779)	(271,740)	171,740,620	79.79%	0.10400	0.02070	0.12470
2012-13	206,772,307	(19,675,472)	(22,048,519)	(140,777)	164,907,539	79.75%	0.09861	0.02077	0.11938
2011-12	202,952,698	(19,002,762)	(22,334,144)	(192,968)	161,422,824	79.54%	0.07890	0.02077	0.09967
2010-11	204,875,206	(18,788,237)	(22,435,822)	(411,911)	163,239,236	79.68%	0.07780	0.02143	0.09923
2009-10	213,536,629	(17,654,918)	(22,314,066)	(891,966)	172,675,679	80.86%	0.07780	0.01710	0.09490
2008-09	218,101,955	(16,647,995)	(21,852,623)	(1,698,069)	177,903,268	81.57%	0.07590	0.01350	0.08940
2007-08	202,897,589	-	(36,335,019)	-	166,562,570	82.09%	0.07590	0.00450	0.08040
2006-07	186,011,811	-	(33,388,192)	-	152,623,619	82.05%	0.07780	0.00320	0.08100

Source: Dallas County Appraisal District

Notes: Prior to FY 2008-09 Exempt Property values were included in Exemptions.

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

<u>Fiscal Year</u>	<u>Appropriation per FTSE</u>			<u>Appropriation per Contact Hour</u>			
	<u>State Appropriation</u>	<u>FTSE</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours</u>	<u>Voc/Tech Contact Hours</u>	<u>Total Contact Hours</u>	<u>State Appropriation per Contact Hour</u>
2015-16	\$ 85,655	50,978	\$ 1,680	20,918	8,543	29,461	2.91
2014-15	87,146	49,535	1,759	20,708	8,963	29,671	2.94
2013-14	87,146	49,867	1,748	20,729	8,864	29,593	2.94
2012-13	88,830	51,522	1,724	21,399	8,959	30,358	2.93
2011-12	89,931	52,321	1,719	21,889	9,176	31,065	2.89
2010-11	89,478	53,360	1,889	22,438	9,416	31,854	2.81
2009-10	93,099	53,474	1,741	21,604	10,360	31,964	2.91
2008-09	89,498	47,374	1,889	19,244	9,284	28,528	3.14
2007-08	89,498	43,737	2,046	17,911	8,428	26,339	3.40
2006-07	84,753	42,992	1,971	17,047	8,120	25,167	3.37

Note: FTSE is defined as the number of credit hours divided by 30 plus the number of CE contact hours divided by 900.
Source: District Business Affairs End of Semester Student Statistics Report

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (\$000 omitted)									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Oncor Electric Delivery	Electric Utility	\$ 1,405,137	\$ 1,422,920	\$ 1,343,904	\$ 1,271,159	\$ 1,244,176	\$ 1,225,464	\$ 1,226,132	\$ 1,384,673	\$ 1,380,524	\$ 1,381,599
Aviall Inc	Aviation	1,391,864	880,195	970,872	975,394	789,342	720,147	592,642	-	-	-
ATT/Southwestern Bell/Cingular	Telephone Utility	980,206	955,497	999,684	947,533	1,281,252	1,226,067	1,337,588	1,578,863	1,694,723	1,702,249
Wal-Mart	Retail	868,287	760,546	684,169	652,358	536,260	453,385	545,857	533,885	475,048	485,283
Crescent Real Estate	Real Estate Development	661,172	756,101	658,123	693,300	459,455	353,769	703,343	567,651	748,339	773,627
Texas Instruments	Manufacturing	649,076	654,639	697,164	746,887	812,802	859,002	1,075,514	1,469,996	1,692,476	1,056,013
Northpark Land Partners	Real Estate Development	643,717	624,382	602,355	578,775	645,301	530,065	545,522	590,682	569,402	-
Southwest Airlines	Airline	575,936	604,995	612,739	492,901	605,196	519,000	532,463	552,440	600,667	512,039
Post Apartment Homes LP/	Real Estate Development	556,464	581,770	367,828	-	-	-	-	-	-	-
Verizon/GTE	Telephone Utility	490,628	457,225	452,837	303,252	480,121	429,566	508,920	550,663	510,897	527,007
SP Millenium Center, LP	Real Estate Development	-	-	-	440,259	-	-	-	-	-	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	-	385,595	337,437	-	-	402,989	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	-	-	-	398,458	-	-	-
Teachers Insurance	Insurance	-	-	-	-	-	-	-	488,333	-	368,709
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	418,988	431,782	-
Tammell Crow/Anatole	Real Estate Development	-	-	-	-	-	-	-	-	-	367,490
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	-	-	-	366,948
Totals		\$ 8,222,487	\$ 7,698,270	\$ 7,389,675	\$ 7,101,818	\$ 7,239,500	\$ 6,653,902	\$ 7,466,439	\$ 8,136,174	\$ 8,506,847	\$ 7,540,964
Total Taxable Assessed Value		\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 162,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Oncor Electric Delivery	Electric Utility	0.71%	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%	0.80%	0.78%	0.83%
Aviall Inc	Aviation	0.71%	0.78%	0.78%	0.77%	0.77%	0.75%	0.76%	-	-	-
ATT/Southwestern Bell/Cingular	Telephone Utility	0.71%	0.48%	0.57%	0.59%	0.49%	0.44%	0.37%	0.00%	0.00%	0.00%
Wal-Mart	Retail	0.44%	0.42%	0.40%	0.40%	0.33%	0.28%	0.34%	0.31%	0.27%	0.29%
Crescent Real Estate	Real Estate Development	0.34%	0.41%	0.38%	0.42%	0.28%	0.22%	0.43%	0.33%	0.42%	0.46%
Texas Instruments	Manufacturing	0.33%	0.36%	0.41%	0.45%	0.50%	0.53%	0.66%	0.85%	0.95%	0.63%
Northpark Land Partners	Real Estate Development	0.33%	0.34%	0.35%	0.35%	0.40%	0.32%	0.34%	0.34%	0.32%	0.00%
Southwest Airlines	Airline	0.29%	0.33%	0.36%	0.30%	0.37%	0.32%	0.33%	0.32%	0.34%	-
Post Apartment Homes LP/	Real Estate Development	0.28%	0.32%	0.21%	0.00%	0.00%	0.00%	0.00%	-	0.00%	0.00%
Verizon/GTE	Telephone Utility	0.25%	0.25%	0.26%	-	-	-	-	-	-	-
SP Millenium Center, LP	Real Estate Development	-	-	-	0.27%	-	-	-	-	-	-
YPI Thanksgiving Tower/Central	Real Estate Development	-	-	-	-	0.24%	0.21%	0.25%	-	0.23%	-
Gulfstream Aerospace	Aerospace Manufacturing	-	-	-	-	-	-	-	0.28%	-	0.22%
Teachers Insurance	Insurance	-	-	-	-	-	-	-	0.24%	-	-
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	-	-	-	0.24%	0.22%
Tammell Crow/Anatole	Real Estate Development	-	-	-	-	-	-	-	-	-	0.22%
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	-	-	-	-
Totals		4.38%	4.47%	4.50%	4.32%	4.16%	3.81%	4.22%	3.48%	3.54%	2.88%

Source: Dallas County Tax Office

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

Fiscal Year Ended <u>August 31,</u>	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Collections of Prior Years (d)	Collections of Penalties and Interest (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2016	\$ 244,303	\$ (1,250)	243,053	\$ 240,143	98.80%	\$ 1,774	\$ 2,029	\$ 243,946	100.37%
2015	228,474	(2,188)	226,286	223,802	98.90%	818	2,001	226,621	100.15%
2014	214,468	(2,091)	212,377	209,552	98.67%	1,528	1,898	212,978	100.28%
2013	196,940	(821)	196,119	192,940	98.38%	1,270	1,790	196,000	99.94%
2012	161,589	(453)	161,136	158,458	98.34%	1,107	1,842	161,407	100.17%
2011	163,181	(1,375)	161,806	159,289	98.44%	709	2,086	162,084	100.17%
2010	163,869	(1,798)	162,071	159,244	98.26%	1,444	2,165	162,853	100.48%
2009	158,943	(2,519)	156,424	153,224	97.95%	2,405	2,074	157,703	100.82%
2008	135,224	(1,732)	133,492	131,024	98.15%	1,765	2,088	134,877	101.04%
2007	123,162	132	123,294	120,829	98.00%	1,981	1,274	124,084	100.64%

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

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

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Bonded Debt										
General obligation bonds	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 294,050	\$ 321,510	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035
Other Debt										
Revenue bonds	\$ -	\$ 15,160	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560	\$ 37,145	\$ 40,660
Tax notes	-	-	-	-	2,170	8,460	14,435	20,120	25,475	30,450
Notes	-	-	-	-	-	-	-	-	51	252
Commercial paper	-	-	-	-	-	-	-	-	125,000	-
Total outstanding debt	\$ 294,050	\$ 336,670	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820	\$ 248,406	\$ 134,397
General Bonded Debt Ratios										
Per Capita	\$ 115.16	\$ 127.63	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47	\$ 26.25	\$ 27.50
Per FTSE	5,768	6,491	6,799	6,892	7,112	7,265	7,510	7,750	1,389	1,466
As a percentage of Taxable Assessed Value	0.14%	0.18%	0.20%	0.22%	0.23%	0.24%	0.23%	0.21%	0.04%	0.04%
Total Outstanding Debt Ratios										
Per Capita	\$ 115.16	\$ 133.65	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30	\$ 101.32	\$ 56.92
Per FTSE	5,768	6,797	7,146	7,284	7,563	7,904	8,334	8,883	5,680	3,126
As a percentage of Taxable Assessed Value	0.14%	0.18%	0.21%	0.23%	0.25%	0.26%	0.26%	0.24%	0.15%	0.09%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

Source: District Business Affairs

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Taxable Assessed Value	\$ 197,279,331	\$ 182,822,509	\$ 171,740,620	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570	\$ 152,623,619
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 986,397	\$ 914,113	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516	\$ 832,813	\$ 762,637
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	986,397	914,113	858,703	824,538	807,114	816,196	863,378	889,516	832,813	762,637
Current Year Debt Service Requirements	36,441	33,562	33,560	33,557	33,563	33,556	27,516	22,997	7,463	5,304
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 949,956	\$ 880,551	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519	\$ 825,350	\$ 757,333
Net Current Requirements as a % of Statutory Limit	3.69%	3.67%	3.91%	4.07%	4.16%	4.11%	3.19%	2.59%	0.90%	0.70%

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.

Source: Taxable Assessed Value from Dallas County Appraisal District

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

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)						Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	All Fees	Auxiliary Revenue	Lease Revenue	Interest Income	Total	Principal	Interest	Total	
2016	\$ 41,252	\$ 885	\$ 1,029	\$ 350	\$ 2,147	\$ 45,663	\$ 2,265	\$ 622	\$ 2,887	15.82
2015	40,516	859	1,939	250	1,668	45,232	2,175	721	2,896	15.62
2014	35,781	847	2,677	250	2,008	41,563	2,090	818	2,908	14.29
2013	34,624	914	2,594	250	2,194	40,576	2,025	900	2,925	13.87
2012	15,059	869	2,701	250	1,693	20,572	4,145	1,005	5,150	3.99
2011	15,267	907	2,737	300	2,538	21,749	4,025	1,128	5,153	4.22
2010	17,942	906	2,971	400	3,938	26,157	3,940	1,240	5,180	5.05
2009	18,531	857	2,817	400	4,901	27,506	3,675	1,564	5,239	5.25
2008	15,200	897	2,729	400	6,650	25,876	3,515	1,720	5,235	4.94
2007	14,765	880	2,510	400	6,967	25,522	3,360	2,182	5,542	4.61

Source: District Business Affairs

Notes:

Auxiliary Revenues includes subcontracted Bookstore and Food Service commissions.

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

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

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

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income (In Thousands)</u>	<u>District Personal Income per Capita</u>	<u>District Unemployment Rate</u>
2016	2,553,385	N/A	N/A	4.2%
2015	2,519,000	N/A	N/A	4.3%
2014	2,490,000	\$ 131,990,698	\$ 52,406	5.6%
2013	2,480,331	\$ 125,261,395	\$ 48,638	6.5%
2012	2,453,843	\$ 123,572,465	\$ 48,127	7.3%
2011	2,416,014	\$ 117,478,986	\$ 45,402	8.4%
2010	2,375,207	\$ 104,422,506	\$ 44,017	8.6%
2009	2,346,378	\$ 99,362,793	\$ 42,347	9.0%
2008	2,314,018	\$ 109,791,915	\$ 47,446	5.7%
2007	2,291,891	\$ 106,221,370	\$ 46,347	4.6%

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2007 TO 2016
(UNAUDITED)

Employer	Number of Employees									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Wal-Mart Stores, Inc.	25,534	52,700	21,100	19,230	24,189	18,672	17,485	17,203	17,299	13,582
AMR Corporation	25,000	23,700	20,000	20,000	20,000	20,000	-	-	-	-
Dallas Independent School District	20,000	20,793	19,219	24,700	24,888	20,684	21,935	25,952	25,655	22,265
Texas Health Resources	19,131	16,205	16,850	17,097	17,097	19,677	18,000	16,000	16,000	15,065
Baylor Health Resources	16,860	22,000	19,800	18,314	18,868	20,554	20,387	21,289	20,077	19,535
Bank of America	14,465	15,400	16,000	14,126	15,000	14,902	14,100	14,250	14,776	15,085
Lockheed Martin Aeronautics Co.	13,700	12,600	12,100	13,122	13,053	-	-	-	-	-
Texas Instruments Inc.	13,000	13,000	14,500	13,500	13,500	13,000	10,000	-	-	-
City of Dallas	13,000	13,000	13,000	12,836	13,369	13,427	14,613	13,946	12,825	-
JP Morgan Chase	12,600	13,000	14,000	-	-	-	-	-	-	-
UT Southwestern Medical Center			(a)	15,800	17,500	17,482	14,400	16,600	16,200	13,300
AT&T/SBC Communications Inc.			(a)	(a)	(a)	34,698	37,100	35,700	33,500	31,700
Raytheon Co.			-	-	-	-	-	-	-	16,250
Verizon Communications Inc.			-	-	-	-	14,000	14,000	13,800	13,500
Albertson's Inc.			-	-	-	-	-	-	-	-
US Postal Service			-	-	-	-	-	12,993	13,328	14,939
Total Top Ten	173,290	202,398	166,569	168,725	177,464	193,096	182,020	187,933	183,460	175,221

Employer	Percentage of Total Employment									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Wal-Mart Stores, Inc.	0.72%	1.56%	0.66%	0.61%	0.78%	0.62%	0.58%	0.59%	0.58%	0.46%
AMR Corporation	0.71%	0.70%	0.62%	0.64%	0.64%	0.66%	0.00%	0.00%	0.00%	0.00%
Dallas Independent School District	0.57%	0.62%	0.60%	0.79%	0.80%	0.68%	0.73%	0.88%	0.87%	0.75%
Texas Health Resources	0.54%	0.48%	0.53%	0.55%	0.55%	0.65%	0.60%	0.54%	0.54%	0.51%
Baylor Health Resources	0.48%	0.65%	0.62%	0.58%	0.61%	0.68%	0.68%	0.72%	0.68%	0.66%
Bank of America	0.41%	0.46%	0.50%	0.45%	0.48%	0.49%	0.47%	0.48%	0.50%	0.51%
Lockheed Martin Aeronautics Co.	0.39%	0.37%	0.38%	0.42%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%
Texas Instruments Inc.	0.37%	0.39%	0.45%	0.43%	0.43%	0.43%	0.33%	0.00%	0.00%	0.00%
City of Dallas	0.37%	0.39%	0.41%	0.41%	0.43%	0.44%	0.49%	0.47%	0.43%	0.00%
JP Morgan Chase	0.36%	0.39%	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UT Southwestern Medical Center	0.00%	0.00%	0.00%	0.50%	0.56%	0.58%	0.48%	0.56%	0.55%	0.45%
AT&T/SBC Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	1.15%	1.24%	1.21%	1.13%	1.07%
Raytheon Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.48%	0.47%	0.46%
Albertson's Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
US Postal Service	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%	0.45%	0.51%
Total Top Ten	4.91%	6.00%	5.19%	5.38%	5.71%	6.35%	6.07%	5.95%	5.75%	5.44%
Total Employment	3,531,000	3,370,500	3,207,300	3,135,000	3,106,034	3,029,960	2,992,091	2,939,247	2,964,768	2,951,995

Source:
Dallas Business Journal Book of Lists North Texas Largest Employers
Total Employment from Bureau of Labor Statistics-Dallas, Ft. Worth & Arlington Statistical Area as of August
(a) Did not report local employment numbers

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty										
Full-Time	873	845	866	842	792	765	763	765	733	699
Part-Time	2374	2260	2,390	2,425	2,349	2,413	2,440	2,335	2,254	2,384
Total	3,247	3,105	3,256	3,267	3,141	3,178	3,203	3,100	2,987	3,083
Percent										
Full-Time	26.9%	27.2%	26.6%	25.8%	25.2%	24.1%	23.8%	24.7%	24.5%	22.7%
Part-Time	73.1%	72.8%	73.4%	74.2%	74.8%	75.9%	76.2%	75.3%	75.5%	77.3%
Staff and Administrators										
Full-Time	2,515	2,448	2,343	2,290	2,235	2,196	2,472	2,426	2,284	2,193
Part-Time	1,442	1,587	1,527	1,507	1,582	1,373	1,555	1,655	1,516	1,463
Total	3,957	4,035	3,870	3,797	3,817	3,569	4,027	4,081	3,800	3,656
Percent										
Full-Time	63.6%	60.7%	60.5%	60.3%	58.6%	61.5%	61.4%	59.4%	60.1%	60.0%
Part-Time	36.4%	39.3%	39.5%	39.7%	41.4%	38.5%	38.6%	40.6%	39.9%	40.0%
Total Employees										
Full-Time	3,388	3,293	3,209	3,132	3,027	2,961	3,235	3,191	3,017	2,892
Part-Time	3,816	3,847	3,917	3,932	3,931	3,786	3,995	3,990	3,770	3,847
Total	7,204	7,140	7,126	7,064	6,958	6,747	7,230	7,181	6,787	6,739
Percent										
Full-Time	47.0%	46.1%	45.0%	44.3%	43.5%	43.9%	44.7%	44.4%	44.5%	42.9%
Part-Time	53.0%	53.9%	55.0%	55.7%	56.5%	56.1%	55.3%	55.6%	55.5%	57.1%
FTSE per Full-Time Faculty	58.4	58.6	57.6	61.2	66.1	69.9	70.1	61.9	59.7	61.5
FTSE per Full-Time Staff Member	20.3	20.2	21.3	22.5	23.4	24.4	21.6	19.5	19.1	19.6
Average Annual Faculty Salary	\$ 85,678	\$ 85,785	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532	\$ 74,931	\$ 76,186

Source: District Business Affairs

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

Cost of Providing Health Care Insurance	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Number of Retirees	1,229	1,200	1,157	1,136	1,135	930	860	839	823	789
Cost of Health Benefits for Retirees	\$ 9,828,159	\$ 8,926,494	\$ 7,994,217	\$ 7,525,732	\$ 6,926,484	\$ 5,082,773	\$ 4,575,726	\$ 4,185,944	\$ 4,106,646	\$ 3,930,446
Cost per Retiree	\$ 7,997	\$ 7,439	\$ 6,909	\$ 6,625	\$ 6,103	\$ 5,465	\$ 5,321	\$ 4,989	\$ 4,990	\$ 4,982
Number of Active Full-Time Employees	3,396	3,334	3,242	3,142	3,060	3,302	3,399	3,248	3,111	3,032
Cost of Health Benefits for Active Full-Time Employees	\$27,282,077	\$24,662,718	\$22,599,984	\$20,509,715	\$18,583,294	\$19,564,208	\$18,170,701	\$15,916,230	\$15,580,187	\$15,496,907
Cost per Active Employee	\$ 8,034	\$ 7,397	\$ 6,971	\$ 6,528	\$ 6,073	\$ 5,925	\$ 5,346	\$ 4,900	\$ 5,008	\$ 5,111
State Appropriation for Health Insurance	\$15,475,496	\$14,641,581	\$13,641,648	\$ 9,760,108	\$ 9,258,438	\$15,042,227	\$15,552,849	\$15,930,773	\$16,065,571	\$15,634,130
Net Cost to DCCCD	\$21,634,740	\$18,947,631	\$16,952,553	\$18,275,338	\$16,251,340	\$ 9,605,254	\$ 7,196,578	\$ 4,171,401	\$ 3,621,262	\$ 3,793,223
DCCCD % of total premium	58.3%	56.4%	55.4%	65.2%	63.7%	39.0%	31.6%	20.8%	18.4%	19.5%
Total employees	4,625	4,534	4,399	4,278	4,195	4,232	4,259	4,087	3,934	3,821
State funding per total employee	\$ 3,346	\$ 3,229	\$ 3,101	\$ 2,281	\$ 2,207	\$ 3,554	\$ 3,652	\$ 3,898	\$ 4,084	\$ 4,092
DCCCD cost per total employee	\$ 4,678	\$ 4,179	\$ 3,854	\$ 4,272	\$ 3,874	\$ 2,270	\$ 1,690	\$ 1,021	\$ 921	\$ 993
Cost of Providing Retirement Benefits	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actual Cost of TRS and ORP Benefits	\$14,669,866	\$13,866,958	\$13,096,063	\$12,071,014	\$10,600,889	\$12,397,755	\$12,420,204	\$12,123,728	\$11,136,762	\$10,124,589
DCCCD's Contribution	\$7,002,933	\$8,007,973	\$7,555,276	\$6,317,752	\$5,092,446	\$2,281,648	\$2,295,287	\$2,309,800	\$2,072,453	\$2,127,994
State's Contribution	\$7,666,933	\$5,858,985	\$5,540,787	\$5,753,262	\$5,508,443	\$10,116,107	\$10,124,917	\$9,813,928	\$9,064,309	\$7,996,595
Cost of Providing All Benefits	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
DCCCD's Contribution	\$28,637,673	\$26,955,604	\$24,507,829	\$24,593,090	\$21,343,786	\$11,886,902	\$ 9,491,865	\$ 6,481,201	\$ 5,693,715	\$ 5,921,217
State's Contribution	23,142,429	20,500,566	19,182,435	15,513,370	14,766,881	25,158,334	25,677,766	25,744,701	25,129,880	23,630,725
Total	\$51,780,102	\$47,456,170	\$43,690,264	\$40,106,460	\$36,110,667	\$37,045,236	\$35,169,631	\$32,225,902	\$30,823,595	\$29,551,942
Cost of Providing All Benefits Percentage Share	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
DCCCD	55.3%	56.8%	56.1%	61.3%	59.1%	32.1%	27.0%	20.1%	18.5%	20.0%
State	44.7%	43.2%	43.9%	38.7%	40.9%	67.9%	73.0%	79.9%	81.5%	80.0%

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

Student Classification	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	29,031	40.32%	27,511	38.51%	26,173	36.46%	28,598	37.70%	27,271	38.07%
31-60 hours	26,133	36.29%	26,597	37.23%	27,958	38.95%	29,755	39.22%	28,188	39.35%
>60 hours	16,840	23.39%	17,325	24.26%	17,651	24.59%	17,508	23.08%	16,174	22.58%
Total	72,004	100.00%	71,433	100.00%	71,782	100.00%	75,861	100.00%	71,633	100.00%

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	1,498	2.08%	1,466	2.05%	1,464	2.04%	1,367	1.80%	1,422	1.99%
3-5 semester hours	28,386	39.42%	27,115	37.96%	26,427	36.81%	19,295	25.43%	17,496	24.42%
6-8 semester hours	19,382	26.92%	18,843	26.38%	18,544	25.83%	20,949	27.62%	19,549	27.29%
9-11 semester hours	12,321	17.11%	12,549	17.57%	12,545	17.48%	15,414	20.32%	13,994	19.54%
12-14 semester hours	8,805	12.23%	9,764	13.67%	10,953	15.26%	15,949	21.02%	16,390	22.88%
15-17 semester hours	1,181	1.64%	1,281	1.79%	1,450	2.02%	2,206	2.91%	2,144	2.99%
18 and over	431	0.60%	415	0.58%	399	0.56%	681	0.90%	638	0.89%
Total	72,004	100.00%	71,433	100.00%	71,782	100.00%	75,861	100.00%	71,633	100.00%

Average course load	7.0	7.0	7.0	7.9	8.5
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Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-district)	58,780	81.63%	58,946	82.52%	58,733	81.88%	62,453	82.33%	59,035	82.41%
Texas Resident (out-of-district)	8,274	11.49%	8,741	12.24%	7,657	10.67%	9,050	11.93%	8,343	11.65%
Non-Resident Tuition	4,950	6.88%	3,746	5.24%	5,342	7.45%	4,358	5.74%	4,255	5.94%
Total	72,004	100.00%	71,433	100.00%	71,732	100.00%	75,861	100.00%	71,633	100.00%

Note: This table includes credit students only, as continuing education units are not tracked by semester hour and students are not tracked by residency.

Source: District Business Affairs

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

Gender	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	47,550	53.58%	47,289	54.57%	47,139	54.51%	49,371	55.18%	53,206	55.82%
Male	41,189	46.42%	39,376	45.43%	39,339	45.49%	40,101	44.82%	42,118	44.18%
Total	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%

Ethnic Origin	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	19,562	22.04%	20,386	23.52%	21,652	25.04%	24,898	27.83%	28,319	29.71%
Hispanic	32,361	36.47%	29,813	34.40%	29,766	34.42%	25,088	28.04%	27,643	29.00%
African American	17,669	19.91%	19,058	21.99%	19,535	22.59%	21,008	23.48%	23,314	24.46%
Asian	5,658	6.38%	5,524	6.38%	5,397	6.24%	5,749	6.43%	7,993	8.38%
Foreign	6,230	7.02%	4,976	5.74%	3,915	4.53%	3,990	4.46%	1,035	1.09%
Native American	292	0.33%	287	0.33%	318	0.37%	415	0.46%	542	0.57%
Other	6,967	7.85%	6,621	7.64%	5,895	6.81%	8,324	9.30%	6,478	6.79%
Total	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%

Age	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	10,464	11.79%	8,359	9.64%	7,365	8.52%	6,542	7.31%	7,664	8.04%
18-21	28,489	32.11%	27,778	32.05%	27,746	32.08%	29,527	33.00%	28,616	30.02%
22-24	12,031	13.56%	11,659	13.45%	11,653	13.48%	12,362	13.82%	12,182	12.78%
25-30	12,188	13.73%	12,018	13.87%	12,152	14.05%	14,608	16.33%	15,233	15.98%
31-35	7,873	8.87%	7,997	9.23%	8,333	9.64%	7,910	8.84%	8,483	8.90%
36-50	12,879	14.51%	14,125	16.30%	13,996	16.18%	13,283	14.84%	15,584	16.35%
51 and over	4,815	5.43%	4,729	5.46%	5,233	6.05%	5,240	5.86%	7,562	7.93%
Total	88,739	100.00%	86,665	100.00%	86,478	100.00%	89,472	100.00%	95,324	100.00%

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
TRANSFERS TO SENIOR INSTITUTIONS
2014 FALL STUDENTS AS OF FALL 2015
(UNAUDITED) (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count	Transfer Student Count	Total of all DCCCD Transfer	% of all DCCCD Transfer Students
	Academic	Technical	Transfer	Students
University of Texas - Arlington	2798	789	3587	17.40%
University of Texas - Dallas	2747	568	3315	16.08%
University of North Texas	2369	551	2920	14.16%
University of Texas - Austin	1645	250	1895	9.19%
Texas A&M University - College Station	1502	237	1739	8.44%
Texas Woman's University	1184	311	1495	7.25%
Texas Tech University	900	156	1056	5.12%
University of North Texas - Dallas	756	274	1030	5.00%
Texas A&M University - Commerce	669	168	837	4.06%
Texas State University	420	81	501	2.43%
Stephen F. Austin State University	271	47	318	1.54%
Sam Houston State University	210	38	248	1.20%
Tarleton State University	174	52	226	1.10%
University of Houston	168	26	194	0.94%
Midwestern State University	139	51	190	0.92%
Prairie View A&M University	99	18	117	0.57%
Texas Tech University Health Science Center	72	40	112	0.54%
University of Texas - Tyler	82	10	92	0.45%
University of Texas - San Antonio	70	14	84	0.41%
Texas Southern University	61	21	82	0.40%
University of Texas - Permian Basin	44	14	58	0.28%
Texas A&M University - Corpus Christi	44	10	54	0.26%
Lamar University Institute of Technology	45	7	52	0.25%
West Texas A&M University	44	3	47	0.23%
University of North Texas Health Science Center - Fort Worth	38	7	45	0.22%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 18
 TRANSFERS TO SENIOR INSTITUTIONS
 2014 FALL STUDENTS AS OF FALL 2015
 (CONTINUED)

	Transfer Student Count	Transfer Student Count	Total of all DCCCD Transfer	% of all DCCCD Transfer Students
	Academic	Technical	Transfer	Students
University of Texas Medical Branch Galveston	24	17	41	0.20%
Angelo State University	32	4	36	0.18%
Texas A&M University System Health Science Center	23	8	31	0.15%
University of Texas - El Paso	11	12	23	0.11%
Texas A&M University - Galveston	18	4	22	0.11%
Texas A&M University - Central Texas	13	7	20	0.10%
University of Texas Southwestern Medical Center - Dallas	12	8	20	0.10%
University of Texas -Rio Grande Valley	10	7	17	0.08%
University of Texas Health Science Center - Houston	12	3	15	0.07%
University of Houston - Downtown	11	3	14	0.07%
Texas A&M International University	8	5	13	0.06%
University of Houston - Clear Lake	11	2	13	0.06%
Texas A&M University -Texarkana	9	3	12	0.06%
University of Houston - Victoria	10	1	11	0.05%
Sul Ross State University	8	2	10	0.05%
Baylor College of Medicine	8	0	8	0.04%
Texas A&M University - Kingsville	6	0	6	0.03%
University of Texas Health Science Center - San Antonio	3	1	4	0.02%
University of Texas M.D Anderson Cancer Center	2	1	3	0.01%
Texas Tech University Health Science Center - El Paso	1	1	2	0.01%
	16,783	3,832	20,615	100.00%
Totals				

Source:

THECB "Students Pursuing Additional Education" report for Academic Year 2014-15

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 19
CAPITAL ASSET INFORMATION
FISCAL YEARS 2007 TO 2016
(UNAUDITED)

	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Academic buildings	89	89	89	89	89	89	89	84	69	67
Square footage	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,847,370	3,426,142	2,872,794	2,918,794
Libraries	2	2	2	2	2	2	2	2	2	2
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	432,076	433,212	438,488	441,895	446,346
Administrative and support buildings	8	8	8	8	8	8	8	8	7	7
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	326,215	326,215	242,832	242,832
Dining Facilities	-	-	-	-	-	-	-	-	-	-
Square footage	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069	60,069
Athletic Facilities	6	6	6	6	6	6	6	6	6	6
Square footage	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050	177,050
Athletic fields	43	43	43	43	43	43	43	43	42	42
Gymnasiums	8	8	8	8	8	8	8	8	8	8
Fitness centers	10	10	10	10	10	10	10	10	10	10
Tennis courts	22	22	22	22	22	22	22	36	36	36
Plant facilities	3	3	3	3	3	3	3	3	3	3
Square footage	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332	81,332
Transportation										
Cars / SUV's	56	36	36	36	36	39	39	28	22	21
Light trucks/vans	94	79	79	79	79	88	88	84	77	76
Buses	8	8	8	8	8	10	10	9	9	7
Total Square Footage	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,714,801	4,293,573	3,656,842	3,702,842

Note: 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 include vehicles under fleet leasing program
Source: District Business Affairs



Dallas County
Community College District

Higher Education That
Actually Gets You Hired