



Dallas County Community College District

Brookhaven • Cedar Valley • Eastfield • El Centro
Mountain View • North Lake • Richland



Comprehensive Annual Financial Report For the Fiscal Years Ended August 31, 2013 and 2012

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

PREPARED BY
BUSINESS AFFAIRS OFFICE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

BOARD OF TRUSTEES

OFFICERS

Jerry Prater	Chair
Wright L. Lassiter, Jr.	Secretary

MEMBERS

TRUSTEE	CITY, STATE	TERM EXPIRES
Charletta Rogers Compton	Dallas, Texas	2018
Bob Ferguson	Farmers Branch, Texas	2016
Diana Flores	Dallas, Texas	2014
Wesley Jameson	Irving, Texas	2014
Bill Metzger	Mesquite, Texas	2016
Jerry Prater	Garland, Texas	2016
JL Sonny Williams	Dallas, Texas	2018

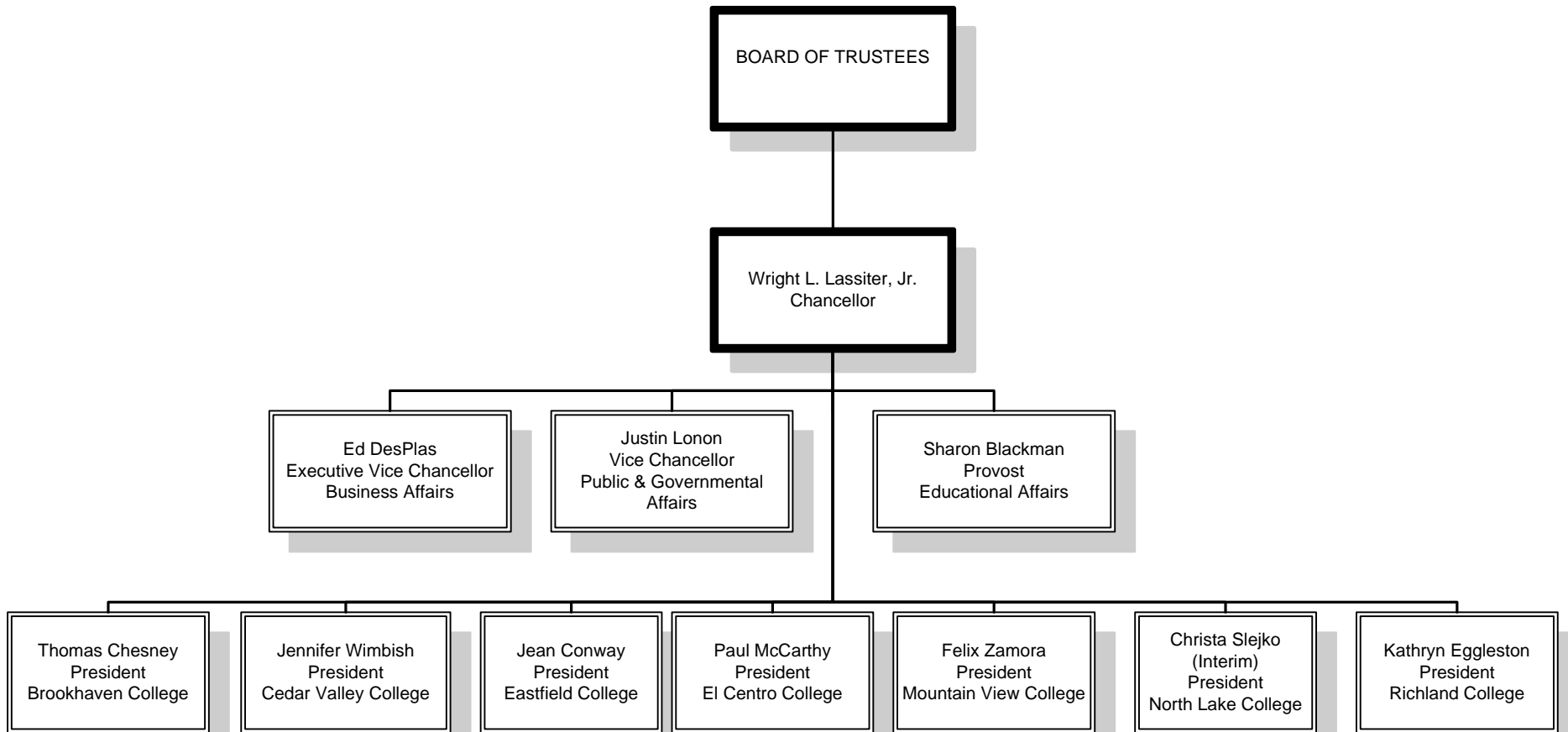
DISTRICT ADMINISTRATIVE OFFICERS

Wright L. Lassiter, Jr.	Chancellor
Edward M. DesPlas	Executive Vice Chancellor, Business Affairs
Sharon Blackman	Provost
Justin Lonon	Vice Chancellor, Public & Governmental Affairs

COLLEGE PRESIDENTS

Thomas Chesney	Brookhaven College
Jennifer Wimbish	Cedar Valley College
Jean Conway	Eastfield College
Paul McCarthy	El Centro College
Felix Zamora	Mountain View College
Christa Slejko (Interim)	North Lake College
Kathryn Eggleston	Richland College

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
2012-2013**





DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

December 17, 2013



Wright L. Lassiter, Jr.

I am pleased to submit to the Board of Trustees for the Dallas County Community College District (the "District") and the community of Dallas county, the comprehensive annual financial report for fiscal year ended August 31, 2013.

Financially, we have "turned the corner" in fiscal year 2013. Due to the strong determination of our Board of Trustees and their commitment to their fiduciary responsibilities, the District remains one of the lowest in Texas for both property tax rates and tuition. While there have been recent increases in tuition and the property tax rate, the value of an education at all of our colleges is still very affordable for our students and the citizens of Dallas county.

Year in Review

Enrollments declined slightly in fiscal year 2013 due to improvement in the Texas economy as enrollments for all Texas community colleges dipped 2.3%. Total Operating Revenues in fiscal year 2013 are up \$2.2 million compared to fiscal year 2012 due to a tuition increase of \$7 per credit hour that was effective for the spring semester 2013. Non-Operating Revenues are up \$28.7 million due to an increase in the property tax rate of \$0.02 per \$100 valuation. Operating expenses increased \$22.2 million due to salary increases for faculty and staff; the first salary increase for employees in three years. Net Position totaled \$491.6 million, an increase of \$21.7 million, and of that \$204.4 million was Unrestricted Net Position.

State funding for fiscal year 2013 decreased slightly as the second year of the 2012-2013 biennium was adjusted. This is the first time Texas community colleges have had an enrollment-based change during a biennium. This biennium adjustment methodology was removed by the 83rd legislature from the 2014-2015 General Appropriation Act.

The rating agencies of Fitch, Moody's and Standard & Poors have all reaffirmed the District's "AAA" rating on the District's General Obligation bonds and a "AA" rating on the District's Revenue bonds.

All seven colleges of the District have received reaccreditation by the Southern Association of Colleges and Schools Commission on Colleges.

Looking Forward

We believe that student enrollments will remain flat to decreasing slightly as the economy improves over the next 3-5 years. This will allow the District to continue to focus on student success. Property values increased by 6% for 2014 according to the latest figures from the Dallas County Appraisal District, with commercial and business personal property accounting for the biggest increases. The Board also approved a small property tax rate increase in fiscal year 2014.

The 83rd Texas Legislature made changes to community college funding for the 2014-15 biennium. The new methodology gives each community college district in Texas a “base funding” of \$500,000 each year plus funding based on enrollment and student success; a new formula methodology that rewards colleges for improvement in student success measurements as established by the Texas Higher Education Coordinating Board. The effect of these changes for the District will be a reduction in enrollment related state funding for fiscal year 2014 of approximately \$1.8 million per year, mainly due to the “base funding” portion. However, the state’s benefit funding will increase and the total appropriations to the District increased by \$2.4 million. We continue to believe that state funding, now less than 25% of total revenues, will continue to remain relatively flat.

Student Success

We are proud of our students and their accomplishments. Phi Theta Kappa, the academic honorary society for two-year colleges, bestowed their Five Star chapter awards to Eastfield, Brookhaven and North Lake Colleges. Mountain View College received Phi Theta Kappa national honors. Brookhaven, Eastfield, North Lake and Richland Colleges’ student newspapers won awards for their work at the state or national level. Both Richland and North Lake Colleges were named “Military-Friendly Schools”. The student government associations at Eastfield and El Centro Colleges earned honors at the statewide convention. Students at all seven colleges participated in the “I Commit” celebrations in which they were encouraged to sign pledges and commit to complete an associate’s degree or certificate before they transfer to a four-year university or enter the workforce. Students and employees from Brookhaven, Richland and North Lake Colleges gave back to the community during the annual Martin Luther King, Jr. Day of Service.

Financial Awards

The hard work of the District’s financial personnel has paid off with two significant achievements. In April, the Texas Comptroller’s Office awarded the District a Gold Star for its Financial Transparency website. Not only is this the highest honor for financial disclosure, DCCCD was the first community college to become a member of the Texas Comptroller’s Leadership Circle for financial transparency online. In September, we were notified by the Government Finance Officers Association (GFOA) that our Comprehensive Annual Financial Report for the fiscal year ended August 31, 2012 was awarded the Certificate of Achievement for Excellence in Financial Reporting. This is the highest form of recognition in governmental accounting and financial reporting.

In Closing

After seven plus years of service as chancellor, it is with humility and pride that I thank you for expressing confidence in me to ask that I serve in the role of chancellor. This has, without question, represented the capstone in my professional life and career. I can confidently pass

the mantle of leadership to a successor with the knowledge that Dallas County Community College District is financially strong. When my intention to retire was announced, you moved diligently to seek a successor through a nationwide search. The Board of Trustees can take pride in acknowledging that as the District approaches its 50th anniversary, there will only have been seven chancellors.

In your choice of Dr. Joe May, he comes with a successful background that should prove valuable to the future success of the District. Having led systems in Louisiana and Colorado, he brings broad administrative experience coupled with a rich academic background.

Finally, I would like to offer my sincere appreciation to our Board of Trustees for their dedication, trust and unwavering ability to provide direction. And to my senior staff colleagues, the faculty and staff, without whom we could not have maintained our strong financial condition, especially during the tough times over the last few years, I must say "thank you" with heartfelt gratefulness.

Sincerely,

A handwritten signature in black ink, appearing to read "Wright L. Lassiter, Jr.", with a stylized flourish at the end.

Wright L. Lassiter, Jr.
Chancellor



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

December 17, 2013

To the Board of Trustees:

Respectfully submitted for your review is the comprehensive annual financial report for the Dallas County Community College District (the "District") for the fiscal years ended August 31, 2013 and 2012. The purpose of this report is to provide detailed information about the financial condition and performance of the District. 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

The District's comprehensive annual financial report (CAFR) is prepared by the Business Affairs office in accordance with Generally Accepted Accounting Principles as established by the Government 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, which provides the reader with a narrative introduction, overview and analysis of the financial statements.

Reporting Entity

The District is a special-purpose government engaged solely in business-type activities (BTA). In compliance with GASB Statement Nos. 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 the District's statements as a component unit by inclusion of the statements and footnotes of the Foundation in the District's statements and footnotes. Because the financial statements of the Foundation are presented in a different format from the District and are incompatible with the District's financial statements, the Foundation's financial statements are presented on separate pages from the District's financial statements. The Foundation is a non-profit organization established in 1973 with its sole purpose being to provide benefits such as scholarships and grants to the District.

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 the District subsequently approved the charter in May 2006. While

RCCHS receives state reimbursement based on average daily attendance, the District also receives state funding dollars for the contact hours. TEA requirements necessitate tracking RCCHS revenues and expenses separately from those of the District. Because the high school contracts with the college for instructional and administrative services, the legal identity is the same as the District. RCCHS shares the same Board of Trustees with the District and the RCCHS is included as an operating unit in the District's financial statements. More information can be found in Footnote 24, including Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and other schedules.

Organization of the District

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, the District 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 the District. The Trustees are elected from single member districts for staggered six year terms. The Chief Executive Officer of the District is the Chancellor. The Chancellor's Staff, comprised of the vice chancellors, provost and college presidents, is responsible for the management and daily operation of the District.

Mission and Values

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 1.5 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, which mirrors the faces of the community, is diverse: 24.3 percent Hispanic, 23.9 percent African-American, 8.4 percent Asian, 39.9 percent Anglo and 3.4 percent all others combined. We strive to achieve a similar level of diversity among our employees which is currently: 22.1 percent African-American, 13.6 percent Hispanic, 4.2 percent Asian, 58.8 percent Anglo and 1.3 percent all others combined.

Economic Conditions and Outlook

Other than federal grants used for scholarships, the District has three main sources of revenues:

- Ad Valorem Taxes – increased by \$33.9 million as the property tax rate for Maintenance and Operations (M&O) was increased by \$0.02 per \$100 valuation.
- Tuition and Fees – increased by \$1.8 million due to a tuition increase of \$7 per credit hour effective with the spring 2013 semester.
- State Appropriations – decreased by \$0.3 million as instructional funding decreased slightly due to an adjustment in funding for the second year of the 2012-2013 biennium.

Residential property values decreased by 3% in fiscal year 2013 while commercial and business personal property increased by a similar percent. Overall, property values stabilized. According to the Dallas County Appraisal District, the property values for fiscal year 2014 have increased by 4.4% due to strong growth in Dallas' central business district and small increases in residential properties.

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 2013, student headcount decreased by approximately 2% representing a slowdown in the dramatic enrollment growth experienced in prior years. The District expects that enrollments will be flat to slightly decreasing over the next few years and that State Appropriations will remain flat.

Unrestricted expenditures increased \$22.2 million in fiscal year 2013 due mainly to faculty and staff salary increases, the first in three years.

During fiscal year 2013, the District's Series 2004 Maintenance Tax Notes matured. Also, Moody's and Standard & Poors reaffirmed their "AAA" on the District's General Obligation bonds, and Moody's reaffirmed its "AA" rating on our Revenue bonds.

Financial Planning and Budgeting

The District's financial planning is comprised of three planning processes for all seven colleges and the District as a whole:

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

The annual budget process (February through August) uses an allocation method based largely on three factors:

- Base allocation
- Student enrollment
- Facility operations

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 "all funds" and college level budget each fiscal year including two revisions during the fiscal year. 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. It is presented to the Board of Trustees, including any revisions to the Master Plan. Currently, District Facility Management is working with each college and their architect 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 into fiscal year 2013:

- \$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 to be completed in 2014

The District has been involved with the Texas Higher Education Coordinating Board's *Closing the Gaps* since inception. The District also participates in *Texas Completes*, a consortium of eight Texas community colleges that work independently on student success initiatives and sharing the results to implement best practices. Both programs focus on student success.

Independent Audit

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. The independent firm of certified public accountants of McConnell & Jones, LLP was selected by the District's Board of Trustees. 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 OMB Circular A-133 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 Single Audit Section of the District'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 the District for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the first time the District has achieved this prestigious award. 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 both generally accepted accounting principles and 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, 2013 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.

The Texas Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in 2009 to recognize local governments that are striving to meet a high standard for financial transparency online. In 2013, the District was awarded a Gold Star for its Financial Transparency webpages. This was the first time the District received this award and DCCCD was

the first community college in Texas to be recognized for financial transparency by the Comptroller's Office. This award is valid for one year. The District believes that it will qualify for the Gold level award next year and we will be submitting the application for 2014.

Acknowledgements

The staff thanks the Board of Trustees for their integrity, interest and insight concerning the fiscal operations of the District and all seven colleges. Also, we wish to thank the Chancellor and the Chancellor's executive staff for their conservative 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 McConnell & Jones, LLP, for experience and dedication in completion of this report.

Respectfully submitted,



Edward M. DesPlas
Executive Vice Chancellor, Business Affairs



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, 2012

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Dallas County Community College District

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Dallas County Community College District (the "District"), as of and for the years ended August 31, 2013 and 2012, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 auditors' 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 auditors consider internal control relevant to the entity'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 business-type activities and discretely presented component unit of the District as of August 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in conformity 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 15 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory and statistical sections on pages 1 through 11 and on pages 99 through 118, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. The summaries of revenues and expenses (the "Summaries") and the analysis of unrestricted net position components and other financial stability indicators (the "Analysis") of the individual colleges and the central administration of the District on pages 94 through 97 are presented for purpose of additional analysis as required by the Southern Association of Colleges and Schools. The introductory and statistical sections and the Summaries and the Analysis have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

The accompanying supplemental schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, and net position by source and availability on pages 90 through 93, required by the Texas Higher Education Coordinating Board, and the schedules of expenditures of federal and state awards on pages 123 through 125 and pages 126 through 127, respectively, required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are also not a required part of the basic financial statements. These supplemental schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental schedules and the schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the



schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, 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 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.

Houston, Texas
December 10, 2013

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012 (UNAUDITED)

Management's discussion and analysis of the annual financial statements of the Dallas County Community College District ("District") is designed to help readers understand some of the conditions and events contributing to the current financial position of the District as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, the District's basic financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the District. For purposes of the summary and discussion, the terms "2013", "2012" and "2011" refer to fiscal years ended August 31, 2013, August 31, 2012 and August 31, 2011, respectively.

FINANCIAL HIGHLIGHTS FOR 2013

- Total assets of the District for 2013 were \$1,002.6 million, decreasing by \$0.8 million from 2012. Total liabilities were \$511.0 million, down \$22.5 million
- The District's net position at August 31, 2013 was \$491.6 million, of which, \$204.4 million was unrestricted and may be used to meet the District's ongoing obligations. Total net position increased \$21.7 million.
- The District's operating revenues were \$91.1 million, up \$2.2 million and operating expenses were \$439.6 million, up \$22.2 million. Non-operating revenues were \$370.3 million, for an increase of \$28.7 million.

OVERVIEW OF FINANCIAL STATEMENTS

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)

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)**

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

The Dallas County Community College District Foundation, Inc. ("Foundation") has been discretely presented in the District's financial statements as a component unit of the District by inclusion of the statements and footnotes of the Foundation in the District's statements and footnotes per GASB Statement No. 39 *Determining Whether Certain Organizations Are Component Units---an Amendment of GASB Statement No. 14*. Because the financial statements of the Foundation are presented in a different format from the District and are incompatible with the District's financial statements, the Foundation's financial statements are presented on separate pages from the District's financial statements. The Foundation is a non-profit organization established in 1973 with its sole purpose being to provide benefits such as scholarships and grants to the District.

The Richland Collegiate High School (RCHS) is operated by the District under a charter issued by the Texas Education Agency (TEA) in October 2005 and approved by the Board of Trustees of the District in 2006. While RCHS receives state reimbursement based on average daily student attendance, the District receives state funding based on the class contact hours. Because RCHS is not a separately incorporated entity and functions as an operating unit of the District, the legal identity of RCHS is the same as the District. In accordance with TEA's requirement for separate financial reporting for the charter school's activities, more information about RCHS can be found in Footnote 24, including separate Statements of Net Position and a Statements of Revenues, Expenses and Changes in Net Position, a Statements of Cash Flows and other schedules.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)

Statements of Net Position

The focus of the Statements of Net Position is to illustrate the financial position of the District at a point in time. The financial position of the District is presented as of August 31, 2013 and 2012. 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 or "net assets" available to the District 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, 2011 through 2013 is presented in Table 1 below:

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

	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
ASSETS					
Current Assets	\$ 92.8	\$ 109.8	\$ 137.5	\$ (17.0)	\$ (27.7)
Capital Assets, net of depreciation	660.4	682.4	700.9	(22.0)	(18.5)
Other Noncurrent Assets	249.4	211.2	192.1	38.2	19.1
Total Assets	1,002.6	1,003.4	1,030.5	(0.8)	(27.1)
LIABILITIES					
Current Liabilities	137.2	140.2	158.2	(3.0)	(18.0)
Noncurrent Liabilities	373.8	393.3	415.4	(19.5)	(22.1)
Total Liabilities	511.0	533.5	573.6	(22.5)	(40.1)
NET POSITION					
Net Investment in Capital Assets	285.1	286.7	281.9	(1.6)	4.8
Restricted	2.1	1.2	5.8	0.9	(4.6)
Unrestricted	204.4	182.0	169.2	22.4	12.8
Total Net Position	\$ 491.6	\$ 469.9	\$ 456.9	\$ 21.7	\$ 13.0

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
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At August 31, 2013, the difference in assets and liabilities was \$491.6 million. While at August 31, 2012, the difference was \$469.9 million, an increase of \$21.7 million.

Changes in Assets

Current assets decreased by \$17 million in 2013 compared to 2012 as a result of a \$7.3 million decrease in cash, due to investments in securities; a \$3.6 million decrease in accounts receivable, due to a reduction in Federal grants receivables; and a \$5.8 million decrease in deferred charges, due to a reduction in scholarships related to next year. Investments increased \$44.6 million due to the investment in securities instead of cash and the increase in ad valorem tax revenues. Capital assets decreased by \$22 million due to depreciation of \$29 million charged in fiscal year 2013 which was partly offset by the capitalization of new fixed asset acquisitions of \$8 million during the same period.

Changes in Liabilities

Current liabilities decreased in 2013 over 2012 by \$3.0 million due to the decrease in the current portion of bonds payable and a decrease in deferred revenues.

Non-current liabilities decreased in 2013 by \$19.5 million, compared to the 2012 balance, as long term bonds became current and matured.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position presents the operating results of the District, 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 District services 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, 2013 AND 2012
(UNAUDITED)

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

	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
Operating Revenues					
Tuition and Fees (Net)	\$ 58.3	\$ 56.5	\$ 59.1	\$ 1.8	\$ (2.6)
Grants and Contracts	26.2	25.0	31.6	1.2	(6.6)
Auxiliary Enterprises	4.5	5.1	5.2	(0.6)	(0.1)
Other Operating Revenues	2.1	2.3	2.4	(0.2)	(0.1)
Total Operating Revenues	<u>\$ 91.1</u>	<u>\$ 88.9</u>	<u>\$ 98.3</u>	<u>\$ 2.2</u>	<u>\$ (9.4)</u>
Operating Expenses	<u>\$ 439.6</u>	<u>\$ 417.4</u>	<u>\$ 454.1</u>	<u>\$ 22.2</u>	<u>\$ (36.7)</u>
Operating Loss	\$ (348.5)	\$ (328.5)	\$ (355.8)	\$ (20.0)	\$ 27.3
Non-Operating Revenues and (Expenses)					
State Appropriations	109.0	109.3	119.4	(0.3)	(10.1)
Ad Valorem Taxes	190.6	156.7	158.3	33.9	(1.6)
Federal Revenue	90.6	90.5	87.9	0.1	2.6
Investment Income (Loss)	(4.1)	1.9	3.9	(6.0)	(2.0)
Interest on Capital-Related Debt	(16.1)	(16.9)	(18.1)	0.8	1.2
Other Non-Operating Revenue (Expense)	0.2	-	1.1	0.2	(1.1)
Net Non-Operating Revenues	<u>370.2</u>	<u>341.5</u>	<u>352.5</u>	<u>28.7</u>	<u>(11.0)</u>
Increase (Decrease) in Net Position	\$ 21.7	\$ 13.0	\$ (3.3)	\$ 8.7	\$ 16.3
Net Position - Beginning of Year	<u>\$ 469.9</u>	<u>\$ 456.9</u>	<u>\$ 460.2</u>	<u>\$ 13.0</u>	<u>\$ (3.3)</u>
Net Position - End of Year	<u>\$ 491.6</u>	<u>\$ 469.9</u>	<u>\$ 456.9</u>	<u>\$ 21.7</u>	<u>\$ 13.0</u>

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 slightly in 2013 due mainly to an increase in tuition effective with the spring 2013 semester. Overall, student enrollments are down from 2012. Grants and contracts provided 24.4% of operating revenue for 2013, which is up slightly compared to 2012, but down from 2011. Auxiliary revenues, commissions from bookstores and food service providers have been decreasing slowly since 2011. A new program of textbook rental instead of purchase has been favorable with the District's students; however, this has caused a decrease in bookstore commissions.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)

Non-Operating Revenues

State appropriations were constant for 2013, the second half of the state's biennium, but decreased by \$10.1 million for 2012 over 2011 due to a reduction in state funding for health care and retirement benefits for all Texas community colleges in the State's 2012-2013 Appropriations Act.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased dramatically as the rate for maintenance and operations (M&O) was increased by \$0.02 per \$100 valuation, a 25% increase. Tax revenue increased \$33.9 million in 2013. Ad Valorem Tax revenue has exceeded state appropriations as the primary funding source in all three fiscal years shown, representing 51.5%, 45.8% and 44.9% of total non-operating revenues, respectively, compared to 29.5%, 32.0% and 33.9% for state appropriations. The taxable assessed valuation for the District increased slightly with commercial and business personal property showing increases, offset by decreases in residential values. Investment income decreased by \$5.3 million in 2013 over 2012 due to increases in interest rates during 2013, lowering the market value of the District's securities. This unrealized loss is not expected to reduce the District's actual future investment income as securities are generally held to maturity. Interest on capital related debt decreased by \$0.7 million.

Operating Expenses

Operating Expenses increased \$22.2 million in 2013 over the 2012 due to a substantial across the board salaries increase for faculty and staff, the first increase since 2010. More information about the Operating Expenses is covered below.

Revenues by Source

Generally accepted accounting principles, promulgated by GASB, prohibit reporting state appropriations and ad valorem tax revenues — two major sources of revenue of the District — 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 the District, which are 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. Interest revenue is obtained through pooled investments, a large portion of which is attributable to operations. Also federal financial aid was recently reclassified to non-operating revenue by GASB even though the portion that relates to tuition is required to be reported as a tuition discount against operations.

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

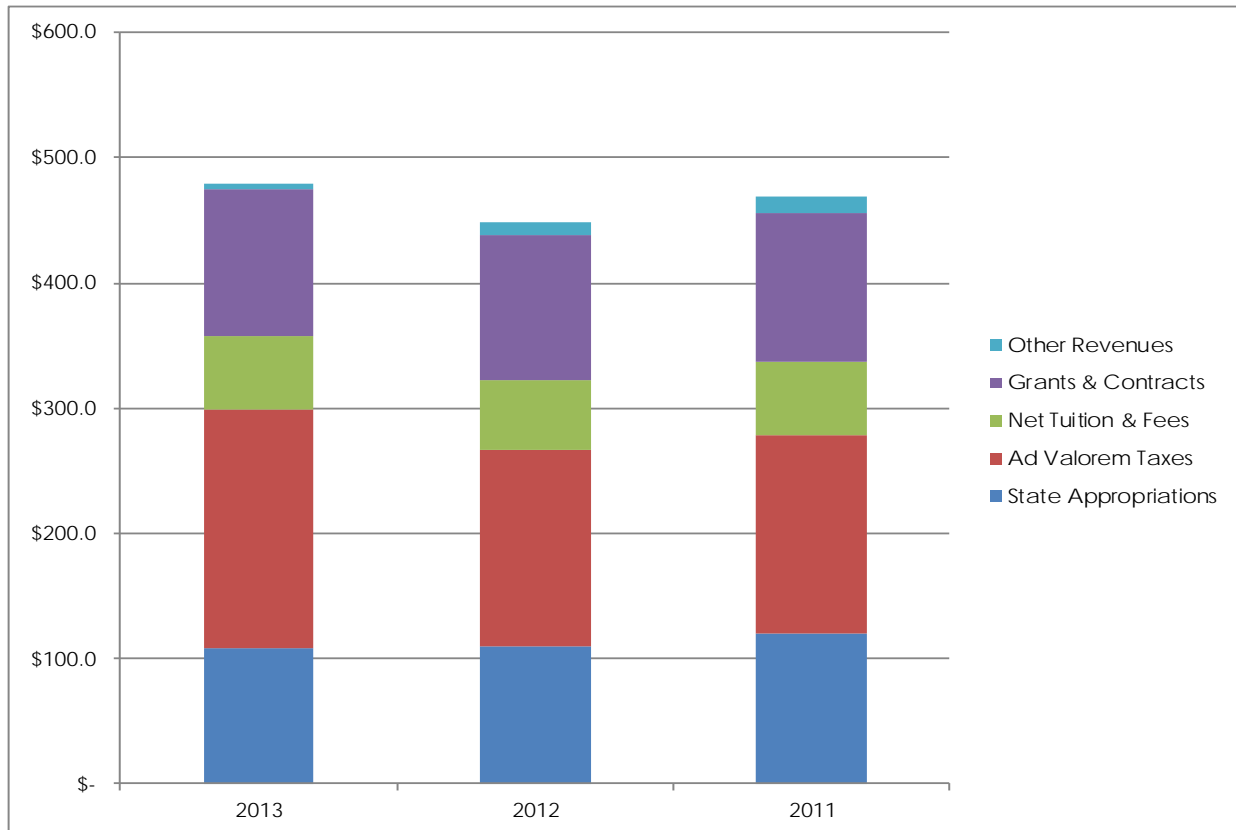
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
State Appropriations	\$ 109.0	\$ 109.3	\$ 119.4	\$ (0.3)	\$ (10.1)
Ad Valorem Taxes	190.6	156.7	158.3	33.9	(1.6)
Net Tuition & Fees	58.3	56.5	59.1	1.8	(2.6)
Grants & Contracts	116.7	115.5	119.4	1.2	(3.9)
Other Operating Revenues	2.1	2.3	2.4	(0.2)	(0.1)
Auxiliary Enterprises	4.5	5.1	5.2	(0.6)	(0.1)
Investment & Other Income	(2.6)	2.7	5.5	(5.3)	(2.8)
Total Revenues	\$ 478.6	\$ 448.1	\$ 469.3	\$ 30.5	\$ (21.2)

Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012 (UNAUDITED)

Operating Expenses

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 2013, salary expense increased as the District gave across the board employee salary increases. Additional full time and part time faculty pay increases were also given in order to compete in the local market. Salaries increased \$17.7 million over 2012 but are still only \$3.4 above the level of 2011. Approximately \$12.9 million of the increase was due to the salary increases and \$4.8 million was due to hiring of fifty additional full time faculty. Decreases in salaries in 2012 were due to a voluntary retirement program in 2011 and replacement positions were not filled or hired at lower salaries. Benefits increased in 2013 due to the effect of the salary increases on variable benefits. As a percentage of salary expenses, benefits were 20.4% in 2013, 21.2% in 2012 and 23.6% in 2011.

Functional Classification

As would be expected, the bulk of operating expenses are for instruction which increased \$10.3 million in 2013 compared to 2012 with the salary increases being the majority of the increase. The same is true for the other functional classification with personnel. The decrease in scholarships is attributable to a slight decline in student enrollment. See Table 5 and Figure 3.

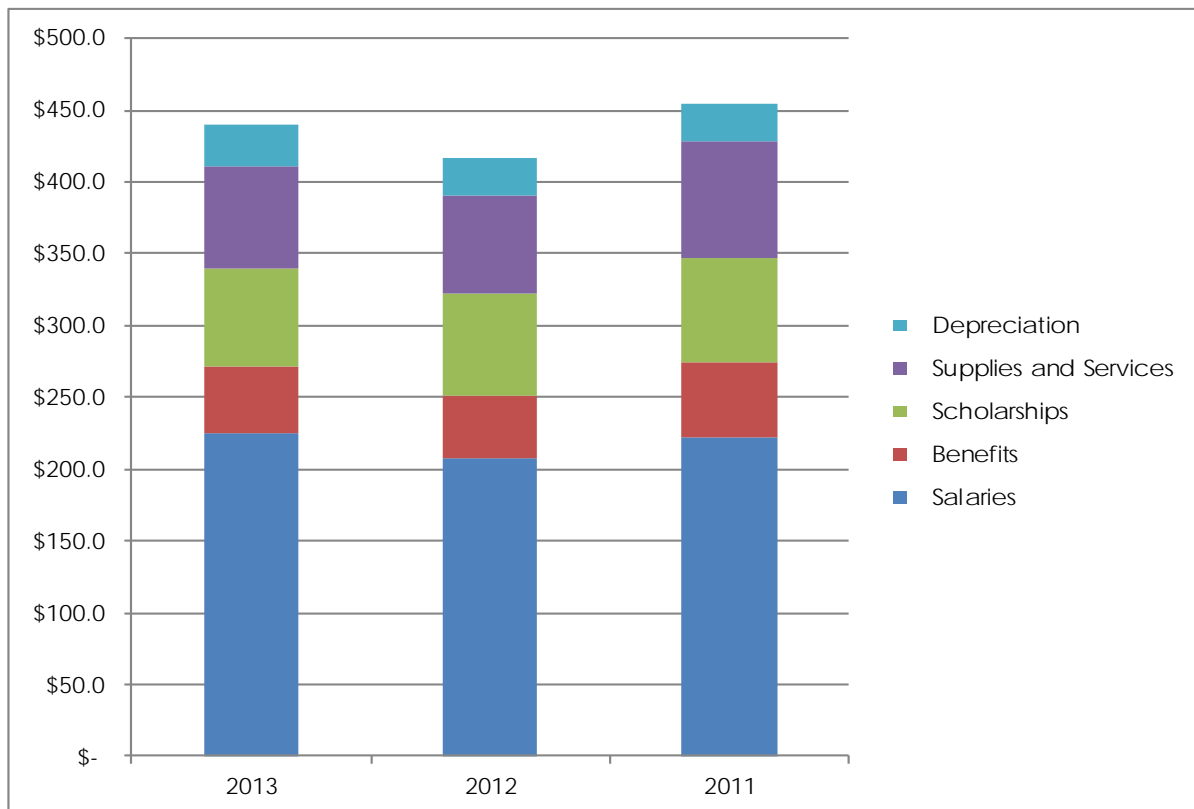
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)

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

OPERATING EXPENSE	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
Salaries	\$ 225.4	\$ 207.7	\$ 222.0	\$ 17.7	\$ (14.3)
Benefits	45.9	44.0	52.5	1.9	(8.5)
Scholarships	68.8	71.2	72.4	(2.4)	(1.2)
Supplies and Services	70.2	68.3	81.6	1.9	(13.3)
Depreciation	29.3	26.2	25.6	3.1	0.6
Total Operating Expenses	\$ 439.6	\$ 417.4	\$ 454.1	\$ 22.2	\$ (36.7)

Figure 2



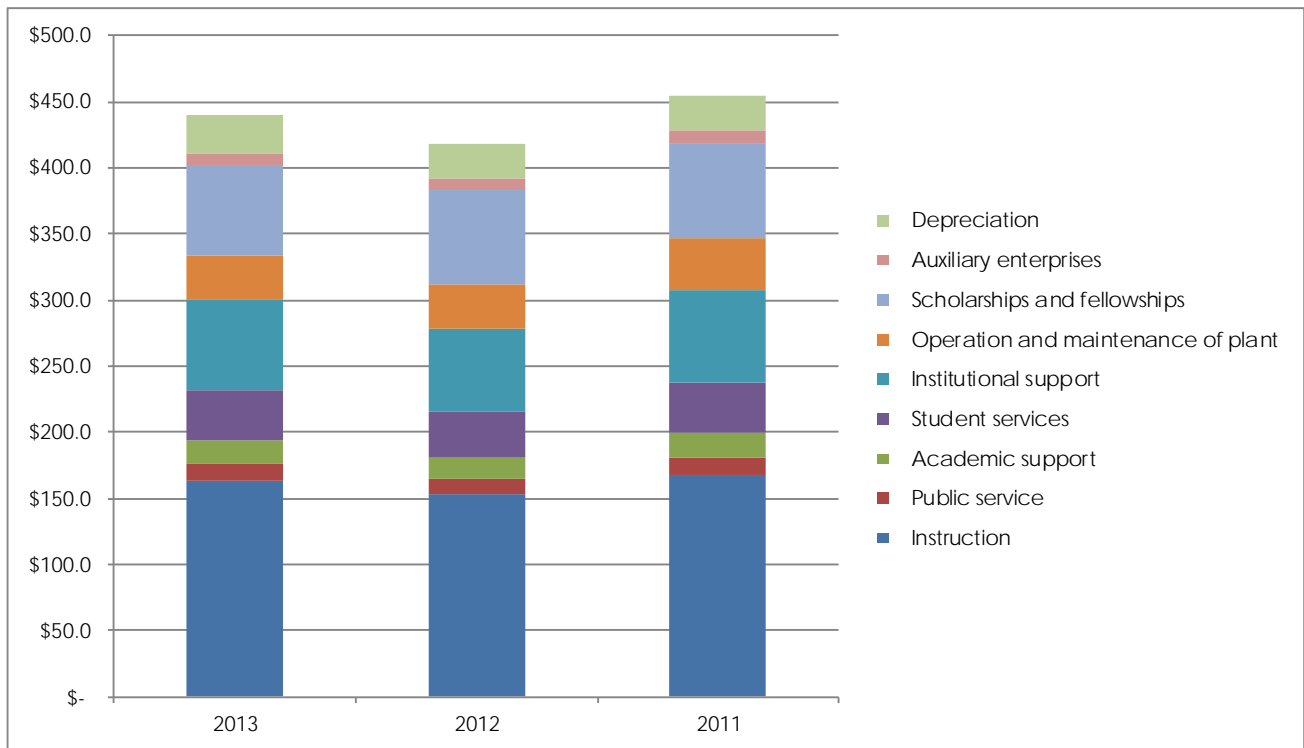
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)

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

OPERATING EXPENSE	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
Instruction	\$ 164.0	\$ 153.7	\$ 168.3	\$ 10.3	\$ (14.6)
Public service	12.4	11.1	12.2	1.3	(1.1)
Academic support	18.1	16.5	20.0	1.6	(3.5)
Student services	38.0	35.0	37.6	3.0	(2.6)
Institutional support	67.4	61.8	69.3	5.6	(7.5)
Operation and maintenance of plant	33.2	33.1	38.9	0.1	(5.8)
Scholarships and fellowships	68.8	71.2	72.4	(2.4)	(1.2)
Auxiliary enterprises	8.4	8.8	9.4	(0.4)	(0.6)
Depreciation	29.3	26.2	26.0	3.1	0.2
Total Operating Expenses	\$ 439.6	\$ 417.4	\$ 454.1	\$ 22.2	\$ (36.7)

Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012 (UNAUDITED)

The Foundation

As required when meeting the criteria delineated in GASB Statement No. 39, the District began including the statements of the Foundation starting in fiscal year ended August 31, 2004. For the fiscal year ended August 31, 2013, the Foundation's net position was \$35.9 million, an amount that represents 7.3% of the District's net position for the same period. For the fiscal year ended August 31, 2012, the Foundation's net position was \$35.3 million, which represents 7.5% of the District's net position for the same fiscal year. The income from the Foundation is partially used to fund grants and scholarships for the students and employees of the District. However, most of the Foundation's net position is permanently restricted and therefore not available for the District's direct use. Permanently restricted net position of the Foundation was \$25.3 million and \$27.5 million for the fiscal years ended August 31, 2013 and 2012, 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 the District 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 decreased \$4.4 million with increases in payroll due to employee raises offset by decreases in payments to vendors and for scholarships. Cash Flows from Non-Capital Financing Activities increased \$36 million due mainly to the increase in ad valorem taxes from the tax rate increase implemented in 2013. Cash Flows from Financing Activities decreased \$6 million as bonds matured and no debt was issued. Cash Flows from Investing Activities increased \$37 million as the additional ad valorem tax revenue was invested. The District has strived to reduce the amount in Cash and Cash Equivalents by investing in longer term maturities so to increase investment income.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2013, net capital assets decreased by \$22 million. By August 31, 2012, the amounts had decreased by \$18.5 million compared to 2011. After completion in prior years of a large number of capital construction projects under the 2004 capital improvement program, the current changes are indicative of the completion of that program and the beginning of depreciation for the buildings placed into service.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
(UNAUDITED)**

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2013	2012	2011	2013 to 2012	2012 to 2011
CAPITAL ASSETS:					
Land and Improvements	\$ 66.3	\$ 64.7	\$ 64.7	\$ 1.6	\$ -
Buildings & Building Improvements	852.1	842.2	841.4	9.9	0.8
Equipment, Furniture, and Software	74.6	74.2	72.2	0.4	2.0
Library Books	11.2	10.8	10.4	0.4	0.4
Construction In Progress	6.6	14.3	11.6	(7.7)	2.7
Total	1,010.8	1,006.2	1,000.3	4.6	5.9
Less Accumulated Depreciation	(350.4)	(323.8)	(299.4)	(26.6)	(24.4)
Net Capital Assets	\$ 660.4	\$ 682.4	\$ 700.9	\$ (22.0)	\$ (18.5)

After several years of issuing bonds related to the 2004 capital improvement program, no bonds were issued by the District in the fiscal years ended August 31, 2013, 2012 and 2011. The Series 2004 Maintenance Tax Notes fully matured in 2013 which will reduce future debt service payments by \$2.2 million and a portion matured in 2012, reducing debt service by \$4.2 million in 2013 compared to 2012. The Series 2009 Revenue bonds fully matured in 2012. The Debt Service Coverage Ratio for Revenue bonds increased to 13.8 in 2013 from 7.0 in 2012 as the District revised the state allowed tuition pledge to 25% of tuition per student per semester. There are no current plans for any new bond issues or refunding.

In preparation for selling the general obligation bonds, Standard & Poors, Inc., Moody's Investors Service, Inc. and Fitch Ratings all assigned their highest credit rating of AAA for the District. 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 reaffirmed this rating in 2012. Moody's and Standard and Poor's reaffirmed their ratings in 2013. Additional information on both capital assets and long term debt can be found in notes to the financial statements (See Notes 6-9).

Currently Known Facts, Decisions and Conditions

The 83rd Legislature passed an appropriation act for the 2014-2015 biennium and changed the method of funding to the state's fifty community college districts. Each college district will receive a base funding of \$500,000 per year. Each college district also receives an allocation based on reportable contact hours and another portion for student success. The Legislature also increased the benefit funding for community colleges compared to the 2012-2013 biennium. In total, state funding for the District will increase in 2014 by approximately \$2.4 million and \$3.7 million in 2015.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
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The certified tax assessed value increased for fiscal year 2014 by 5% and the Board approved a maintenance and operations tax rate of \$0.104 per \$100 valuation, an increase of 5.5%. The debt service rate was decreased slightly to \$0.02070 per \$100 valuation.

In September 2013, the District was notified by the Internal Revenue Service of a \$500,000 penalty for missing tax identification numbers on its submission of form 1098-T. The District has responded that the college has operated with a good faith effort and has requested the penalty be waived; however, a liability was recorded in 2013 for the full amount. The District has also taken appropriate steps to comply with the requirements for the 2013 submission of form 1098-T.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, students, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Affairs office at 4343 IH-30, Mesquite, Texas 75150-2018 or visit our Financial Transparency link at the bottom of the homepage on our website at: 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, Dallas, Texas 75215-1816.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET POSITION
AUGUST 31, 2013 AND 2012
EXHIBIT 1**

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 10,361,356	\$ 17,739,783
Accounts receivable (net of allowance for uncollectible accounts)	36,771,009	42,015,250
Tuition and fees receivable (net of allowance for uncollectible accounts)	10,509,489	8,988,006
Taxes receivable (net of allowance for uncollectible accounts)	1,519,817	1,424,378
Deferred charges, net	32,316,987	38,061,801
Notes receivable	9,778	17,143
Inventories	351,020	569,058
Prepaid expenses	1,001,504	953,267
Total current assets	92,840,960	109,768,686
NON-CURRENT AND RESTRICTED ASSETS		
Restricted cash and cash equivalents	11,882,235	17,469,388
Long-term investments	233,649,222	189,036,855
Deferred charges, net	3,850,954	4,688,798
Capital assets, net		
Not subject to depreciation	45,566,778	53,318,063
Subject to depreciation	614,821,703	629,112,296
Total non-current and restricted assets	909,770,892	893,625,400
TOTAL ASSETS	1,002,611,852	1,003,394,086
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	25,283,985	24,164,662
Accrued liabilities	5,131,511	6,447,485
Accrued compensable absences—current portion	7,280,491	7,539,627
Funds held for others	2,357,968	2,436,899
Unearned revenues	76,506,415	77,404,687
Bonds payable—current portion	20,624,121	22,165,567
Total current liabilities	137,184,491	140,158,927
NON-CURRENT LIABILITIES		
Restricted accrued liabilities	741,257	770,125
Accrued compensable absences	3,220,183	2,052,050
Bonds payable	369,860,486	390,484,607
Total non-current liabilities	373,821,926	393,306,782
TOTAL LIABILITIES	511,006,417	533,465,709
NET POSITION		
Net investment in capital assets	285,086,118	286,715,359
Restricted for:		
Unexpended bond proceeds	2,144,864	1,166,043
Debt service	-	-
Unrestricted	204,374,453	182,046,975
TOTAL NET POSITION (Schedule D)	\$ 491,605,435	\$ 469,928,377

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2013 AND 2012
EXHIBIT 1A

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,336,598	\$ 4,104,473
Investments	5,680,954	2,601,185
Accrued interest and dividends receivable	46,746	52,368
Contributions receivable, net	291,426	1,133,333
Other assets	11,125	10,799
	<u>11,366,849</u>	<u>7,902,158</u>
Noncurrent Assets:		
Cash equivalents restricted for endowments	1,326,801	2,560,233
Investments restricted for endowments	23,161,456	22,894,145
Contributions receivable, net	-	1,917,703
	<u>24,488,257</u>	<u>27,372,081</u>
TOTAL ASSETS	<u>\$ 35,855,106</u>	<u>\$ 35,274,239</u>
LIABILITIES AND NET ASSETS:		
Current Liabilities:		
Due to affiliate	\$ 180,982	\$ 557,332
Accounts payable	30,164	7,299
Total current liabilities	<u>211,146</u>	<u>564,631</u>
Total liabilities	<u>211,146</u>	<u>564,631</u>
Net Assets:		
Unrestricted	1,056,537	638,322
Temporarily restricted	9,307,306	6,569,081
Permanently restricted	25,280,117	27,502,205
Total net assets	<u>35,643,960</u>	<u>34,709,608</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 35,855,106</u>	<u>\$ 35,274,239</u>

See Note 23 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, 2013 AND 2012
EXHIBIT 2**

	2013	2012
OPERATING REVENUES		
Tuition and charges (net of discounts of \$44,103,061 and \$40,635,598 for 2013 and 2012, respectively)	\$ 58,335,519	\$ 56,484,293
Federal grants and contracts	15,671,391	\$ 15,696,087
State grants and contracts	8,577,835	7,913,679
Non-governmental grants and contracts	1,839,443	1,355,625
Sales and services of educational activities	606,543	474,268
Auxiliary enterprises	4,520,913	5,072,071
General operating revenues	1,501,922	1,858,210
Total operating revenues (Schedule A)	91,053,566	88,854,233
OPERATING EXPENSES		
Instruction	164,004,415	153,710,356
Public service	12,392,471	11,122,463
Academic support	18,153,947	16,480,410
Student services	37,959,461	35,092,447
Institutional support	67,357,381	61,815,128
Operation and maintenance of plant	33,201,432	33,104,936
Scholarships and fellowships	68,820,441	71,173,456
Auxiliary enterprises	8,399,456	8,770,977
Depreciation	29,337,838	26,166,959
Total operating expenses (Schedule B)	439,626,842	417,437,132
OPERATING LOSS	(348,573,276)	(328,582,899)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	109,030,381	109,267,993
Maintenance ad valorem taxes (net of bad debt and collection fee of \$5,446,842 and \$4,666,012 for 2013 and 2012, respectively)	190,553,282	156,741,112
Federal revenue, non-operating	90,602,218	90,499,349
Gifts	114,713	498,928
Investment (loss) Income	(4,051,823)	1,920,893
Gain on sale of investment	59,287	-
Contributions in aid of construction	242,463	-
Interest on capital related debt	(16,123,604)	(16,862,201)
(Loss) Gain on disposal of fixed assets	(58,468)	49,489
Other non-operating revenue	1,049,000	218,280
Other non-operating expense	(1,167,115)	(740,596)
Net non-operating revenues (Schedule C)	370,250,334	341,593,247
INCREASE IN NET POSITION	21,677,058	13,010,348
NET POSITION		
Net Position—Beginning of Year	469,928,377	456,918,029
Net Position—End of Year	\$ 491,605,435	\$ 469,928,377

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, 2013
EXHIBIT 2A**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 122,320	\$ 1,577,463	\$ 97,556	\$ 1,797,339
Interest and dividend income	83,366	407,177	-	490,543
Contributed employees' salaries and benefits	560,774	-	-	560,774
Net realized and unrealized gains on investments	478,698	1,971,987	-	2,450,685
Net assets released from restrictions	<u>3,538,046</u>	<u>(1,202,157)</u>	<u>(2,335,889)</u>	<u>-</u>
TOTAL REVENUES	<u>4,783,204</u>	<u>2,754,470</u>	<u>(2,238,333)</u>	<u>5,299,341</u>
EXPENSES				
Program services:				
Scholarship awards	595,057	-	-	595,057
Grants	739,427	-	-	739,427
Total program services	<u>1,334,484</u>	<u>-</u>	<u>-</u>	<u>1,334,484</u>
Non-program services:				
Management and general	2,917,063	-	-	2,917,063
Fundraising	113,442	-	-	113,442
Total non-program services	<u>3,030,505</u>	<u>-</u>	<u>-</u>	<u>3,030,505</u>
TOTAL EXPENSES	<u>4,364,989</u>	<u>-</u>	<u>-</u>	<u>4,364,989</u>
Transfers between funds, based on donor instructions	<u>-</u>	<u>(16,245)</u>	<u>16,245</u>	<u>-</u>
CHANGE IN NET ASSETS	418,215	2,738,225	(2,222,088)	934,352
NET ASSETS, BEGINNING OF YEAR	<u>638,322</u>	<u>6,569,081</u>	<u>27,502,205</u>	<u>34,709,608</u>
NET ASSETS, END OF YEAR	<u>\$ 1,056,537</u>	<u>\$ 9,307,306</u>	<u>\$25,280,117</u>	<u>\$35,643,960</u>

See Note 23 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES (RESTATED)
FOR THE FISCAL YEAR ENDED AUGUST 31, 2012

EXHIBIT 2A
(CONTINUED)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 132,686	\$ 965,203	\$ 613,612	\$ 1,711,501
Interest and dividend income	61,701	505,487	-	567,188
Contributed employees' salaries and benefits	580,736	-	-	580,736
Net realized and unrealized gains on investments	77,380	873,682	-	951,062
Net assets released from restrictions	1,759,808	(1,759,808)	-	-
TOTAL REVENUES	<u>2,612,311</u>	<u>584,564</u>	<u>613,612</u>	<u>3,810,487</u>
EXPENSES				
Program services:				
Scholarship awards	936,104	-	-	936,104
Grants	893,651	-	-	893,651
Total program services	<u>1,829,755</u>	<u>-</u>	<u>-</u>	<u>1,829,755</u>
Non-program services:				
Management and general	596,796	-	-	596,796
Fundraising	142,459	-	-	142,459
Total non-program services	<u>739,255</u>	<u>-</u>	<u>-</u>	<u>739,255</u>
TOTAL EXPENSES	<u>2,569,010</u>	<u>-</u>	<u>-</u>	<u>2,569,010</u>
Transfers between funds, based on donor instructions	950	(950)	-	-
CHANGE IN NET ASSETS	44,251	583,614	613,612	1,241,477
NET ASSETS, BEGINNING OF YEAR, WITH RESTATED UNRESTRICTED AND TEMPORARILY RESTRICTED BALANCES	<u>594,071</u>	<u>5,985,467</u>	<u>26,888,593</u>	<u>33,468,131</u>
NET ASSETS, END OF YEAR	<u>\$ 638,322</u>	<u>\$ 6,569,081</u>	<u>\$27,502,205</u>	<u>\$34,709,608</u>

See Note 23 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
EXHIBIT 3**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 69,175,548	\$ 67,056,663
Receipts from grants and contracts	27,045,390	29,940,074
Payments to suppliers for goods and services	(71,250,859)	(76,308,329)
Payments to or on behalf of employees	(262,336,393)	(252,399,012)
Payments for scholarships and fellowships	(63,575,254)	(73,932,797)
Loans issued to students	(45,971)	(31,523)
Collection of loans to students	42,801	19,950
Other receipts	1,501,066	1,858,210
Net cash used by operating activities	(299,443,672)	(303,796,764)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	195,742,229	161,584,942
Payments for collection of taxes	(5,284,386)	(4,670,872)
Receipts from state appropriations	99,270,273	100,009,555
Receipts from federal grants for non operating activities	90,607,206	88,232,961
Receipts from federal student direct loan program	42,507,555	27,658,945
Payments of federal direct loans to students	(42,512,543)	(27,536,630)
Receipts from student organizations and other agency transactions	2,897,701	3,163,397
Payments to student organizations and other agency transactions	(2,976,632)	(3,172,014)
Other receipts	1,049,000	470
Other payments	(16,417)	-
Net cash provided by non-capital financing activities	381,283,986	345,270,754
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Contribution received in aid of construction	242,463	-
Proceeds from the sale of capital assets	110,768	299,771
Purchases of capital assets	(8,199,431)	(7,344,852)
Payments on capital debt - principal	(20,410,000)	(26,020,000)
Payments on capital debt - interest	(17,913,061)	(19,037,309)
Net cash used by capital and related financing activities	(46,169,261)	(52,102,390)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	147,059,287	154,020,000
Interest on investments	2,929,171	3,495,030
Purchase of investments	(198,625,091)	(169,128,793)
Net cash provided by investing activities	(48,636,633)	(11,613,763)
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	(12,965,580)	(22,242,163)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	35,209,171	57,451,334
CASH AND CASH EQUIVALENTS, AUGUST 31	\$ 22,243,591	\$ 35,209,171
Reconciliation of net operating loss to net cash used by operating activities		
Operating loss	\$ (348,573,276)	\$ (328,582,899)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	29,337,838	26,166,959
Bad debt expense	1,353,700	1,836,000
Payments made directly by State for benefits	9,760,108	9,258,438
Changes in assets and liabilities:		
Receivables (net)	2,423,482	2,578,530
Deferred expenses	6,259,714	(3,628,836)
Inventories	218,038	29,388
Notes receivable	7,365	2,232
Prepaid expenses	(48,237)	631,168
Accounts payable	1,119,323	(3,270,043)
Accrued liabilities	(1,312,452)	(8,903,770)
Compensated absences	908,997	(1,023,120)
Deferred revenue	(898,272)	1,109,189
Net cash used by operating activities	\$ (299,443,672)	\$ (303,796,764)

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, 2013 AND 2012

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. 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. 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.

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 the District subsequently approved the charter in May 2006. While RCHS receives state reimbursement based on average daily attendance, the District also receives state funding dollars for the contact hours. TEA requirements necessitate tracking RCHS revenues and expenses separately from those of the District. Because the high school "contracts" with the college for instructional and administrative services, the legal identity is the same as the District. RCHS shares the same Board of Trustees with the District and the RCHS is included as an operating unit in the District's financial statements. More information can be found in Footnote 24, including 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report Guidelines— In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the District is classified as a special purpose government with all financial data of the District reflected as one business-type activity. 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, 2013 and 2012. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The accompanying financial statements of the District are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP). The District applies all applicable GASB pronouncements.

Tuition Discounting

Texas Public Education Grant

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.

Other Tuition Discounts

The District awards certain tuition scholarships from institutional and grant funds 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

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

Deferred Charges—Current deferred charges of \$32,009,219 and \$37,738,857 represent expenses for scholarships and fellowships related to the periods after August 31, 2013 and 2012, respectively, and \$307,768 and \$322,944 represent bond issue costs to be amortized in the periods after August 31, 2013 and 2012, 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 \$1,645,056 and \$2,175,132 at August 31, 2013 and 2012, respectively, and have been included in the accompanying Statements of Net Position as non-current deferred charges. In addition, \$2,205,898 and \$2,513,666, the non-current portion of bond issue costs being amortized over the life of the bonds, is included for the periods ended August 31, 2013 and 2012, respectively.

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 adopts the budget and any revisions during the year. A copy of the approved budget is filed by December 1st with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library and the Governor’s Office of Budget and Planning.

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 \$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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

expense 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

Unearned Revenues—Tuition and other revenues received, which relate to future periods, have been reported as unearned revenue.

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 Revenue and Expense 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 consists of a variety of miscellaneous revenues that includes 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. 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 pay as earned. Sick leave and extenuating circumstance leave is not accrued, as a terminated employee is not paid for the 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

GASB Pronouncements---Effective with fiscal year 2013, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Revenues, and Net Position*. This pronouncement had no significant impact on the District's financial statements. In fiscal year 2014, all Texas community colleges will implement the following:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 25*

Prior Year Restatements--- A certain balance of fiscal year 2012 has been reclassified to conform to fiscal year 2013 presentation.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

3. AUTHORIZED INVESTMENTS

The Board of Trustees of the District 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.

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, 2013 AND 2012**

4. DEPOSITS AND INVESTMENTS

Under the terms of a bank depository agreement, District funds are to be fully invested at all times. The District maintains an investment pool 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, 2013 was \$3,966,910, and the bank balance was \$5,666,032. The carrying amount of the District's deposits with financial institutions as of August 31, 2012 was \$4,612,943, and the bank balance was \$6,651,011. At August 31, 2013 and 2012, all of the District's deposits with banks were either insured by FDIC or collateralized with securities through third party agreements.

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

	2013	2012
Bank deposits		
Local funds - demand	\$ 3,958,410	\$ 4,604,443
Imprest funds	8,500	8,500
Total deposits	3,966,910	4,612,943
Cash on hand	28,004	28,001
Cash equivalents		
Investment in TexPool	3,252,332	1,235,541
Investment in TexSTAR	12,455,289	29,332,686
Investment in LOGIC	2,541,056	-
Total cash equivalents	18,248,677	30,568,227
Total cash and cash equivalents	\$ 22,243,591	\$ 35,209,171

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

Investments—The District has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an Amendment of GASB Statement No. 3*. Disclosures are presented accordingly. 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, and (5) 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, 2013 and 2012, long-term investments consisted of U.S. government and agency securities and obligations of municipalities. District policy requires that securities underlying its repurchase agreements must have a market value of at least 102% of the cost of the repurchase agreement and are to be collateralized with U.S. Treasury obligations or related securities which must be delivered to its depository banks for safekeeping. The District determines that, at least monthly, the collateral has a market value adequate to support such investments and that the collateral has been segregated by the bank.

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

As of August 31, 2013 the District had the following cash equivalents and investments:

	Fair Value	Investment Maturities (In Years)					
		Less than 1	1-2	2-3	3-4	4-5	5-6
U. S. Agency notes and bonds	\$ 233,649,222	\$ -	\$ -	\$ 4,975,000	\$ 56,865,890	\$ 62,877,584	\$ 108,930,748
Investments in TexPool	3,252,332	3,252,332	-	-	-	-	-
Investments in TexSTAR	12,455,289	12,455,289	-	-	-	-	-
Investments in LOGIC	2,541,056	2,541,056	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 251,897,899</u>	<u>\$ 18,248,677</u>	<u>\$ -</u>	<u>\$ 4,975,000</u>	<u>\$ 56,865,890</u>	<u>\$ 62,877,584</u>	<u>\$ 108,930,748</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

As of August 31, 2012 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 notes and bonds	\$ 186,997,675	\$ -	\$ 20,019,072	\$ 13,026,949	\$ 48,512,846	\$ 55,358,437	\$ 50,080,371
Municipal obligations	2,039,180	-	-	2,039,180	-	-	-
Investments in TexPool	1,235,541	1,235,541	-	-	-	-	-
Investments in TexSTAR	29,332,686	29,332,686	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 219,605,082</u>	<u>\$ 30,568,227</u>	<u>\$ 20,019,072</u>	<u>\$ 15,066,129</u>	<u>\$ 48,512,846</u>	<u>\$ 55,358,437</u>	<u>\$ 50,080,371</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 83.17% of the District's total portfolio at August 31, 2013 and meets the District's guideline of no more than 85% of the portfolio being U.S. Agency securities.

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	<u>Fair Market Value August 31, 2013</u>	<u>Fair Market Value August 31, 2012</u>
Total cash and cash equivalents	\$ 22,243,591	\$ 35,209,171
Total investments	<u>233,649,222</u>	<u>189,036,855</u>
Total	<u>\$ 255,892,813</u>	<u>\$ 224,246,026</u>
Cash and cash equivalents (Exhibit 1)	\$ 10,361,356	\$ 17,739,783
Restricted cash and cash equivalents (Exhibit 1)	11,882,235	17,469,388
Long-term investments (Exhibit 1)	<u>233,649,222</u>	<u>189,036,855</u>
Total	<u>\$ 255,892,813</u>	<u>\$ 224,246,026</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2013 or 2012.

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 Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. government agencies, commercial paper and other safe instruments. The carrying value of TexPool represents the investment of the District. The investment in TexPool plus accrued interest may be redeemed by the District at any time. TexPool has not been assigned a risk category since the District is not issued securities, but rather owns an undivided beneficial interest in the assets of TexPool. 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 consequently investing in instruments similar to TexPool. Like those for TexPool, 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 & Poors 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.

TexPool, TexSTAR and LOGIC are not registered with the 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 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net position 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2013 was as follows:

	<u>Balance September 1, 2012</u>	<u>Increases/ Reclassifications</u>	<u>Decreases</u>	<u>Balance August 31, 2013</u>
Capital assets not subject to depreciation:				
Land	\$ 38,995,065	\$ -	\$ (48,216)	\$ 38,946,849
Construction in progress	14,322,998	3,802,461	(11,505,531)	6,619,928
Total not depreciated	53,318,063	3,802,461	(11,553,747)	45,566,777
Capital assets subject to depreciation:				
Buildings and building improvements	842,217,880	9,909,786	-	852,127,666
Land improvements	25,709,652	1,595,745	-	27,305,397
Furniture, machinery, vehicles, and other equipment	74,152,252	3,813,902	(3,359,628)	74,606,526
Library books	10,831,165	382,273	-	11,213,438
Total depreciated	952,910,949	15,701,706	(3,359,628)	965,253,027
Accumulated depreciation:				
Buildings and building improvements	(243,490,767)	(22,978,031)	-	(266,468,798)
Land improvements	(18,582,833)	(476,868)	-	(19,059,701)
Furniture, machinery, vehicles, and other equipment	(54,000,019)	(5,538,740)	2,705,168	(56,833,591)
Library books	(7,725,034)	(344,199)	-	(8,069,233)
Total accumulated depreciation	(323,798,653)	(29,337,838)	2,705,168	(350,431,323)
Net capital assets	<u>\$ 682,430,359</u>	<u>\$ (9,833,671)</u>	<u>\$ (12,208,207)</u>	<u>\$ 660,388,481</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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Capital assets activity for the fiscal year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Increases/ Reclassifications	Decreases	Balance August 31, 2012
Capital assets not subject to depreciation:				
Land	\$ 39,019,430	\$ -	\$ (24,365)	\$ 38,995,065
Construction in progress	<u>11,584,115</u>	<u>3,217,580</u>	<u>(478,697)</u>	<u>14,322,998</u>
Total not depreciated	50,603,545	3,217,580	(503,062)	53,318,063
Capital assets subject to depreciation:				
Buildings and building improvements	841,386,701	831,179	-	842,217,880
Land improvements	25,633,930	75,722	-	25,709,652
Furniture, machinery, vehicles, and other equipment	72,207,053	4,164,800	(2,219,601)	74,152,252
Library books	<u>10,428,223</u>	<u>402,942</u>	<u>-</u>	<u>10,831,165</u>
Total depreciated	949,655,907	5,474,643	(2,219,601)	952,910,949
Accumulated depreciation:				
Buildings and building improvements	(223,620,029)	(19,870,738)	-	(243,490,767)
Land improvements	(18,172,470)	(410,363)	-	(18,582,833)
Furniture, machinery, vehicles, and other equipment	(50,178,811)	(5,561,200)	1,739,992	(54,000,019)
Library books	<u>(7,400,376)</u>	<u>(324,658)</u>	<u>-</u>	<u>(7,725,034)</u>
Total accumulated depreciation	<u>(299,371,686)</u>	<u>(26,166,959)</u>	<u>1,739,992</u>	<u>(323,798,653)</u>
Net capital assets	<u>\$ 700,887,766</u>	<u>\$ (17,474,736)</u>	<u>\$ (982,671)</u>	<u>\$ 682,430,359</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

6. NON-CURRENT LIABILITIES

Non-current liability activity for the fiscal year ended August 31, 2013 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 21,450,000	\$ -	\$ (2,025,000)	\$ 19,425,000	\$ 2,090,000
Series 2004 Maintenance Tax Notes	2,170,000	-	(2,170,000)	-	-
Series 2008 General Obligation Bonds	184,385,000	-	(7,820,000)	176,565,000	8,180,000
Series 2009 General Obligation Bonds	93,930,000	-	(3,755,000)	90,175,000	3,895,000
Series 2010 General Obligation Bonds	44,765,000	-	(1,690,000)	43,075,000	1,725,000
Series 2010 General Obligation Refunding Bonds	49,015,000	-	(2,950,000)	46,065,000	3,045,000
Unamortized bond premium	19,559,523	-	(2,124,827)	17,434,696	2,037,970
Deferred loss on bond refunding	(2,624,349)	-	369,260	(2,255,089)	(348,849)
Accrued interest	770,125	-	(28,868)	741,257	-
Compensable absences	9,591,677	908,997	-	10,500,674	7,280,491
Total	\$ 423,011,976	\$ 908,997	\$ (22,194,435)	\$ 401,726,538	\$ 27,904,612

Non-current liability activity for the fiscal year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 23,400,000	\$ -	\$ (1,950,000)	\$ 21,450,000	\$ 2,025,000
Series 2009 Revenue Financing					
System Refunding Bonds	2,195,000	-	(2,195,000)	-	-
Series 2004 Maintenance Tax Notes	8,460,000	-	(6,290,000)	2,170,000	2,170,000
Series 2004 General Obligation Bonds	2,700,000	-	(2,700,000)	-	-
Series 2008 General Obligation Bonds	191,865,000	-	(7,480,000)	184,385,000	7,820,000
Series 2009 General Obligation Bonds	97,545,000	-	(3,615,000)	93,930,000	3,755,000
Series 2010 General Obligation Bonds	46,415,000	-	(1,650,000)	44,765,000	1,690,000
Series 2010 General Obligation Refunding Bonds	49,155,000	-	(140,000)	49,015,000	2,950,000
Unamortized bond premium	21,809,431	-	(2,249,908)	19,559,523	2,124,827
Deferred loss on bond refunding	(3,008,204)	-	383,855	(2,624,349)	(369,260)
Accrued interest	808,235	-	(38,110)	770,125	-
Compensable absences	10,614,797	-	(1,023,120)	9,591,677	7,539,627
Total	\$ 451,959,259	\$ 0	\$ (28,947,283)	\$ 423,011,976	\$ 29,705,194

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

7. DEBT AND LEASE OBLIGATIONS

The District has authorized debt of General Obligation (GO) bonds, Maintenance Tax Notes (MTN) and Revenue bonds. GO bonds are authorized by the Board of Trustees and approved by the voters of the District's service area and secured by an ad valorem tax rate Interest & Sinking portion (I&S) to cover the debt service of the bonds. MTN are secured by the Maintenance & Operations portion (M&O) of the District's tax rate and are authorized by the Board of Trustees. Revenue bonds are secured by a portion of tuition and other revenue streams of the District. The following table shows the debt service by each type of bond for the next five years and thereafter:

Year ended	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
August 31:						
2014	\$ 16,845,000	\$ 16,713,318	\$ 2,090,000	\$ 817,633	\$ 18,935,000	\$ 17,530,951
2015	17,525,000	16,035,094	2,175,000	721,457	19,700,000	16,756,551
2016	18,295,000	15,259,494	2,265,000	621,782	20,560,000	15,881,276
2017	19,160,000	14,396,281	2,360,000	517,483	21,520,000	14,913,764
2018	20,075,000	13,481,756	2,470,000	396,733	22,545,000	13,878,489
2019 - 2023	116,285,000	51,488,682	8,065,000	518,686	124,350,000	52,007,368
2024 - 2028	132,725,000	19,865,356	-	-	132,725,000	19,865,356
2029 - 2030	14,970,000	489,247	-	-	14,970,000	489,247
Total	<u>\$ 355,880,000</u>	<u>\$ 147,729,228</u>	<u>\$ 19,425,000</u>	<u>\$ 3,593,774</u>	<u>\$ 375,305,000</u>	<u>\$ 151,323,002</u>

The total debt service principal and interest requirements for all bonds for the next five years and thereafter for recorded outstanding indebtedness are in the following table.

Year ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
August 31,			
2014	\$ 18,935,000	\$ 17,530,951	\$ 36,465,951
2015	19,700,000	16,756,551	36,456,551
2016	20,560,000	15,881,276	36,441,276
2017	21,520,000	14,913,764	36,433,764
2018	22,545,000	13,878,489	36,423,489
2019 - 2023	124,350,000	52,007,368	176,357,368
2024 - 2028	132,725,000	19,865,356	152,590,356
2029 - 2030	14,970,000	489,247	15,459,247
Total	<u>\$ 375,305,000</u>	<u>\$ 151,323,002</u>	<u>\$ 526,628,002</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
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Included in operating expenses is \$760,388 and \$757,432 of rent paid during fiscal years 2013 and 2012, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2013 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2014	\$ 241,309
2015	311,400
2016	325,569
2017	<u>100,787</u>
Total	<u>\$ 979,065</u>

There are currently no lease obligations beyond the fiscal year ending August 31, 2017.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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8. BONDS PAYABLE

Bonds payable are due in annual and semiannual installments at interest rates ranging from 1.3% to 5.0% as well as different maturity dates through 2030. A chart of each bond issue is listed below.

	Bonds Issued to Date	Range of Interest Rates	Maturities		
			First Year	Last Year	First Call Date
Series 2006 Revenue Financing System Refunding Bonds	\$ 25,275,000	4.00%-5.00%	2011	2021	2/15/2017
Series 2009 Revenue Financing System Refunding Bonds	\$ 6,460,000	1.30%-2.30%	2010	2012	N/A
Series 2004 Maintenance Tax Notes	\$ 38,555,000	2.00%-5.00%	2004	2013	2/15/2010
Series 2004 General Obligation Bonds	\$ 67,375,000	3.00%-5.00%	2005	2025	2/15/2013
Series 2008 General Obligation Bonds	\$ 211,975,000	3.50%-5.00%	2009	2028	2/15/2019
Series 2009 General Obligation Bonds	\$ 102,985,000	1.50%-5.00%	2010	2029	2/15/2020
Series 2010 General Obligation Bonds	\$ 47,060,000	2.00%-5.00%	2011	2030	2/15/2020
Series 2010 General Obligation Refunding Bonds	\$ 49,290,000	2.00%-5.00%	2011	2025	2/15/2021

On April 6, 2004, pursuant to authority conferred by the Constitution and the laws of the State of Texas, including Sections 45.108 and 130.084, Texas Education Code, as amended, the District issued \$38,555,000 of Maintenance Tax Notes ("Series 2004 Notes"). The proceeds of the notes are being used to pay for planned maintenance expenses associated with various facilities of the District. The notes are direct obligations of the District payable from a continuing direct annual ad valorem tax pursuant to the District's maintenance tax authority, with the limits prescribed by law, on all taxable property in the District. Debt issue costs are being amortized over the life of the notes. As of August 31, 2013, there were no outstanding amount on the Series 2004 Notes.

On September 14, 2004, the District issued \$67,375,000 par value general obligation bonds ("Series 2004 Bonds") as the first issue of a \$450 million bond package approved by the voters in May 2004. A bond premium of \$3,288,442 and accrued interest of \$258,442 were received. The bonds were sold in \$5,000 increments with various interest rates and maturity dates. The earliest maturity date is February 15, 2006 and the last is February 15, 2025. A call option can be exercised for maturities after 2013. The cost of issuance and underwriter's discount totaled \$662,500. Proceeds of the bonds are to be utilized for acquisition of land and buildings and activities related thereto. 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 June 1, 2010, the bonds were recalled and refunded by Series 2010 General Obligation Refunding Bonds for maturities between 2013 and

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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2025.

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 Bonds"). All Series 2006 Bonds authorized have been issued to date. The average interest rate of the Series 2006 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 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 2001 Series 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 2001 Series 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, 2013, there was no Bond Reserve fund requirement.

On September 4, 2008, the District issued its second tranche of general obligation 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.

On June 4, 2009, the District issued the third tranche of general obligation bonds for the \$450 million bond election. This "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 bond 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 June 22, 2009, the District issued bonds through private placement for a current refunding of its outstanding Series 1998 bonds totaling \$6,370,000 by issuing \$6,460,000 in Series 2009 Revenue Financing System Refunding Bonds ("Series 2009 Refunding Bonds"). All Series 2009 Refunding Bonds authorized have been issued to date. The average interest rate of the refunding bonds is 2.073% with a coupon range of 1.300% - 2.300%. After a placement fee of \$39,200 and other issuance costs totaling \$31,950, all resources from the Series 2009 Refunding Bonds, including

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transfers of \$124,931 of Series 1998 Bonds debt service funds, were placed into an escrow fund to provide for payments on the recalled Series 1998 Bonds. The Series 1998 Bonds are fully paid and the liability for those bonds has accordingly been removed from the Statements of Net Positions. Current refunding of the Series 1998 Bonds reduces the District's debt service payments by \$185,903. 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 \$178,772 was obtained by the current refunding. At August 31, 2013, there was no outstanding amount on the Series 2009 Refunding Bonds.

On January 15, 2010, the District issued its fourth and final tranche of general obligation bonds for the \$450 million bond election. The "Series 2010 General Obligation 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.

On June 1, 2010, the District advanced refunded \$50,635,000 of its outstanding Series 2004 General Obligation 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.

In 2013, the District incurred \$16,123,604 in interest cost, of which \$16,123,604 was expensed. In 2012, the District incurred \$16,862,201 in interest cost, of which \$16,862,201 was expensed.

At its April 3, 2007 meeting, the Board of Trustees of the Dallas County Community College District passed a resolution approving the use of a Commercial Paper Program for use as an interim financing tool for the \$450 million, voter-approved, capital improvement program ultimately financed by Interest and Sinking ad valorem taxes. The Commercial Paper Program was ended by board resolution on November 3, 2009.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

9. DEFEASED BONDS OUTSTANDING

As of August 31, 2013 and 2012 the District had the following defeased bonds outstanding:

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>	
		<u>2013</u>	<u>2012</u>
Series 2001 Revenue Financing System Bonds	2006	\$ 21,045,000	\$ 23,140,000
Series 2004 General Obligation Bonds	2010	47,795,000	50,635,000
		<u>\$ 68,840,000</u>	<u>\$ 73,775,000</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

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10. 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 (TRS) or the Optional Retirement System (ORP).

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description - The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities and death and survivor benefits to employees and beneficiaries of employees of the public school systems, colleges and university employees and state employees. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.state.tx.us under the TRS Publications heading.

Funding Policy – Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The State funding policy is as follows: (1) The State constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of TRS; (2) A State statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. In certain instances, the reporting district is required to make all or a portion of the state's contribution amounts.

<u>Teacher Retirement Contribution Rates</u>	<u>2013</u>	<u>2012</u>
Member Contribution	6.40%	6.40%
Employer/State Contribution	6.40%	6.00%

District employees who are employed for one half or more of the standard workload and who are not exempted from membership under Texas Revised Civil Statutes are eligible to participate in TRS. Employees who retire at or after age 65 with 5 years of creditable service or age 60 with 20 years of service or age 55 with 30 years of service are entitled to full retirement benefits. Eligible employees may receive reduced benefits at age 55 with at least 5 years of service or at any age with 30 or more years of service.

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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
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Funding Policy - Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. In certain instances, the reporting district is required to make all or a portion of the State's contribution amounts.

<u>Optional Retirement Plan Contribution Rates</u>	<u>2013</u>	<u>2012</u>
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.00%	6.00%
District Contribution of Participant's Annual Compensation for Participants Enrolled Prior to September 1, 1995	2.50%	2.50%
District Contribution of Participant's Annual Compensation for Participants Enrolled After September 1, 1995	0.58%	0.58%

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

Retirement Plan Expense

Below is a summary of both the ORP and TRS retirement plan expense for fiscal years ended August 31, 2013 and 2012.

<u>ORP and TRS Retirement Plan Expense</u>	<u>2013</u>	<u>2012</u>
Total Payroll	\$ 225,372,932	\$ 207,751,629
TRS Payroll-Eligible Employees	120,944,389	109,997,907
ORP Payroll-Eligible Employees	56,966,049	52,368,186
Actual Cost of ORP and TRS Retirement Benefits	12,071,014	10,600,889
District Contribution for ORP and TRS Retirement Benefits	6,317,752	5,092,446
State Legislative Appropriation Expended for ORP and TRS	5,753,262	5,508,443
State Contribution for ORP	3,220,000	2,988,250

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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11. 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, 2013, and August 31, 2012, 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, 2013 AND 2012

12. COMPENSABLE ABSENCES

Full-time professional support staff and administrators earn annual leave from one to two days per month depending on the length of employment with the District. 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 days of 48. 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. It is used by an employee who misses work because of illness. 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 but is not payable on termination.

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2013	2012
Balance as of September 1,	\$ 9,591,667	\$ 10,614,797
Leave Accruals/Adjustments	7,736,372	6,710,497
Leave Used	(6,298,017)	(5,662,114)
Accrued Leave Paid	(529,348)	(2,071,503)
Balance as of August 31,	<u>\$ 10,500,674</u>	<u>\$ 9,591,677</u>
Current Liability Portion	\$ 7,280,491	\$ 7,539,627
Non-Current Liability Portion	\$ 3,220,183	\$ 2,052,050

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

13. POST-EMPLOYMENT 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>2013 State/Employer Contribution</u>	<u>2013 Annualized Contribution</u>	<u>2012 State/Employer Contribution</u>	<u>2012 Annualized Contribution</u>
Member Only	\$470.38	\$5,644.56	\$438.30	\$5,259.60
Member & Spouse	\$739.58	\$8,874.96	\$689.04	\$8,268.48
Member & Child(ren)	\$650.62	\$7,807.44	\$606.20	\$7,274.40
Member & Family	\$919.82	\$11,037.84	\$856.94	\$10,283.28

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

<u>Cost of Providing Health Care Insurance</u>	<u>2013</u>	<u>2012</u>
Number of Retirees	1,136	1,135
Cost of Health Benefits for Retirees	\$ 7,525,732	\$ 6,926,484
Number of Active Full Time Employees	3,142	3,060
Cost of Health Benefits for Active Full Time Employees	\$ 20,509,715	\$ 18,583,294
State Appropriation for Health Insurance	\$ 9,760,108	\$ 9,258,438
District's Expense	\$ 18,275,338	\$ 16,251,340

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

14. POST-EMPLOYMENT 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 Post-Employment Benefits Other than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to the plan for the fiscal years ended August 31, 2013 and 2012 were \$18,275,338 and \$16,251,340 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, 2013 AND 2012

15. 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 locations within the District. Commitments remaining under such contracts at August 31, 2013 are \$1,265,094.

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 does not plan to accrue a liability.

On September 3, 2013, the District was notified by the Internal Revenue Service (IRS) of a penalty for incorrect taxpayer information submitted on form 1098-T for the year ending December 31, 2011. The proposed penalty of \$500,000 has been reflected in this CAFR. The District has replied to the IRS that the penalty should be waived under Treasury Regulation Section 1.6050S-1 because the District took "reasonable cause" to obtain the missing information. The District has not received a reply from the IRS.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

16. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Ad valorem taxes	\$ 7,976,606	\$ 7,718,712
Student tuition and charges	12,502,940	11,393,570
Accounts Receivable		
Federal grants	33,204,834	38,117,856
State grants	1,409,141	958,889
Local grants	273,349	669,198
Interest on investments	565,023	533,294
Other receivables	<u>1,377,788</u>	<u>1,809,536</u>
Total receivables	57,309,681	61,201,055
Less allowances for uncollectible amounts		
Ad valorem taxes	(6,456,789)	(6,294,334)
Student tuition and charges	(1,993,451)	(2,405,564)
Other receivables	<u>(59,126)</u>	<u>(73,523)</u>
Total allowances	<u>(8,509,366)</u>	<u>(8,773,421)</u>
Total receivables, net of allowances	<u><u>\$ 48,800,315</u></u>	<u><u>\$ 52,427,634</u></u>

Payables—Accounts Payable for the fiscal years ended August 31, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Vendors payable	\$ 7,192,385	\$ 5,566,063
Salaries and benefits payable	17,015	6,293
Students payable	<u>18,074,585</u>	<u>18,592,306</u>
Total accounts payable	<u><u>\$ 25,283,985</u></u>	<u><u>\$ 24,164,662</u></u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

17. 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 \$2,357,968 and \$2,436,899 for fiscal years 2013 and 2012, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

18. CONTRACTS AND GRANT AWARDS

Contract 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 receivable 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 receivable 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 2013 for which monies have not been received nor funds expended totaled \$39,229,205. Of this amount, \$27,398,902 is from Federal contract and grant awards, \$9,556,732 is from State contract and grant awards, and \$2,273,571 is from Local contract and grant awards. Contract and grant award funds already committed or funds awarded during fiscal year 2012 for which monies had not been received nor funds expended totaled \$42,045,574. Of this amount, \$32,584,584 was from Federal contract and grant awards, \$8,338,904 was from State contract and grant awards, and \$1,122,086 was from Local contract and grant awards.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

19. 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.

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, 2013 and 2012 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
2013	\$ 244,361	\$ -	\$ -	\$ 244,361
2012	244,361	-	-	244,361

Self-insurance activity for the current plan for the fiscal years ended August 31, 2013 and 2012 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
2013	\$ 1,130,150	\$ 36,152	\$ (816,302)	\$ 350,000
2012	1,130,158	504,739	(504,747)	1,130,150

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

20. AD VALOREM TAX

Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year. Taxes levied for the fiscal years ended August 31, 2013 and 2012 were \$196,939,981 and \$161,589,198, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2013 and 2012 are as follows:

	<u>2013</u>			<u>2012</u>		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$ 0.50000	\$ 0.66000	\$ 0.16000	\$ 0.50000	\$ 0.66000
Assessed tax rate per \$100 valuation	\$ 0.09861	\$ 0.02077	\$ 0.11938	\$ 0.07890	\$ 0.02077	\$ 0.09967

At August 31, 2013 and 2012 valuation for property taxed by the District was as follows:

	<u>2013</u>	<u>2012</u>
Market valuation of the District	\$ 206,772,307,511	\$ 203,084,446,504
Less exempt property	19,675,472,000	19,002,762,000
Less exemptions and Capped Loss	22,189,295,921	22,658,860,778
Net assessed valuation of the District	<u>\$ 164,907,539,590</u>	<u>\$ 161,422,823,726</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

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. The use of tax proceeds is restricted to either maintenance and operations or funding interest and sinking requirements.

Gross Taxes collected for fiscal year 2013:

Gross Taxes Collected	<u>Maintenance & Operations</u>		<u>Interest & Sinking</u>	2013 Total
	<u>Current Operations</u>	<u>Maintenance Tax Notes</u>	<u>Debt Service</u>	
Current	\$ 156,843,372	\$ 2,192,258	\$ 33,904,335	\$ 192,939,965
Delinquent	1,726,686	(221,311)	(235,002)	1,270,373
Penalties and interest	1,789,786	-	-	1,789,786
Total collections	<u><u>\$ 160,359,844</u></u>	<u><u>\$ 1,970,947</u></u>	<u><u>\$ 33,669,333</u></u>	<u><u>\$ 196,000,124</u></u>

Gross taxes collected for fiscal year 2012:

Gross Taxes Collected	<u>Maintenance & Operations</u>		<u>Interest & Sinking</u>	2012 Total
	<u>Current Operations</u>	<u>Maintenance Tax Notes</u>	<u>Debt Service</u>	
Current	\$ 118,240,000	\$ 6,483,544	\$ 33,734,638	\$ 158,458,182
Delinquent	851,556	54,767	201,031	1,107,354
Penalties and interest	1,841,588	-	-	1,841,588
Total collections	<u><u>\$ 120,933,144</u></u>	<u><u>\$ 6,538,311</u></u>	<u><u>\$ 33,935,669</u></u>	<u><u>\$ 161,407,124</u></u>

Tax collections for the fiscal years ended August 31, 2013 and 2012 were approximately 98% 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, 2013 AND 2012

21. 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	Taxes Forgone in 2013	Taxes Forgone in 2012
Oak Cliff Gateway	100%	\$ 97,671	\$ 51,697
City of Irving	100	580,901	366,683
City of Farmers Branch Mercer Crossing	35	16,756	16,611
City of Farmers Branch Old Farmers Branch	100	3,805	3,602
City of Grand Prairie #1	100	109,925	91,511
City of Grand Prairie #2	100	82,897	68,284
City of Grand Prairie #3	100	11,385	7,494
Total taxes forgone		\$ 903,340	\$ 605,882

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

22. 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, 2013 or 2012.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

23. 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 nonprofit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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 annual report as a discretely presented component unit (see table of contents). Complete financial statements of the Foundation can be obtained from the administrative office of the Foundation.

The following footnotes are excerpted from the Foundation's audited financial statements:

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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

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, 2013 and 2012, amounted to \$2,483,895 and \$1,512,349, 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.

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; Columbia Management; Harbor Funds; IVA Funds; Third Avenue; Perkins Investment Fund; and Barrow Henley, Mewhinney and Strauss whereby 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

In accordance with FASB ASC Topic 958-605, *Accounting for Contributions Received and Contributions Made*, contributions received by the Foundation are recorded 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, 2013 and 2012.

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 \$560,774 and \$580,736 for fiscal years 2013 and 2012,

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

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.

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. However, 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 2013 and 2012. Therefore, the Foundation has made no provision for federal income taxes in the accompanying financial statements. Accordingly, 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 Foundation applies the provisions of FASB ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Federal income tax returns of the Foundation for years 2010 through 2012 are still subject to examination by the Internal Revenue Service, generally for three years after they were filed.

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 present values of contributions receivable expected to be received beyond one year.

New Accounting Pronouncements

In October 2012, the FASB issued Accounting Standards Update (ASU) 2012-05 – Statement of Cash Flows (Topic 230), *Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires a not-for-profit entity to classify cash receipts from the sale of donated financial assets consistently with cash donations received in the statement of cash flows if those cash receipts were from the sale of donated assets that upon receipt were directed without any limitations for sale imposed by the not-for-profit entity and were converted nearly immediately into cash. This update will be effective for the Foundation's fiscal year 2014 annual financial statements. Management does not anticipate that this update will significantly affect the Foundation's financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

In May 2011, the FASB issued Accounting Standards Update (ASU) 2011-04, Topic 820: *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs (ASU 2011-04)*. ASU 2011-04 requires the reporting entity to disclose the following for Level 3 fair value measurements; (a) quantitative information about unobservable inputs used; (b) a description of the valuation processes used; and (c) a qualitative discussion about the sensitivities of the measurements (for public entities only). The guidance is effective for interim and annual periods beginning after December 15, 2011. As of August 31, 2013 and 2012, the Foundation did not have any investments that require Level 3 fair value measurements. The adoption of ASU 2011-04 did not have a material impact on the Foundation's net assets. Please see Note I for additional disclosures related to this adoption.

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Corporate bonds	\$ 3,361,540	\$ 4,959,714	\$ 3,543,697	\$ 5,349,057
Corporate stocks	3,575,686	4,311,847	3,907,533	4,879,681
Mutual funds	16,955,772	19,570,849	14,402,479	15,266,592
	<u>\$ 23,892,998</u>	<u>\$ 28,842,410</u>	<u>\$ 21,853,709</u>	<u>\$ 25,495,330</u>

Investment securities are exposed to various risks, such as interest rate, custodial and market credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term, and that such changes could significantly affect the amounts reported in the financial statements.

For the years ended August 31, 2013 and 2012, the components of investment earnings are:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 490,543	\$ 567,188
Net gain on investments carried at fair value	2,450,685	951,062
Total return on investments	<u>\$ 2,941,227</u>	<u>\$ 1,518,250</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give:

	August 31,	
	2013	2012
Contributions receivable	\$ 2,741,667	\$ 3,166,667
Less allowance for uncollectible receivable	(2,335,889)	-
Less unamortized discount ranging from 0.17% to 3.84% at August 31, 2013 and 0.68% to 3.84% at August 31, 2012	(114,352)	(115,631)
	\$ 291,426	\$ 3,051,036

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

	2013	2012
Maturing in less than one year	\$ 291,426	\$ 1,133,333
Maturing between one and five years	-	1,917,703
Total contributions receivable	\$ 291,426	\$ 3,051,036

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	August 31,	
	2013	2012
Student scholarship for tuition and books	\$ 2,994,348	\$ 4,681,344
Professional development, student related activities, and program support	6,312,958	1,887,737
	\$ 9,307,306	\$ 6,659,081

NOTE E - PERMANENTLY RESTRICTED NET ASSETS

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

	August 31,	
	2013	2012
Student scholarship for tuition and books	\$ 24,256,144	\$ 26,479,368
Professional development, student related activities, and program support	1,023,973	1,022,837
	\$ 25,280,117	\$ 27,502,205

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 restricted funds were due mainly to satisfaction of purpose restrictions, and amounted to \$3,538,046 and \$1,759,808 for the years ended August 31, 2013 and 2012, 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 balances that were fully insured under the Dodd-Frank Wall Street Reform and Consumer Protection Act at August 31, 2012 was approximately \$3,210,979. The Foundation's deposit account balance exceeded the federally insured limit by approximately \$3,307,743 and \$299,811 as of August 31, 2013 and 2012, respectively, 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, 2013 AND 2012

NOTE H - TRANSACTIONS WITH RELATED PARTIES

The Foundation's payments to the District for scholarships and grants amounted to \$896,555 and \$1,322,608 for fiscal years 2013 and 2012, respectively. At August 31, 2013 and 2012, the Foundation recorded a total of \$180,982 and \$557,332, 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 certain Foundation's employees and the estimated fair value of these contributed services is \$560,774 and \$580,736 for fiscal years 2013 and 2012, 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.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

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

August 31, 2013	Fair value measurement using input considered as:			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$4,959,714	\$ -	\$ 4,959,714
Equity investments	4,311,847	-	-	4,311,847
Mutual funds	16,397,237	3,173,582	-	19,570,849
	<u>\$20,709,084</u>	<u>\$8,133,296</u>	<u>\$ -</u>	<u>\$28,842,410</u>

August 31, 2012	Fair value measurement using input considered as:			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$5,349,057	\$ -	\$ 5,349,057
Equity investments	4,879,681	-	-	4,879,681
Mutual funds	13,078,144	2,188,448	-	15,266,592
	<u>\$17,957,825</u>	<u>\$7,537,505</u>	<u>\$ -</u>	<u>\$ 25,495,330</u>

Change in valuation techniques may result in transfers in or out of an investment's assigned level within 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.

NOTE J - ENDOWMENTS

The Foundation's endowment consists of approximately 140 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 adopted 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 new 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.

FASB ASC Topics 958-205-50-1A through 50-2, *Reporting Endowment Funds*, provide guidance on the net asset classification of donor-restricted endowment funds for not-for-profit organizations that are subject to an enacted version of UPMIFA; and improves disclosures about an organization's endowment funds (both donor restricted funds and funds functioning as an endowment), regardless of whether it is subject to UPMIFA. The FASB ASC Topics 958-205-50-1A through 50-2 require an organization to classify a portion of a donor-restricted endowment fund (other than a term

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

endowment) as permanently restricted net assets. That portion is equal to the amount of the fund that: (1) must be retained permanently, in accordance with explicit donor stipulations, or (2) that, in the absence of such stipulations, the not-for-profit's governing board determines must be retained permanently under the relevant law.

As permitted by accounting standards generally accepted in the United States of America, income earned on endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as well as based on management's prudent determinations.

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, 2013 AND 2012

Endowment Net Asset Composition by Type of Fund as of August 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 6,260,212	\$ 27,616,006	\$ 33,876,218
Board restricted endowment funds	7,446	-	-	7,446
Total	<u>\$ 7,446</u>	<u>\$ 6,260,212</u>	<u>\$ 27,616,006</u>	<u>\$ 33,883,664</u>
Endowment net assets, beginning of year	\$ 7,062	\$ 5,199,368	\$ 27,502,205	\$ 32,708,635
Contributions	-	-	97,556	97,556
Investment income:				
Dividends and interest	118	1,971,987	-	1,972,105
Net realized and unrealized gains on investments	266	407,177	-	407,443
Transfer-In	-	-	16,245	16,245
Released from restrictions	-	-	(2,335,889)	(2,335,889)
Amount appropriated for expenditures	-	(1,318,320)	-	(1,318,320)
Endowment net assets, end of year	<u>\$ 7,446</u>	<u>\$ 6,260,212</u>	<u>\$ 25,280,117</u>	<u>\$ 31,547,775</u>

Endowment Net Asset Composition by Type of Fund as of August 31, 2012:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 5,199,368	\$ 27,502,205	\$ 31,701,573
Board restricted endowment funds	7,062	-	-	7,062
Total	<u>\$ 7,062</u>	<u>\$ 5,199,368</u>	<u>\$ 27,502,205</u>	<u>\$ 32,708,635</u>
Endowment net assets, beginning of year	\$ 6,882	\$ 4,449,797	\$ 26,888,593	\$ 31,345,272
Contributions	-	-	613,612	613,612
Investment income:				
Dividends and interest	37	505,487	-	505,524
Net realized and unrealized gains on investments	143	873,682	-	873,825
Amount appropriated for expenditures	-	(629,598)	-	(629,598)
Endowment net assets, end of year	<u>\$ 7,062</u>	<u>\$ 5,199,368</u>	<u>\$ 27,502,205</u>	<u>\$ 32,708,635</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

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. Under this policy, as approved by the Board, the investment objective for the fixed income is to outperform (net of fees) the Barclays Intermediate Government/Credit Index. The investment objective for the equity fund is to outperform (net of fees) the Russell 1000 and/or the S&P 500 Stock Index.

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 and How the Investment Objectives Relate to 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.

In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow. This is consistent with the Foundation's objectives 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.

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 category, 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, 2013 and 2012.

For the Foundation, such assets include investments in fixed income funds. Investments in the fund are valued at a net asset value of \$16.15 and \$16.53 per unit, as of August 31, 2013 and 2012, respectively, and the Foundation had 307,010 and 323,646 units as of August 31, 2013 and 2012, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

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, 2013 and 2012					Redemption Notice Period
	Fair Value as of August 31, 2013	Fair Value as of August 31, 2012	Unfunded Commitment	Redemption Frequency	Other Redemption Restrictions	
Barrow, Hanley, Mewhinney & Strauss – BHMS Core Fixed Income Fund (a).....	\$ 4,959,714	\$ 5,349,027	None	Daily	None	30 days
Total	<u>\$ 4,959,714</u>	<u>\$ 5,349,027</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 – RESTATEMENT OF PRIOR YEAR'S BEGINNING NET ASSET CLASSIFICATIONS

In fiscal year 2012 and in various years prior to fiscal year 2012, the Foundation classified net realized and unrealized gains on certain permanently restricted investments as increases in unrestricted net assets. Accounting principles generally accepted in the United States of America require that if incomes from permanently restricted assets are restricted by purpose or time by the donors, such income should be recorded as increases in temporarily restricted net assets. In the current fiscal year, the Foundation determined that income from those permanently restricted investments described above in this paragraph are restricted by donors for payments of scholarships. Accordingly, such income should have been recorded as increases in temporarily restricted net assets, instead of increases in unrestricted net assets.

In addition, as described in Note J, 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. The remaining portion (in most instances inclusive of the difference between the fair value and the original value of gifts donated to the permanent endowment) of the donor-restricted endowment funds 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.

The following table presents the adjustments the Foundation has made to the relevant classes of net assets as of September 1, 2011 (i.e., the beginning of fiscal year 2012), to correct the prior misclassifications of net realized and unrealized gains on investments related to permanent endowments.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total Net Assets</u>
Amount previously reported as of August 31, 2011	\$ 2,893,448	\$ 3,686,090	\$ 26,888,593	\$ 33,468,131
Reclassifications of incomes from permanently restricted investments	<u>(2,299,377)</u>	<u>2,299,377</u>	<u>-</u>	<u>-</u>
Beginning net assets, with restated unrestricted and temporarily restricted balances, as of September 1, 2011	<u>\$ 594,071</u>	<u>\$ 5,985,467</u>	<u>\$ 26,888,593</u>	<u>\$ 33,468,131</u>

NOTE M - CONDITIONAL PROMISE TO GIVE

In March 2013, the Foundation received a \$1.8 million commitment from a donor, payable in 3 annual installments contingent upon the terms of the promise, including the donor's right at its sole discretion to suspend or cancel the promise. First annual installment of \$600,000 was received and recognized as revenue in fiscal year 2013, by the Foundation. The balance of \$1.2 million was considered a conditional promise to give at August 31, 2013.

NOTE N - SUBSEQUENT EVENTS

On December 9, 2013, the Foundation became aware that an endowment pledge receivable of \$2,335,889 (net of unamortized discount) would not be honored. The Foundation has made an allowance for this amount as of August 31, 2013.

Management has evaluated subsequent events through December 9, 2013; the date financial statements were available to be issued. Except as described in the first paragraph of this note, no changes were necessary to be made to the financial statements as a result of this evaluation.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012**

24. 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 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 is the 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. But for financial statement purposes, fiscal information for the charter high school is included in the 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, 2013 and 2012 for Richland Collegiate High School alone are presented below. Included also is a Budgetary Comparison Schedule for 2013.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATIONS
AUGUST 31, 2013 AND 2012
EXHIBIT 1

CONTROL CODES	ASSETS	2013	2012
	CURRENT ASSETS:		
1100	Cash and cash equivalents	\$ -	\$ 499,002
1240	Accounts receivable (net) -Due from TEA	15,004	17,072
1300	Inventories	<u>9,440</u>	<u>-</u>
	Total current assets	24,444	516,074
	NON-CURRENT AND RESTRICTED ASSETS:		
1910	Investments	<u>1,951,963</u>	<u>1,263,112</u>
1800	Total non-current assets	<u>1,951,963</u>	<u>1,263,112</u>
1000	TOTAL ASSETS	1,976,407	1,779,186
	LIABILITIES		
	CURRENT LIABILITIES:		
2501	Due to District (parent organization)	<u>15,004</u>	<u>17,072</u>
	Total current liabilities	15,004	17,072
	NON-CURRENT LIABILITIES:		
2502	Loan payable to Richland College	<u>-</u>	<u>-</u>
	Total non-current liabilities	-	-
2000	TOTAL LIABILITIES	15,004	17,072
	NET POSITION		
3200	Invested in capital assets, net of related debt	-	-
3900	Unrestricted	<u>1,961,403</u>	<u>1,762,114</u>
3000	TOTAL NET POSITION	<u>\$ 1,961,403</u>	<u>\$ 1,762,114</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
EXHIBIT 2

District Presentation			TEA Classifications			
	2013	2012	Data Control Codes		2013	2012
OPERATING REVENUES:			OPERATING REVENUES:			
Federal grants and contracts	\$ 15,004	\$ 20,874	5929	Federal grants revenue distributed by TEA	\$ 15,004	\$ 20,874
Total operating revenues	15,004	20,874	5020	Total operating revenues	15,004	20,874
OPERATING EXPENSES:			OPERATING EXPENSES:			
Instruction	1,519,790	1,212,785	0011	Instruction	1,763,347	1,439,033
Public Service	243,557	226,248	0012	Instructional resources and media services	12,106	32,670
Academic support	45,847	47,979	0013	Curriculum development & instructional	5,209	15,309
Student services	512,415	243,903	0031	Guidance, counseling and evaluation services	364,659	204,583
			0033	Health services	10,000	10,000
			0034	Student transportation	27,650	21,992
			0035	Food service	7,800	7,172
			0036	Co-Curricular/Extra-curricular	1,500	156
Institutional support	702,473	734,414	0023	School leadership	532,391	497,156
			0041	General administration	222,496	198,686
Plant Maintenance and operation	-	42,363	0051	Plant maintenance and operation	-	42,363
			0052	Security and monitoring services	48,392	38,572
			0053	Data processing services	28,532	-
Total operating expenses	3,024,082	2,507,692	6030	Total operating expenses	3,024,082	2,507,692
OPERATING LOSS	(3,009,078)	(2,486,818)	1100	OPERATING LOSS	(3,009,078)	(2,486,818)
NON-OPERATING REVENUES (EXPENSES):			NON-OPERATING REVENUES (EXPENSES):			
State appropriations	3,187,642	2,904,879	5800	State appropriations	3,187,642	2,904,879
Investment income	20,725	17,721	5742	Investment income	20,725	17,721
Net non-operating revenues	3,208,367	2,922,600		Net non-operating revenues	3,208,367	2,922,600
INCREASE IN NET POSITION	199,289	435,782	1200	INCREASE IN NET POSITION	199,289	435,782
NET POSITION:			NET POSITION:			
Net Position—Beginning of Year	1,762,114	1,326,332	0100	Net Position—Beginning of Year	1,762,114	1,326,332
Net Position—End of Year	\$ 1,961,403	\$ 1,762,114	3000	Net Position—End of Year	\$ 1,961,403	\$ 1,762,114

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012
EXHIBIT 3

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ 17,072	\$ 27,604
Payments to suppliers for goods and services	<u>(3,035,590)</u>	<u>(2,514,422)</u>
Net cash used in operating activities	<u>(3,018,518)</u>	<u>(2,486,818)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	3,187,642	2,904,879
Payments on loan	<u>-</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>3,187,642</u>	<u>2,904,879</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	20,725	17,721
Purchase of investments	<u>(688,851)</u>	<u>(330,603)</u>
Net cash provided (used) by investing activities	<u>(668,126)</u>	<u>(312,882)</u>
Increase (decrease) in cash and cash equivalents	(499,002)	105,179
Cash and cash equivalents - September 1	<u>499,002</u>	<u>393,823</u>
Cash and cash equivalents - August 31	<u>\$ -</u>	<u>\$ 499,002</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (3,009,078)	\$ (2,486,818)
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	2,068	6,730
Inventories	(9,440)	-
Accounts payable	<u>(2,068)</u>	<u>(6,730)</u>
Net cash used in operating activities	<u>\$ (3,018,518)</u>	<u>\$ (2,486,818)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

		<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual to Budget</u>	<u>Percent Actual</u>	<u>Original to</u>
		<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Variance</u>	<u>to Final Budget</u>	<u>Final Budget</u>
REVENUES							
Local Support							
5740	Local and intermediate sources	\$ 10,000	\$ 17,000	\$ 20,725	\$ 3,725	21.91% ^a	70.00% ^e
State program revenues:							
5810	Foundation School Program Act Revenues	2,800,156	3,030,143	3,187,642	157,499	5.20%	8.21%
Federal program revenues:							
5900	5900 Federal program revenues	-	12,500	15,004	2,504	20.03% ^b	100.00% ^f
Total revenues		2,810,156	3,059,643	3,223,371	163,728	5.35%	8.88%
EXPENDITURES							
State program expenditures							
0011	11 Instruction ¹	1,613,672	1,730,364	1,763,347	32,983	1.91%	7.23%
0012	12 Instructional resources and media services	71,816	12,750	12,106	(644)	-5.05%	-82.25% ^g
0013	13 Curriculum and staff development ¹	10,000	4,416	5,209	793	17.96% ^c	-55.84% ^h
0023	23 School leadership	446,088	575,000	532,391	(42,609)	-7.41%	28.90% ⁱ
0031	31 Guidance, counseling, and evaluation services	354,315	389,500	364,659	(24,841)	-6.38%	9.93%
0033	33 Health services	9,326	10,000	10,000	-	0.00%	7.23%
0034	34 Student Transportation	-	27,088	27,650	562	2.07%	100.00% ^j
0035	35 Food Service	23,187	7,800	7,800	-	0.00%	-66.36% ^k
0036	36 Extracurricular activities	5,500	1,575	1,500	(75)	-4.76%	-71.36% ^l
0041	41 General administration	207,679	220,750	222,496	1,746	0.79%	6.29%
0051	51 Facilities maintenance and operations	30,000	-	-	-	- ^d	-100.00% ^m
0052	52 Security and monitoring services	38,573	50,300	48,392	(1,908)	-3.79%	30.40% ⁿ
0053	53 Data processing services	-	30,100	28,532	(1,568)	-5.21%	100.00% ^o
Total expenditures		2,810,156	3,059,643	3,024,082	(35,561)	-1.16%	8.88%
1200	Net change in fund balances	-	-	199,289	199,289	n/a	n/a
0100	Fund balances--beginning	1,762,114	1,762,114	1,762,114	-	0.00%	0.00%
3000	Fund balances--ending	<u>\$ 1,762,114</u>	<u>\$ 1,762,114</u>	<u>\$ 1,961,403</u>	<u>\$ 199,289</u>	11.31%	0.00%

¹ Includes grant-funded expenditures

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
(CONTINUED)

Variance Explanations

- a Returns on investments were higher than predicted.
- b Title I tutoring revenues were higher than anticipated.
- c Curriculum development expenses were higher than anticipated.
- d,m Did not incur facility maintenance expenses as originally anticipated.
- e The budget was adjusted to reflect current market conditions.
- f Grant funds are not reported in original PEIMS budget.
- g Cost of replacement of laptops in computer lab reclassified to Instruction.
Original budget included Data processing services which were later moved to Function 53.
- h Professional development expenses were lower than initially anticipated.
- i Realignment of school leadership cost.
- j,k Recorded student transportation cost in appropriate Function code.
- l Extracurricular expenses were lower than originally anticipated.
- n Increased staffing in high school security.
- o Data processing services were originally budgeted in Function 12.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF EXPENSES
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

Expenses Object	<u>2013</u>	<u>2012</u>
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	2,494,912	2,182,959
6300 Supplies/Material	480,130	279,447
6400 Other Operating	49,039	45,285
	<u>\$ 3,024,082</u>	<u>\$ 2,507,692</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

25. 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 23.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2013 AND 2012

26. SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 10, 2013; the date financial statements were available to be issued. No changes are necessary to be made to the financial statements as a result of this evaluation.

SUPPLEMENTAL DATA

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPERATING REVENUES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2012)
 SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2013	2012
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 56,181,388	\$ -	\$ 56,181,388	\$ -	\$ 56,181,388	\$ 51,858,312
Out-of-district resident tuition	14,923,687	-	14,923,687	-	14,923,687	13,681,599
Non-resident tuition	12,413,323	-	12,413,323	-	12,413,323	12,785,819
TPEG - credit (set aside) *	4,230,683	-	4,230,683	-	4,230,683	3,993,301
State-funded continuing education	9,479,963	-	9,479,963	-	9,479,963	10,362,374
TPEG - non-credit (set aside) *	602,915	-	602,915	-	602,915	622,118
Non-state funded educational programs	3,692,766	-	3,692,766	-	3,692,766	2,947,613
Total Tuition	<u>101,524,725</u>	<u>-</u>	<u>101,524,725</u>	<u>-</u>	<u>101,524,725</u>	<u>96,251,136</u>
Fees:						
Installment plan fees	905,575	-	905,575	-	905,575	860,606
Prior year tuition and fees	8,280	-	8,280	-	8,280	8,149
Total fees	<u>913,855</u>	<u>-</u>	<u>913,855</u>	<u>-</u>	<u>913,855</u>	<u>868,755</u>
Scholarship allowances and discounts:						
Bad debt allowance	(1,339,000)	-	(1,339,000)	-	(1,339,000)	(1,803,900)
Remissions and exemptions - state	(2,975,101)	-	(2,975,101)	-	(2,975,101)	(1,113,079)
Remissions and exemptions - local	(5,589,754)	-	(5,589,754)	-	(5,589,754)	(6,352,608)
Title IV federal grants	(26,059,498)	-	(26,059,498)	-	(26,059,498)	(23,603,079)
Other federal grants	(2,222,198)	-	(2,222,198)	-	(2,222,198)	(2,584,127)
State grants	(3,024,358)	-	(3,024,358)	-	(3,024,358)	(2,857,891)
TPEG awards	(2,522,045)	-	(2,522,045)	-	(2,522,045)	(1,962,660)
Rising Star program	(369,887)	-	(369,887)	-	(369,887)	(358,254)
Other local grants	(1,220)	-	(1,220)	-	(1,220)	-
Total scholarship allowances	<u>(44,103,061)</u>	<u>-</u>	<u>(44,103,061)</u>	<u>-</u>	<u>(44,103,061)</u>	<u>(40,635,598)</u>
Total net tuition and fees	<u>58,335,519</u>	<u>-</u>	<u>58,335,519</u>	<u>-</u>	<u>58,335,519</u>	<u>56,484,293</u>
Additional operating revenues:						
Federal grants and contracts	1,208,496	14,411,445	15,619,941	51,450	15,671,391	15,696,087
State grants and contracts	161,463	8,410,963	8,572,426	5,409	8,577,835	7,913,679
Non-governmental grants and contracts	986	1,838,457	1,839,443	-	1,839,443	1,355,625
Sales and services of educational activities	606,543	-	606,543	-	606,543	474,268
Other operating revenues	1,501,922	-	1,501,922	-	1,501,922	1,858,210
Total additional operating revenues	<u>3,479,410</u>	<u>24,660,865</u>	<u>28,140,275</u>	<u>56,859</u>	<u>28,197,134</u>	<u>27,297,869</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	1,998,950	1,998,950	2,170,434
Food Service	-	-	-	594,910	594,910	530,542
Center for Educational Telecommunications	-	-	-	1,103,383	1,103,383	1,576,815
Business Incubation Center	-	-	-	166,703	166,703	158,790
Student Programs	-	-	-	656,967	656,967	635,490
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520,913</u>	<u>4,520,913</u>	<u>5,072,071</u>
Total Operating Revenues	<u>\$ 61,814,929</u>	<u>\$ 24,660,865</u>	<u>\$ 86,475,794</u>	<u>\$ 4,577,772</u>	<u>\$ 91,053,566</u>	<u>\$ 88,854,233</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$4,833,598 and \$4,615,419 for the fiscal years August 31, 2013 and 2012, 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, 2013
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2012)
 SCHEDULE B

	Operating Expenses					Total 2013	Total 2012	
	Salaries and Wages	Benefits		Other Expenses	Total 2013			Total 2012
		State	Local					
UNRESTRICTED - Educational Activities								
Instruction	\$ 122,073,208	\$ -	\$ 15,376,001	\$ 13,354,397	\$ 150,803,606	\$ 141,340,932		
Public Service	3,360,879	-	434,750	2,021,723	5,817,352	4,899,715		
Academic Support	12,133,699	-	1,532,147	3,412,807	17,078,653	15,500,444		
Student Services	22,426,087	-	2,903,397	7,770,967	33,100,451	30,216,359		
Institutional Support	45,174,972	-	6,860,574	7,125,567	59,161,113	53,944,274		
Operation and Maintenance of Plant	7,949,235	-	1,039,768	24,212,429	33,201,432	33,104,936		
Total unrestricted educational activities	<u>213,118,080</u>	<u>-</u>	<u>28,146,637</u>	<u>57,897,890</u>	<u>299,162,607</u>	<u>279,006,660</u>		
RESTRICTED - Educational Activities								
Instruction	1,795,792	9,384,546	258,838	1,761,633	13,200,809	12,369,424		
Public Service	1,398,552	-	289,420	4,887,147	6,575,119	6,222,748		
Academic Support	127,025	931,900	18,565	(2,196)	1,075,294	979,966		
Student Services	2,182,410	1,724,036	467,409	485,155	4,859,010	4,876,088		
Institutional Support	2,636,559	3,472,888	454,962	1,631,859	8,196,268	7,870,854		
Scholarships and Fellowships	6,822	-	(86)	68,813,705	68,820,441	71,173,456		
Total restricted educational activities	<u>8,147,160</u>	<u>15,513,370</u>	<u>1,489,108</u>	<u>77,577,303</u>	<u>102,726,941</u>	<u>103,492,536</u>		
TOTAL EDUCATIONAL ACTIVITIES	221,265,240	15,513,370	29,635,745	135,475,193	401,889,548	382,499,196		
AUXILIARY ENTERPRISES	4,119,328	-	728,380	3,551,748	8,399,456	8,770,977		
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	23,454,899	23,454,899	20,281,101		
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,882,939	5,882,939	5,885,858		
TOTAL OPERATING EXPENSES	<u>\$ 225,384,568</u>	<u>\$ 15,513,370</u>	<u>\$ 30,364,125</u>	<u>\$ 168,364,779</u>	<u>\$ 439,626,842</u>	<u>\$ 417,437,132</u>		
					(Exhibit 2)	(Exhibit 2)		

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2012)
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 2013</u>	<u>Total 2012</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 88,829,819	\$ -	\$ -	\$ 88,829,819	\$ 89,930,932
State group insurance	-	9,760,108	-	9,760,108	9,258,438
State retirement matching	-	5,753,262	-	5,753,262	5,508,443
SBDC state match	-	1,281,496	-	1,281,496	1,484,095
Starlink	-	218,054	-	218,054	181,206
Foundation school program	3,187,642	-	-	3,187,642	2,904,879
Total state appropriations	<u>92,017,461</u>	<u>17,012,920</u>	<u>-</u>	<u>109,030,381</u>	<u>109,267,993</u>
Maintenance ad valorem taxes	190,553,282	-	-	190,553,282	156,741,112
Federal revenue, non-operating	-	90,602,218	-	90,602,218	90,499,349
Gifts	114,713	-	-	114,713	498,928
Investment income (loss)	(3,678,433)	-	(373,390)	(4,051,823)	1,920,893
Gain on disposal of capital assets & easement rights	-	-	-	-	49,489
Gain on sale of investment	54,182	-	5,105	59,287	-
Contributions in aid of construction	242,463	-	-	242,463	-
Other non-operating revenue	1,049,000	-	-	1,049,000	218,280
Total non-operating revenues	<u>280,352,668</u>	<u>107,615,138</u>	<u>(368,285)</u>	<u>387,599,521</u>	<u>359,196,044</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	16,123,604	-	-	16,123,604	16,862,201
Loss on disposal of capital assets	58,468	-	-	58,468	-
Other non-operating expense	1,167,115	-	-	1,167,115	740,596
Total non-operating expenses	<u>17,349,187</u>	<u>-</u>	<u>-</u>	<u>17,349,187</u>	<u>17,602,797</u>
NET NON-OPERATING REVENUES	<u>\$ 263,003,481</u>	<u>\$ 107,615,138</u>	<u>\$ (368,285)</u>	<u>\$ 370,250,334</u> (Exhibit 2)	<u>\$ 341,593,247</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 AUGUST 31, 2013
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR AUGUST 31, 2012)
 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	\$ 137,709,164	\$ -	\$ -	\$ -	\$ 137,709,164	\$ 137,709,164	\$ -
Auxiliary enterprises	19,794,380	-	-	-	19,794,380	19,794,380	-
Restricted	-	-	-	-	-	-	-
Loan	439,817	-	-	-	439,817	-	439,817
Endowment:							
Quasi:							
Unrestricted	5,240,884	-	-	-	5,240,884	-	5,240,884
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	41,190,208	2,144,864	-	-	43,335,072	-	43,335,072
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	285,086,118	285,086,118	-	285,086,118
TOTAL NET POSITION-- August 31, 2013	204,374,453	2,144,864	-	285,086,118	491,605,435 (Exhibit 1)	157,503,544	334,101,891
TOTAL NET POSITION-- August 31, 2012	182,046,975	1,166,043	-	286,715,359	469,928,377 (Exhibit 1)	153,250,962	316,677,415
NET INCREASE (DECREASE) IN NET POSITION	\$ 22,327,478	\$ 978,821	\$ -	\$ (1,629,241)	\$ 21,677,058 (Exhibit 2)	\$ 4,252,582	\$ 17,424,476

FINANCIAL REPORTING BY COLLEGE SECTION

Dallas County Community College District
 Summary of Revenues, Expenses and Changes in Net Position
 For the Fiscal Year Ending August 31, 2013

	Total	Brookhaven College	Cedar Valley College	Eastfield College	El Centro College	Mountain View College	North Lake College	Richland College	Central Administration
REVENUES									
Tuition and fees, net	\$ 58,335,519	\$ 10,505,511	\$ 3,017,178	\$ 7,055,269	\$ 3,954,468	\$ 4,562,482	\$ 8,728,650	\$ 14,882,983	\$ 5,628,978
Federal grants and contracts	15,671,391	514,638	968,494	1,375,212	5,606,458	3,208,564	1,006,011	2,540,432	451,582
State grants and contracts	8,577,835	768,117	669,546	609,186	3,727,685	634,616	967,633	1,068,161	132,891
Local grants and contracts	1,839,443	(201,130)	123,884	(82,957)	2,118,277	(35,365)	(43,595)	(220,273)	180,602
Sales and services of auxiliary enterprises	4,520,913	493,280	208,338	461,648	575,205	298,392	598,412	757,497	1,128,141
Sales and services of educational activities	606,543	34,405	59,672	253,495	92,868	36,968	88,541	40,594	-
Other	1,501,922	91,613	8,026	65,114	663,832	147,579	201,899	64,545	259,314
Total Operating Revenue	<u>91,053,566</u>	<u>12,206,434</u>	<u>5,055,138</u>	<u>9,736,967</u>	<u>16,738,793</u>	<u>8,853,236</u>	<u>11,547,551</u>	<u>19,133,939</u>	<u>7,781,508</u>
State appropriations	109,030,381	13,974,646	7,391,871	15,473,921	17,889,284	9,007,043	13,082,049	26,011,676	6,199,891
Taxes, net	190,553,282	22,979,184	17,786,169	20,952,401	26,460,805	16,721,162	20,449,675	25,673,027	39,530,859
Federal grants and contracts	90,602,218	9,254,240	8,052,795	17,955,411	17,180,571	11,554,573	9,326,153	17,278,475	-
Gifts	114,713	700	13,866	66,860	30,159	-	3,128	-	-
Investment income (loss)	(4,051,823)	8,507	4,163	4,434	5,424	765	10,435	(21,108)	(4,064,443)
Other	1,350,750	-	-	-	242,463	-	800,000	501	307,786
Total Non-operating Revenue	<u>387,599,521</u>	<u>46,217,277</u>	<u>33,248,864</u>	<u>54,453,027</u>	<u>61,808,706</u>	<u>37,283,543</u>	<u>43,671,440</u>	<u>68,942,571</u>	<u>41,974,093</u>
Total revenues	<u>478,653,087</u>	<u>58,423,711</u>	<u>38,304,002</u>	<u>64,189,994</u>	<u>78,547,499</u>	<u>46,136,779</u>	<u>55,218,991</u>	<u>88,076,510</u>	<u>49,755,601</u>
EXPENSES									
Instruction	164,004,415	25,716,912	13,170,225	24,307,754	27,642,224	14,118,915	22,704,823	35,764,821	578,741
Public service	12,392,471	1,169,443	626,552	285,105	8,470,479	446,126	277,020	1,141,923	(24,177)
Academic support	18,153,947	1,841,801	1,518,392	2,716,709	2,040,334	2,101,982	2,842,696	4,371,009	721,024
Student services	37,959,461	4,229,356	3,433,902	5,412,153	5,340,481	4,155,929	5,374,151	7,731,280	2,282,209
Institutional support	67,357,381	5,677,271	4,617,872	5,514,321	7,929,136	6,516,414	5,514,890	8,425,900	23,161,577
Operation and maintenance of plant	33,201,432	4,185,937	2,572,419	4,160,349	6,168,942	3,196,945	3,797,053	7,097,782	2,022,005
Scholarships and fellowships	68,820,441	6,704,457	6,189,157	13,693,692	13,250,237	9,061,317	7,113,066	12,808,633	(118)
Auxiliary enterprises	8,399,456	1,230,672	477,978	1,101,648	845,776	747,923	1,137,210	1,633,218	1,225,031
Depreciation	29,337,838	3,464,766	2,598,368	3,189,688	4,083,711	2,361,299	4,435,250	3,831,948	5,372,808
Total Operating Expense	<u>439,626,842</u>	<u>54,220,615</u>	<u>35,204,865</u>	<u>60,381,419</u>	<u>75,771,320</u>	<u>42,706,850</u>	<u>53,196,159</u>	<u>82,806,514</u>	<u>35,339,100</u>
Interest on indebtedness	16,123,604	2,195,946	1,774,952	2,288,492	2,539,245	1,788,624	2,220,942	2,629,299	686,104
Other non-operating expense	1,225,583	-	14,543	17,728	40,548	(1,627)	48,217	9,883	1,096,291
Total Non-operating Expense	<u>17,349,187</u>	<u>2,195,946</u>	<u>1,789,495</u>	<u>2,306,220</u>	<u>2,579,793</u>	<u>1,786,997</u>	<u>2,269,159</u>	<u>2,639,182</u>	<u>1,782,395</u>
Total expenses	<u>456,976,029</u>	<u>56,416,561</u>	<u>36,994,360</u>	<u>62,687,639</u>	<u>78,351,113</u>	<u>44,493,847</u>	<u>55,465,318</u>	<u>85,445,696</u>	<u>37,121,495</u>
Change in net position	21,677,058	2,007,150	1,309,642	1,502,355	196,386	1,642,932	(246,327)	2,630,814	12,634,106
Net position - beginning of year	<u>469,928,377</u>	<u>40,141,622</u>	<u>39,543,456</u>	<u>37,671,331</u>	<u>27,986,517</u>	<u>31,988,497</u>	<u>68,648,489</u>	<u>65,078,265</u>	<u>158,870,200</u>
Net position - end of year	<u>\$ 491,605,435</u>	<u>\$ 42,148,772</u>	<u>\$ 40,853,098</u>	<u>\$ 39,173,686</u>	<u>\$ 28,182,903</u>	<u>\$ 33,631,429</u>	<u>\$ 68,402,162</u>	<u>\$ 67,709,079</u>	<u>\$ 171,504,306</u>

Dallas County Community College District
Summary of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ending August 31, 2012

<u>REVENUES</u>	<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>
Tuition and fees, net	\$ 56,484,293	\$ 10,522,951	\$ 3,058,725	\$ 6,542,526	\$ 4,221,894	\$ 4,249,273	\$ 9,106,934	\$ 14,568,620	\$ 4,213,370
Federal grants and contracts	15,696,087	477,217	1,611,753	1,390,079	4,506,288	2,610,584	935,148	3,079,163	1,085,855
State grants and contracts	7,913,679	713,453	559,410	691,686	2,796,542	648,979	1,295,497	1,061,876	146,236
Local grants and contracts	1,355,625	(170,804)	25,611	(114,943)	1,472,733	199,166	(76,593)	(258,565)	279,020
Sales and services of auxiliary enterprises	5,072,071	482,005	199,998	510,936	575,067	350,049	590,005	773,797	1,590,214
Sales and services of educational activities	474,268	31,850	27,132	215,003	94,350	29,959	35,245	40,729	-
Other	1,858,210	88,229	27,096	336,260	653,736	193,181	184,597	79,866	295,245
Total Operating Revenue	<u>88,854,233</u>	<u>12,144,901</u>	<u>5,509,725</u>	<u>9,571,547</u>	<u>14,320,610</u>	<u>8,281,191</u>	<u>12,070,833</u>	<u>19,345,486</u>	<u>7,609,940</u>
State appropriations	109,267,993	14,596,426	7,508,245	15,125,219	18,222,554	9,008,089	13,307,349	26,197,521	5,302,590
Maintenance ad valorem taxes, net	156,741,112	20,552,120	16,886,132	19,180,529	27,042,284	15,449,550	22,247,834	24,654,796	10,727,867
Federal grants and contracts	90,499,349	9,219,106	7,970,691	17,649,114	17,153,686	12,042,764	9,105,987	17,358,001	-
Gifts	498,928	2,464	1,500	33,725	2,462	62,647	30,354	30,839	334,937
Investment income	1,920,893	8,367	3,012	4,396	4,619	379	11,647	28,409	1,860,064
Other	267,769	11,153	12,444	13,099	(18,955)	35,537	123,306	20,013	71,172
Total Non-operating Revenue	<u>359,196,044</u>	<u>44,389,636</u>	<u>32,382,024</u>	<u>52,006,082</u>	<u>62,406,650</u>	<u>36,598,966</u>	<u>44,826,477</u>	<u>68,289,579</u>	<u>18,296,630</u>
Total revenues	<u>448,050,277</u>	<u>56,534,537</u>	<u>37,891,749</u>	<u>61,577,629</u>	<u>76,727,260</u>	<u>44,880,157</u>	<u>56,897,310</u>	<u>87,635,065</u>	<u>25,906,570</u>
<u>EXPENSES</u>									
Instruction	153,710,356	24,644,900	12,468,587	22,185,415	25,736,974	13,339,037	21,570,038	33,000,771	764,634
Public service	11,122,463	1,220,082	621,094	204,786	7,315,696	354,626	265,816	1,139,842	521
Academic support	16,480,410	1,680,679	1,615,530	2,311,464	1,955,392	1,940,659	2,579,326	3,906,203	491,157
Student services	35,092,447	3,902,816	3,012,745	4,918,234	5,459,902	3,835,488	4,761,077	7,051,568	2,150,617
Institutional support	61,815,128	5,245,126	4,813,784	5,001,571	7,296,722	5,809,661	5,199,150	7,623,311	20,825,803
Operation and maintenance of plant	33,104,936	4,631,702	2,480,826	4,160,040	5,165,955	3,047,326	4,714,647	6,908,877	1,995,563
Scholarships and fellowships	71,173,456	6,883,286	6,173,391	14,109,989	13,338,470	9,948,186	7,140,467	13,579,667	-
Auxiliary enterprises	8,770,977	1,108,489	478,642	1,265,704	678,502	802,265	1,288,138	1,429,269	1,719,968
Depreciation	26,166,959	3,314,186	2,492,615	2,768,989	3,676,533	2,199,064	4,120,588	3,486,145	4,108,839
Total Operating Expense	<u>417,437,132</u>	<u>52,631,266</u>	<u>34,157,214</u>	<u>56,926,192</u>	<u>70,624,146</u>	<u>41,276,312</u>	<u>51,639,247</u>	<u>78,125,653</u>	<u>32,057,102</u>
Interest on indebtedness	16,862,201	2,296,538	1,856,260	2,393,324	2,655,565	1,870,558	2,322,680	2,749,743	717,533
Other non-operating expense	740,596	-	-	-	-	-	-	-	740,596
Total Non-operating Expense	<u>17,602,797</u>	<u>2,296,538</u>	<u>1,856,260</u>	<u>2,393,324</u>	<u>2,655,565</u>	<u>1,870,558</u>	<u>2,322,680</u>	<u>2,749,743</u>	<u>1,458,129</u>
Total expenses	<u>435,039,929</u>	<u>54,927,804</u>	<u>36,013,474</u>	<u>59,319,516</u>	<u>73,279,711</u>	<u>43,146,870</u>	<u>53,961,927</u>	<u>80,875,396</u>	<u>33,515,231</u>
Change in net position	13,010,348	1,606,733	1,878,275	2,258,113	3,447,549	1,733,287	2,935,383	6,759,669	(7,608,661)
Net position - beginning of year	456,918,029	38,534,889	37,665,181	35,413,218	24,538,968	30,255,210	65,713,106	58,318,596	166,478,861
Net position - end of year	<u>\$ 469,928,377</u>	<u>\$ 40,141,622</u>	<u>\$ 39,543,456</u>	<u>\$ 37,671,331</u>	<u>\$ 27,986,517</u>	<u>\$ 31,988,497</u>	<u>\$ 68,648,489</u>	<u>\$ 65,078,265</u>	<u>\$ 158,870,200</u>

Dallas County Community Collge District
 Analysis of Unrestricted Net Position Components and Other Financial Stability Indicators
 of the Individual Colleges and the Central Administration
 For the Fiscal Year Ended August 31, 2013

	Total	Brookhaven College	Cedar Valley College	Eastfield College	El Centro College	Mountain View College	North Lake College	Richland College	Central Administration
Unrestricted	\$ 204,374,453	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 143,802,151
Temporarily restricted	2,144,864	-	-	-	-	-	-	-	2,144,864
Capital assets, net	285,086,118	36,010,176	32,431,006	33,120,709	21,891,415	29,706,853	56,711,863	49,656,804	25,557,292
Total net position	\$ 491,605,435	\$ 42,148,772	\$ 40,853,098	\$ 39,173,685	\$ 28,182,903	\$ 33,631,429	\$ 68,402,162	\$ 67,709,079	\$ 171,504,307
Unrestricted	\$ 204,374,453	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 143,802,151
Unrestricted, net of compensated absences	\$ 204,374,453	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 143,802,151
Current assets	\$ 92,840,960	\$ 8,184,167	\$ 6,397,806	\$ 12,866,685	\$ 12,904,773	\$ 8,152,415	\$ 8,754,919	\$ 13,725,084	\$ 21,855,111
Current liabilities	137,184,491	14,047,910	9,014,795	17,661,309	18,358,014	11,160,965	13,288,587	21,592,761	32,060,150
Current ratio	0.68	0.58	0.71	0.73	0.70	0.73	0.66	0.64	0.68
Operating revenues	\$ 91,053,566	\$ 12,206,434	\$ 5,055,138	\$ 9,736,967	\$ 16,738,793	\$ 8,853,236	\$ 11,547,551	\$ 19,133,939	\$ 7,781,508
Add non-operating revenues	387,599,521	46,217,277	33,248,864	54,453,027	61,808,706	37,283,543	43,671,440	68,942,571	41,974,093
Less operating expenses	439,626,842	54,220,615	35,204,865	60,381,419	75,771,320	42,706,850	53,196,159	82,806,514	35,339,100
Operational "bottom line" net of interest on capital related debt	31,474,372	4,203,096	3,099,137	3,808,575	8,415,776	3,429,929	2,022,832	5,269,996	1,225,031
Add back depreciation expense	29,337,838	3,464,766	2,598,368	3,189,688	4,083,711	2,361,299	4,435,250	3,831,948	5,372,808
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 60,812,210	\$ 7,667,862	\$ 5,697,505	\$ 6,998,263	\$ 12,499,487	\$ 5,791,228	\$ 6,458,082	\$ 9,101,944	\$ 6,597,839
Cash and equivalents	\$ 22,243,591	\$ 4,970,897	\$ 3,069,850	\$ 1,918,961	\$ 1,758,537	\$ 2,030,040	\$ 4,599,044	\$ 4,881,249	\$ (984,987)
Acquisition and construction of capital assets	\$ 7,317,434	\$ 751,821	\$ 189,643	\$ 1,150,026	\$ 1,080,982	\$ 613,971	\$ 1,468,662	\$ 905,166	\$ 1,157,163

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 Ended August 31, 2012

	Total	Brookhaven College	Cedar Valley College	Eastfield College	El Centro College	Mountain View College	North Lake College	Richland College	Central Administration
Unrestricted	\$ 182,046,975	\$ 4,624,575	\$ 6,944,659	\$ 5,559,950	\$ 6,359,656	\$ 2,827,539	\$ 10,959,469	\$ 15,793,679	\$ 128,977,448
Temporarily restricted	1,166,043	-	-	-	-	-	-	-	1,166,043
Capital assets, net	286,715,359	35,517,047	32,598,797	32,111,381	21,626,861	29,160,958	57,689,020	49,284,586	28,726,709
Total net position	\$ 469,928,377	\$ 40,141,622	\$ 39,543,456	\$ 37,671,331	\$ 27,986,517	\$ 31,988,497	\$ 68,648,489	\$ 65,078,265	\$ 158,870,200
Unrestricted	\$ 182,046,975	\$ 4,624,575	\$ 6,944,659	\$ 5,559,950	\$ 6,359,656	\$ 2,827,539	\$ 10,959,469	\$ 15,793,679	\$ 128,977,448
Unrestricted, net of compensated absences	\$ 182,046,975	\$ 4,624,575	\$ 6,944,659	\$ 5,559,950	\$ 6,359,656	\$ 2,827,539	\$ 10,959,469	\$ 15,793,679	\$ 128,977,448
Current assets	\$ 109,768,686	\$ 10,936,542	\$ 7,828,599	\$ 15,034,358	\$ 15,361,127	\$ 9,982,226	\$ 10,494,043	\$ 16,862,613	\$ 23,269,178
Current liabilities	140,158,927	14,126,291	9,361,656	17,959,843	18,922,063	11,564,652	13,189,672	21,544,780	33,489,970
Current ratio	0.78	0.77	0.84	0.84	0.81	0.86	0.80	0.78	0.69
Operating revenues	\$ 88,854,233	\$ 12,144,901	\$ 5,509,725	\$ 9,571,547	\$ 14,320,610	\$ 8,281,191	\$ 12,070,833	\$ 19,345,486	\$ 7,609,940
Add non-operating revenues	359,196,044	44,389,636	32,382,024	52,006,082	62,406,650	36,598,966	44,826,477	68,289,579	18,296,630
Less operating expenses	417,437,132	52,631,266	34,157,214	56,926,192	70,624,146	41,276,312	51,639,247	78,125,653	32,057,102
Operational "bottom line" net of interest on capital related debt	30,613,145	3,903,271	3,734,535	4,651,437	6,103,114	3,603,845	5,258,063	9,509,412	(6,150,532)
Add back depreciation expense	26,166,959	3,314,186	2,492,615	2,768,989	3,676,533	2,199,064	4,120,588	3,486,145	4,108,839
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 56,780,104	\$ 7,217,457	\$ 6,227,150	\$ 7,420,426	\$ 9,779,647	\$ 5,802,909	\$ 9,378,651	\$ 12,995,557	\$ (2,041,693)
Cash and equivalents	\$ 35,209,171	\$ 6,850,624	\$ 3,973,060	\$ 2,906,071	\$ 3,497,609	\$ 2,945,436	\$ 6,068,978	\$ 6,940,814	\$ 2,026,579
Acquisition and construction of capital assets	\$ 7,327,960	\$ 487,889	\$ 349,366	\$ 419,670	\$ 1,342,957	\$ 139,902	\$ 1,213,831	\$ 1,452,024	\$ 1,922,321

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 the Dallas County Community College District'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 the District's overall financial health. The statistical tables are not audited.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District'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 the District'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 the District'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 the District'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 the District's comprehensive annual financial report relates to the services the District provides and the activities it performs.

- Faculty Staff and Administrative Statistics
- Enrollment Details
- Student Profile
- Transfer 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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net Investment in Capital Assets	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511	\$ 237,335	\$ 236,563	\$ 238,727	\$ 231,102	\$ 236,129
Restricted - expendable	2,145	1,166	5,828	11,902	11,708	11,563	12,463	13,649	29,999	11,536
Unrestricted	204,374	182,047	169,237	182,738	186,261	178,053	156,254	131,117	104,147	93,299
Total net position	<u>\$ 491,605</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>	<u>\$ 383,493</u>	<u>\$ 365,248</u>	<u>\$ 340,964</u>

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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition and charges (net of discounts)	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918	\$ 53,800	\$ 51,735	\$ 46,055	\$ 44,141	\$ 42,747
Federal grants and contracts	15,671	15,696	20,307	21,647	18,842	16,245	15,934	16,246	15,641	13,389
State grants and contracts	8,578	7,914	6,681	7,733	7,237	3,438	2,338	1,387	1,752	2,637
Non-governmental grants and contracts	1,839	1,356	4,547	2,860	2,318	4,368	4,263	3,528	4,619	5,169
Sales and services of educational activities	607	474	527	627	509	538	543	481	543	545
Auxiliary enterprises	4,521	5,072	5,163	5,409	5,576	5,914	6,663	6,299	5,735	6,592
General operating revenues	1,502	1,858	1,902	2,240	1,643	1,740	1,800	1,675	1,697	1,133
Total Operating Revenues	91,054	88,854	98,262	101,196	96,043	86,043	83,276	75,671	74,128	72,212
State appropriations	109,030	109,268	119,373	123,304	119,415	118,197	110,740	108,041	103,248	101,689
Maintenance ad valorem taxes	190,553	156,741	158,309	159,137	153,057	130,734	121,220	113,769	106,596	100,559
Federal revenue, non-operating	90,602	90,499	87,927	74,419	40,458	32,230	31,405	34,551	33,726	31,875
Gifts	115	499	149	83	779	205	65	122	138	317
Investment income	(4,052)	1,921	3,943	7,385	8,343	11,975	12,349	8,689	5,501	3,640
Gain on sale of investment	59	-	7	-	153	-	-	-	-	85
Contributions in aid of construction	243	-	-	-	75	-	-	-	-	-
Gain on disposal of capital assets & easements	-	50	-	-	-	-	-	-	-	-
Other non-operating revenue	1,049	218	1,363	1,571	50	241	51	175	874	182
Total Non-operating Revenues	387,599	359,196	371,071	365,899	322,330	293,582	275,830	265,347	250,083	238,347
Total Revenues	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095	\$ 418,373	\$ 379,625	\$ 359,106	\$ 341,018	\$ 324,211	\$ 310,559

For the Fiscal Year Ended August 31,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tuition and charges (net of discounts)	12.19%	12.61%	12.60%	12.99%	14.32%	14.17%	14.41%	13.51%	13.62%	13.76%
Federal grants and contracts	3.27%	3.50%	4.33%	4.63%	4.50%	4.28%	4.44%	4.76%	4.82%	4.31%
State grants and contracts	1.79%	1.77%	1.42%	1.66%	1.74%	0.91%	0.65%	0.41%	0.54%	0.85%
Non-governmental grants and contracts	0.38%	0.30%	0.97%	0.61%	0.55%	1.15%	1.19%	1.03%	1.42%	1.66%
Sales and services of educational activities	0.13%	0.11%	0.11%	0.13%	0.12%	0.14%	0.15%	0.14%	0.17%	0.18%
Auxiliary enterprises	0.95%	1.13%	1.10%	1.16%	1.33%	1.56%	1.85%	1.85%	1.77%	2.12%
General operating revenues	0.31%	0.41%	0.41%	0.48%	0.39%	0.46%	0.50%	0.49%	0.52%	0.37%
Total Operating Revenues	19.02%	19.83%	20.94%	21.66%	22.95%	22.67%	23.19%	22.19%	22.86%	23.25%
State appropriations	22.78%	24.39%	25.4346%	26.40%	28.54%	31.14%	30.84%	31.68%	31.85%	32.75%
Maintenance ad valorem taxes	39.81%	34.98%	33.7306%	34.07%	36.59%	34.44%	33.75%	33.36%	32.88%	32.38%
Federal revenue, non-operating	18.93%	20.20%	18.7345%	15.93%	9.67%	8.49%	8.75%	10.13%	10.40%	10.26%
Gifts	0.03%	0.11%	0.0317%	0.02%	0.19%	0.05%	0.02%	0.04%	0.04%	0.10%
Investment income	-0.85%	0.43%	0.8401%	1.58%	1.99%	3.15%	3.44%	2.55%	1.70%	1.17%
Gain on sale of investment	0.01%	0.00%	0.0015%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.03%
Contributions in aid of construction	0.05%	0.00%	0.0000%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on disposal of capital assets & easements	0.00%	0.01%	0.0000%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenue	0.22%	0.05%	0.2904%	0.34%	0.01%	0.06%	0.01%	0.05%	0.27%	0.06%
Total Non-operating Revenues	80.98%	80.17%	79.06%	78.34%	77.05%	77.33%	76.81%	77.81%	77.14%	76.75%
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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414	\$ 141,112	\$ 137,429	\$ 132,577	\$ 130,728	\$ 126,134
Public service	12,393	11,123	12,191	13,503	13,954	10,839	10,578	10,334	10,406	9,717
Academic support	18,154	16,480	19,988	20,065	19,363	18,713	18,303	17,314	16,586	15,124
Student services	37,960	35,092	37,616	38,354	35,151	32,418	31,527	29,656	29,199	27,952
Institutional support	67,357	61,815	69,320	72,466	67,196	58,216	52,878	51,110	48,190	46,290
Operation and maintenance of plant	33,201	33,105	38,844	38,718	33,000	30,058	27,083	26,079	24,630	22,783
Scholarships and fellowships	68,820	71,174	72,415	61,104	33,144	26,383	24,053	26,396	26,344	25,784
Auxiliary enterprises	8,400	8,771	9,439	10,389	9,539	10,104	10,774	10,286	9,966	10,309
Depreciation	29,338	26,167	25,982	22,986	18,530	17,084	17,584	14,464	11,343	10,211
Total Operating Expenses	439,627	417,437	454,124	439,354	380,291	344,927	330,209	318,216	307,392	294,304
Interest on capital debt	16,124	16,862	18,094	16,508	13,907	6,149	4,992	4,146	4,538	1,905
Loss on disposal of capital assets	58	-	35	1,041	270	5,343	1,736	145	122	156
Accrual for legal expense	-	-	-	-	-	-	-	-	(13,271)	1,683
Other non-operating expense	1,167	741	415	419	376	1,535	382	265	1,146	39
Total Non-operating Expenses	17,349	17,603	18,544	17,968	14,553	13,027	7,110	4,556	(7,465)	3,783
Total Expenses	\$ 456,976	\$ 435,040	\$ 472,668	\$ 457,322	\$ 394,844	\$ 357,954	\$ 337,319	\$ 322,772	\$ 299,927	\$ 298,087

For the Fiscal Year Ended August 31,

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Instruction	35.89%	35.33%	35.61%	35.37%	38.10%	39.41%	40.73%	41.07%	43.59%	42.31%
Public service	2.71%	2.56%	2.58%	2.95%	3.53%	3.03%	3.14%	3.20%	3.47%	3.26%
Academic support	3.97%	3.79%	4.23%	4.39%	4.90%	5.23%	5.43%	5.36%	5.53%	5.07%
Student services	8.31%	8.07%	7.96%	8.39%	8.90%	9.06%	9.35%	9.19%	9.74%	9.38%
Institutional support	14.74%	14.21%	14.66%	15.84%	17.02%	16.26%	15.68%	15.84%	16.07%	15.53%
Operation and maintenance of plant	7.26%	7.61%	8.22%	8.47%	8.36%	8.40%	8.03%	8.08%	8.21%	7.64%
Scholarships and fellowships	15.06%	16.36%	15.32%	13.36%	8.39%	7.37%	7.13%	8.18%	8.78%	8.65%
Auxiliary enterprises	1.84%	2.01%	2.00%	2.27%	2.42%	2.82%	3.19%	3.19%	3.32%	3.46%
Depreciation	6.42%	6.01%	5.50%	5.03%	4.69%	4.77%	5.21%	4.48%	3.78%	3.43%
Total Operating Expenses	96.20%	95.95%	96.08%	96.07%	96.31%	96.35%	97.89%	98.59%	102.49%	98.73%
Interest on capital debt	3.53%	3.88%	3.82%	3.61%	3.52%	1.72%	1.48%	1.28%	1.51%	0.64%
Loss on disposal of capital assets	0.01%	0.00%	0.01%	0.23%	0.07%	1.50%	0.52%	0.05%	0.04%	0.05%
Accrual for legal expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-4.42%	0.57%
Other non-operating expense	0.26%	0.17%	0.09%	0.09%	0.10%	0.43%	0.11%	0.08%	0.38%	0.01%
Total Non-operating Expenses	3.80%	4.05%	3.92%	3.93%	3.69%	3.65%	2.11%	1.41%	-2.49%	1.27%
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)

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)				Increase from Prior Year In-District	Increase from Prior Year Out-of-District
	In-District Tuition	Out-of-District Tuition	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District		
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%
2005-06	33	60	396	720	10.00%	20.00%
2004-05	30	50	360	600	0.00%	0.00%
2003-04	30	50	360	600	15.38%	8.70%

Academic Year (Fall)	Non-Resident Fees per Semester Credit Hour (SCH)				Increase from Prior Year Out-of-State	Increase from Prior Year International
	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Cost for 12 SCH Out-of-State	Cost for 12 SCH International		
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%
2005-06	115	96	1,152	1,152	20.00%	20.00%
2004-05	115	80	960	960	0.00%	0.00%
2003-04	115	80	960	960	5.26%	5.26%

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

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

Fiscal Year	(amounts expressed 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
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
2005-06	173,396,321		(31,196,654)		142,199,667	82.01%	0.07780	0.00380	0.08160
2004-05	164,428,457		(29,418,622)		135,009,835	82.11%	0.07780	0.00250	0.08030
2003-04	160,837,174		(27,825,511)		133,011,663	82.70%	0.07780	0.00000	0.07780

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)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
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
2005-06	84,753	41,648	2,035	17,154	7,830	24,984	3.39
2004-05	83,076	42,934	1,935	16,959	8,385	25,344	3.28
2003-04	83,054	42,261	1,965	16,890	8,953	25,843	3.21

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)										
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
Oncor Electric Delivery	Electric Utility	\$ 1,271,159	\$ 1,244,176	\$ 1,225,464	\$ 1,226,132	\$ 1,384,673	\$ 1,380,524	\$ 1,381,599	\$ 1,322,938	\$ 1,376,066	\$ 1,315,833	
Aviall Inc	Aviation	975,394	789,342	720,147	592,642	-	-	-	-	-	-	
ATT/Southwestern Bell/Cingular	Telephone Utility	947,533	1,281,252	1,226,067	1,337,588	1,578,863	1,694,723	1,702,249	1,590,414	1,505,448	1,605,116	
Raytheon/Texas Instruments	Manufacturing	746,887	812,802	859,002	1,075,514	1,469,996	1,692,476	1,056,013	1,164,396	1,272,884	1,438,159	
Crescent Real Estate	Real Estate Development	693,300	459,455	353,769	703,343	567,651	748,339	773,627	781,402	793,480	869,249	
Wal-Mart	Retail	652,358	536,260	453,385	545,857	533,885	475,048	485,283	471,872	431,497	326,838	
Northpark Land Partners	Real Estate Development	578,775	645,301	530,065	545,522	590,682	569,402	-	-	-	-	
Southwest Airlines	Airline	492,901	605,196	519,000	532,463	552,440	600,667	512,039	537,242	476,922	510,029	
SP Millenium Center, LP	Real Estate Development	440,259	-	-	-	-	-	-	-	-	-	
Verizon/GTE	Telephone Utility	303,252	480,121	429,566	508,920	550,663	510,897	527,007	549,021	536,833	535,798	
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	-	-	-	-	
Trammell Crow/Anatole	Real Estate Development	-	-	-	-	-	-	367,490	323,381	324,764	366,411	
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	366,948	-	-	-	
Post Apartment Homes LP/	Real Estate Development	-	-	-	-	-	-	-	276,921	-	-	
Exxon/Mobil	Oil & Gas Exploration	-	-	-	-	-	-	-	262,664	273,239	275,688	
Vought/Loral/Grumman Columbus Realty Trust	Aerospace Manufacturing	-	-	-	-	-	-	-	-	-	182,856	
Totals		\$ 7,101,818	\$ 7,239,500	\$ 6,653,902	\$ 7,466,439	\$ 8,136,174	\$ 8,506,847	\$ 7,540,964	\$ 7,280,251	\$ 6,991,133	\$ 7,425,977	
Total Taxable Assessed Value		\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 162,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570	\$ 152,623,619	\$ 142,199,667	\$ 135,009,835	

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7
(Continued)

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Oncor Electric Delivery	Electric Utility	0.77%	0.77%	0.75%	0.76%	0.80%	0.78%	0.83%	0.87%	0.97%	0.97%
Aviall Inc	Aviation	0.59%	0.49%	0.44%	0.37%						
ATT/Southwestern Bell/Cingular	Telephone Utility	0.57%	0.79%	0.75%	0.82%	0.91%	0.95%	1.02%	1.04%	1.06%	1.19%
Raytheon/Texas Instruments	Manufacturing	0.45%	0.50%	0.53%	0.66%	0.85%	0.95%	0.63%	0.76%	0.90%	1.07%
Crescent Real Estate	Real Estate Development	0.42%	0.28%	0.22%	0.43%	0.33%	0.42%	0.46%	0.51%	0.56%	0.64%
Wal-Mart	Retail	0.40%	0.33%	0.28%	0.34%	0.31%	0.27%	0.29%	0.31%	0.30%	0.24%
Northpark Land Partners	Real Estate Development	0.35%	0.40%	0.32%	0.34%	0.34%	0.32%				
Southwest Airlines	Airline	0.30%	0.37%	0.32%	0.33%	0.32%	0.34%	0.31%	0.35%	0.34%	0.38%
SP Millenium Center, LP	Real Estate Development	0.27%									
Verizon/GTE	Telephone Utility	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
YPI Thanksgiving Tower/Central	Real Estate Development		0.24%	0.21%							
Gulfstream Aerospace	Aerospace Manufacturing				0.25%						
Teachers Insurance	Insurance					0.28%		0.22%			
Galleria Mall Inv LP	Real Estate Development					0.24%	0.24%				
Trammell Crow/Anatole	Real Estate Development							0.22%	0.21%	0.23%	0.27%
Trizec Renaissance	Real Estate Development							0.22%			
Post Apartment Homes LP/ Columbus Realty Trust	Real Estate Development								0.18%		
Exxon/Mobil	Oil & Gas Exploration								0.00%	0.00%	0.14%
Vought/Loral/Grumman	Aerospace Manufacturing										0.00%
Totals		4.31%	4.19%	3.81%	4.29%	4.39%	4.49%	4.21%	4.24%	4.35%	4.90%

Source: Dallas County Tax Office

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

Fiscal Year Ended August 31,	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
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%
2006	114,957	614	115,571	113,426	98.14%	1,731	1,194	116,351	100.67%
2005	107,927	(65)	107,862	105,982	98.26%	1,838	1,237	109,057	101.11%
2004	103,074	(570)	102,504	100,434	97.98%	1,580	911	102,925	100.41%

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 (amounts expressed in thousands)										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
General Bonded Debt											
General obligation bonds	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035	\$ 65,250	\$ 67,375	\$ -	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035	\$ 65,250	\$ 67,375	\$ -	-
Other Debt											
Revenue bonds	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560	\$ 37,145	\$ 40,660	\$ 45,795	\$ 49,975	\$ 53,955	53,955
Tax notes	-	2,170	8,460	14,435	20,120	25,475	30,450	35,130	39,560	43,125	43,125
Notes	-	-	-	-	-	51	252	445	630	806	806
Commercial paper	-	-	-	-	-	125,000	-	-	-	-	-
Total outstanding debt	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820	\$ 248,406	\$ 134,397	\$ 146,620	\$ 157,540	\$ 97,886	97,886
General Bonded Debt Ratios											
Per Capita	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47	\$ 26.25	\$ 27.50	\$ 28.68	\$ 29.93	\$ -	-
Per FTSE	6,892	7,112	7,265	7,510	7,750	1,389	1,466	1,567	1,569	-	-
As a percentage of Taxable Assessed Value	0.22%	0.23%	0.24%	0.23%	0.21%	0.04%	0.04%	0.05%	0.05%	-	-
Total Outstanding Debt Ratios											
Per Capita	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30	\$ 101.32	\$ 56.92	\$ 61.53	\$ 68.33	\$ 42.72	42.72
Per FTSE	7,284	7,563	7,904	8,334	8,883	5,680	3,126	3,520	3,669	2,316	2,316
As a percentage of Taxable Assessed Value	0.23%	0.25%	0.26%	0.26%	0.24%	0.15%	0.09%	0.10%	0.12%	0.07%	0.07%

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 (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable Assessed Value	\$ 164,907,539	\$ 161,422,824	\$ 163,239,236	\$ 172,675,679	\$ 177,903,268	\$ 166,562,570	\$ 152,623,619	\$ 142,199,667	\$ 135,009,835	\$133,011,663
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 820,074	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516	\$ 832,813	\$ 762,637	\$ 710,998	\$ 675,049	\$ 665,058
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	820,074	807,114	816,196	863,378	889,516	832,813	762,637	710,998	675,049	665,058
Current Year Debt Service Requirements	33,557	33,563	33,556	27,516	22,997	7,463	5,304	5,301	3,208	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 786,517	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519	\$ 825,350	\$ 757,333	\$ 705,697	\$ 671,841	\$ 665,058
Net Current Requirements as a % of Statutory Limit	4.09%	4.16%	4.11%	3.19%	2.59%	0.90%	0.70%	0.75%	0.48%	-

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	
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	2,025	900	2,925	7.03
2011	15,267	907	2,737	300	2,538	21,749	4,145	1,005	5,150	4.22
2010	17,942	906	2,971	400	3,938	26,157	4,025	1,128	5,153	5.08
2009	18,531	857	2,817	400	4,901	27,506	3,940	1,240	5,180	5.31
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
2006	15,033	661	2,233	400	5,429	23,756	4,180	2,328	6,508	3.65
2005	14,899	662	2,104	400	4,104	22,169	3,980	2,417	6,397	3.47
2004	15,091	801	2,202	400	3,809	22,303	3,800	2,487	6,287	3.55

Source: District Business Affairs

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

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 (a) (thousands of dollars)</u>	<u>District Personal Income per Capita</u>	<u>District Unemployment Rate</u>
2013	2,453,843 *	*	*	6.9%
2012	2,430,000 *	*	*	7.6%
2011	2,416,014	\$ 109,691,808	\$ 45,402	8.7%
2010	2,375,207	104,548,419	44,017	8.4%
2009	2,346,378	99,362,793	42,347	8.2%
2008	2,314,018	109,791,915	47,446	5.7%
2007	2,291,891	106,221,370	46,347	4.3%
2006	2,275,434	101,321,724	44,529	5.5%
2005	2,250,830	94,239,731	41,869	5.6%
2004	2,244,020	89,093,086	39,702	6.7%
2002	2,250,326	82,560,034	36,688	7.8%

Source: Population and Personal Income from U. S. Dept. of Commerce, Bureau of Economic Analysis
Unemployment rate from Bureau of Labor Statistics
Dallas County only

* Information is unavailable

* Estimated

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2004 TO 2013
(UNAUDITED)

Employer	Number of Employees								
	2013	2012	2011	2010	2009	2008	2007	2006	2004
AMR Corporation	24,700	24,888	20,684	21,935	25,952	25,655	22,265	25,000	28,000
Bank of America	20,000	20,000	20,000	-	-	-	-	-	-
Texas Health Resources	19,230	24,189	18,672	17,485	17,203	17,299	13,582	17,000	17,000
Dallas Independent School District	18,314	18,868	20,554	20,387	21,289	20,077	19,535	19,359	19,691
Baylor Health Resources	17,097	17,097	19,677	18,000	16,000	16,000	15,065	14,572	15,000
AT&T/SBC Communications Inc.	15,800	17,500	17,482	14,400	16,600	16,200	13,300	12,500	14,000
Lockheed Martin Aeronautics Co.	14,126	15,000	14,902	14,100	14,250	14,776	15,085	15,000	16,442
JP Morgan Chase	13,500	13,500	13,000	10,000	-	-	-	-	-
UT Southwestern Medical Center	13,122	13,053	-	-	-	-	-	-	-
City of Dallas	12,836	13,369	13,427	14,613	13,946	12,825	-	-	-
Wal-Mart Stores, Inc.	(a)	(a)	34,698	37,100	35,700	33,500	31,700	29,237	23,000
Texas Instruments Inc.	-	-	-	-	-	-	-	-	10,600
Raytheon Co.	-	-	-	-	-	-	16,250	16,250	-
Verizon Communications Inc.	-	-	-	14,000	14,000	13,800	13,500	15,900	12,500
Albertson's Inc.	-	-	-	-	-	-	-	12,240	11,200
US Postal Service	-	-	-	-	12,993	13,328	14,939	-	-
Total Top Ten	168,725	177,464	193,096	182,020	187,933	183,460	175,221	177,058	167,433

Employer	Percentage of Total Employment								
	2013	2012	2011	2010	2009	2008	2007	2006	2004
AMR Corporation	0.88%	0.89%	0.74%	0.78%	0.93%	0.92%	0.80%	0.89%	1.00%
Bank of America	0.71%	0.71%	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Texas Health Resources	0.69%	0.86%	0.67%	0.62%	0.61%	0.62%	0.49%	0.61%	0.61%
Dallas Independent School District	0.65%	0.67%	0.73%	0.73%	0.76%	0.72%	0.70%	0.69%	0.70%
Baylor Health Resources	0.61%	0.61%	0.70%	0.64%	0.57%	0.57%	0.54%	0.52%	0.54%
AT&T/SBC Communications Inc.	0.56%	0.63%	0.62%	0.51%	0.59%	0.58%	0.48%	0.45%	0.50%
Lockheed Martin Aeronautics Co.	0.50%	0.54%	0.53%	0.50%	0.51%	0.53%	0.54%	0.54%	0.59%
JP Morgan Chase	0.48%	0.48%	0.46%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%
UT Southwestern Medical Center	0.47%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City of Dallas	0.46%	0.48%	0.48%	0.52%	0.50%	0.46%	0.00%	0.00%	0.00%
Wal-Mart Stores, Inc.	0.00%	0.00%	1.24%	1.33%	1.28%	1.20%	1.13%	1.04%	0.82%
Texas Instruments Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%
Raytheon Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	0.58%	0.00%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.50%	0.50%	0.49%	0.48%	0.57%	0.45%
Albertson's Inc.	6.03%	6.34%	6.88%	6.49%	6.25%	6.09%	5.74%	5.89%	5.59%
US Postal Service	-	-	-	-	-	-	-	-	-
Total Employment	3,135,000	3,106,034	3,029,960	2,992,091	2,939,247	2,964,768	2,951,995	2,923,354	2,799,012

Source:
FY 2004 / 2006: Greater Dallas Chamber of Commerce
FY2007-2013: 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) No longer reports local employment numbers

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty										
Full-Time	842	792	765	763	765	733	699	725	736	719
Part-Time	2,425	2,349	2,413	2,440	2,335	2,254	2,384	2,608	2,855	2,557
Total	3,267	3,141	3,178	3,203	3,100	2,987	3,083	3,333	3,591	3,276
Percent										
Full-Time	25.8%	25.2%	24.1%	23.8%	24.7%	24.5%	22.7%	21.8%	20.5%	21.9%
Part-Time	74.2%	74.8%	75.9%	76.2%	75.3%	75.5%	77.3%	78.2%	79.5%	78.1%
Staff and Administrators										
Full-Time	2,290	2,235	2,196	2,472	2,426	2,284	2,193	2,177	2,174	2,147
Part-Time	1,507	1,582	1,373	1,555	1,655	1,516	1,463	1,449	1,736	2,155
Total	3,797	3,817	3,569	4,027	4,081	3,800	3,656	3,626	3,910	4,302
Percent										
Full-Time	60.3%	58.6%	61.5%	61.4%	59.4%	60.1%	60.0%	60.0%	55.6%	49.9%
Part-Time	39.7%	41.4%	38.5%	38.6%	40.6%	39.9%	40.0%	40.0%	44.4%	50.1%
Total Employees										
Full-Time	3,132	3,027	2,961	3,235	3,191	3,017	2,892	2,902	2,910	2,866
Part-Time	3,932	3,931	3,786	3,995	3,990	3,770	3,847	4,057	4,591	4,712
Total	7,064	6,958	6,747	7,230	7,181	6,787	6,739	6,959	7,501	7,578
Percent										
Full-Time	44.3%	43.5%	43.9%	44.7%	44.4%	44.5%	42.9%	41.7%	38.8%	37.8%
Part-Time	55.7%	56.5%	56.1%	55.3%	55.6%	55.5%	57.1%	58.3%	61.2%	62.2%
FTSE per Full-Time Faculty	61.2	66.1	69.9	70.1	61.9	59.7	61.5	57.4	58.3	58.8
FTSE per Full-Time Staff Member	22.5	23.4	24.4	21.6	19.5	19.1	19.6	19.1	19.7	19.7
Average Annual Faculty Salary	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532	\$ 74,931	\$ 76,186	\$ 71,042	\$ 68,366	\$ 66,195

Source: District Business Affairs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 16
STUDENT PROFILE
LAST FIVE FISCAL YEARS
(UNAUDITED)

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	49,371	55.18%	53,206	55.82%	47,351	53.10%	45,566	53.86%	43,030	55.07%
Male	40,101	44.82%	42,118	44.18%	41,816	46.90%	39,042	46.14%	35,103	44.93%
Total	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%	78,133	100.00%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	24,898	27.83%	28,319	29.71%	28,251	31.68%	27,621	32.65%	25,465	32.59%
Hispanic	25,088	28.04%	27,643	29.00%	25,834	28.97%	23,294	27.53%	21,411	27.40%
African American	21,008	23.48%	23,314	24.46%	20,312	22.78%	18,508	21.87%	16,655	21.32%
Asian	5,749	6.43%	7,993	8.38%	7,893	8.85%	5,726	6.77%	5,435	6.96%
Foreign	3,990	4.46%	1,035	1.09%	1,109	1.25%	4,469	5.28%	4,045	5.18%
Native American	415	0.46%	542	0.57%	412	0.46%	391	0.46%	347	0.44%
Other	8,324	9.30%	6,478	6.79%	5,356	6.01%	4,599	5.44%	4,775	6.11%
Total	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%	78,133	100.00%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	6,542	7.31%	7,664	8.04%	4,681	5.25%	4,264	5.04%	3,766	4.82%
18-21	29,527	33.00%	28,616	30.02%	26,518	29.74%	25,797	30.49%	25,690	32.88%
22-24	12,362	13.82%	12,182	12.78%	11,940	13.39%	11,439	13.52%	10,736	13.74%
25-30	14,608	16.33%	15,233	15.98%	15,034	16.86%	14,003	16.55%	13,165	16.85%
31-35	7,910	8.84%	8,483	8.90%	8,444	9.47%	8,029	9.49%	7,157	9.16%
36-50	13,283	14.84%	15,584	16.35%	15,907	17.84%	14,823	17.52%	12,829	16.42%
51 and over	5,240	5.86%	7,562	7.93%	6,643	7.45%	6,253	7.39%	4,790	6.13%
Total	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%	78,133	100.00%

Average Age	29	29	29	29	29
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Source: District Business Affairs

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17**

TRANSFERS TO SENIOR INSTITUTIONS

2011 FALL STUDENTS AS OF FALL 2012

(INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all DCCCD Transfer Students	% of all DCCCD Transfer Students
	Academic	Technical	Tech-Prep		
1 University of Texas - Arlington	2638	422	278	3,338	19.06%
2 University of Texas - Dallas	2261	370	188	2,819	16.10%
3 University of North Texas	2316	361	129	2,806	16.02%
4 Texas Woman's University	1164	244	113	1,521	8.68%
5 University of Texas - Austin	1016	100	29	1,145	6.54%
6 Texas A&M University - College Station	927	96	31	1,054	6.02%
7 University of North Texas - Dallas	696	105	52	853	4.87%
8 Texas Tech University	735	80	15	830	4.74%
9 Texas A&M University - Commerce	635	125	39	799	4.56%
10 Texas State University	311	38	7	356	2.03%
11 Stephen F. Austin State University	293	36	16	345	1.97%
12 University of Houston	185	28	1	214	1.22%
13 Sam Houston State University	135	21	3	159	0.91%
14 Midwestern State University	115	21	21	157	0.90%
15 Tarleton State University	115	16	9	140	0.80%
16 Prairie View A&M University	117	18	3	138	0.79%
17 Texas Tech University Health Science Center	80	32	16	128	0.73%
18 University of Texas - Tyler	78	11	6	95	0.54%
19 University of Texas - San Antonio	64	5	3	72	0.41%
20 Texas Southern University	56	11	2	69	0.39%
21 Texas A&M University System Health Science Center	32	9	1	42	0.24%
22 Texas A&M University - Corpus Christi	35	5	1	41	0.23%
23 University of Texas - Permian Basin	31	6	1	38	0.22%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
(Continued)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all DCCCD Transfer Students	% of all DCCCD Transfer Students
24 Lamar University Institute of Technology	34	2	1	37	0.21%
25 Texas A&M University - Galveston	32	1	1	34	0.19%
26 University of Texas Medical Branch Galveston	25	8	1	34	0.19%
27 West Texas A&M University	26	6	2	34	0.19%
28 University of Texas Health Science Center - San Antonio	21	8	1	30	0.17%
29 Angelo State University	23	3	2	28	0.16%
30 University of Texas Southwestern Medical Center - Dallas	26	1	0	27	0.15%
31 University of North Texas Health Science Center - Forth Worth	24	2	0	26	0.15%
32 University of Texas - El Paso	16	1	0	17	0.10%
33 Texas A&M International University	11	0	1	12	0.07%
34 University of Houston - Downtown	8	3	0	11	0.06%
35 University of Houston - Victoria	7	3	0	10	0.06%
36 Texas A&M University -Texarkana	7	2	0	9	0.05%
37 Texas A&M University - Central Texas	7	1	0	8	0.05%
38 University of Houston - Clear Lake	6	1	1	8	0.05%
39 University of Texas Health Science Center - Houston	5	0	3	8	0.05%
40 Texas A&M University - Kingsville	5	0	0	5	0.03%
41 University of Texas - Pan American	4	0	0	4	0.02%
42 Sul Ross State University	3	0	0	3	0.02%
43 Texas A&M University - San Antonio	3	0	0	3	0.02%
44 University of Texas M.D Anderson Cancer Center	1	1	1	3	0.02%
45 Baylor College of Medicine	0	1	0	1	0.01%
46 University of Texas - Brownsville	1	0	0	1	0.01%
Totals	14,330	2,204	978	17,512	100.00%

Source: THECB "Students Pursuing Additional Education" report for Academic Year 2011-12

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
FISCAL YEARS 2004 TO 2013
((UNAUDITED))

	Fiscal Year									
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Academic buildings	89	89	89	89	84	69	67	67	67	65
Square footage	3,847,370	3,847,370	3,847,370	3,847,370	3,426,142	2,872,794	2,918,794	2,918,794	2,918,794	2,780,423
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	432,076	433,212	438,488	441,895	446,346	529,952	504,977	428,815
Administrative and support buildings				8	8	7	7	7	7	7
Square footage	326,215	326,215	326,215	326,215	326,215	242,832	242,832	242,832	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	42	42	42	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	36	36	36	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	36	36	39	39	28	22	21	24	23	22
Light trucks/vans	79	79	88	88	84	77	76	80	75	70
Buses	8	8	10	10	9	9	7	6	7	2
Total Square Footage	4,714,801	4,714,801	4,714,801	4,714,801	4,293,573	3,656,842	3,702,842	3,702,842	3,702,842	3,564,471

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.

Source: District Business Affairs

FEDERAL AND STATE SINGLE AUDIT SECTION



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

To the Board of Trustees
Dallas County Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Dallas County Community College District (the "District") as of and for the year ended August 31, 2013, and have issued our report thereon dated December 10, 2013.

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 determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



Texas Public Funds Investment Act

We have performed tests designed to verify the District's compliance with the requirements of Public Funds Investment Act (the "Act"). However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express an opinion. During the fiscal year ended August 31, 2013, no instances of non-compliance with the Act were found.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 communication is not suitable for any other purpose.

Houston, Texas
December 10, 2013



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

To the Board of Trustees
Dallas County Community College District

Report on Compliance for Each Major Federal and State Program

We have audited Dallas County Community College District's, including its seven colleges listed below, (altogether, the "District"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the Texas Single Audit Circular that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2013. The District's seven colleges include:

1. Brookhaven College
2. Cedar Valley College
3. Eastfield College
4. El Centro College (Including Bill J. Priest Institute for Economic Development)
5. Mountain View College
6. North Lake College
7. Richland College

The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditors' 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and, the State of Texas Single Audit Circular. Those standards and OMB Circular A-133 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 with those requirements.



Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the 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, 2013.

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, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing 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 OMB Circular A-133 and State of Texas Single Audit 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control 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 OMB Circular A-133 and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Houston, Texas
December 10, 2013.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
SCHEDULE E**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Supplemental Educational Opportunity Grant	84.007A (1)		\$ 1,191,670
College Work Study Program	84.033A (1)		901,467
Job Locator Development	84.033A (1)		64,244
PELL	84.063P (1)		83,709,092
Direct Loans	84.268 (1)		42,512,543
TRIO Cluster			
TRIO-Student Services	84.042A (2)	P042A100 - 709/253/557	1,154,035
TRIO-Talent Search	84.044A (2)	P042A0-50/51/60	210,081
TRIO-Upward Bound	84.047A (2)	P044A07 / P047A-07, 08 & 12	1,195,431
Other Direct Programs			
Strengthening Institutions - Title III	84.031A	P031A080120	405,256
CCRAA STEM	84.031C	P031C08 & P031C11	1,923,723
Asian American and Native American Pacific Islander - Serving Institution	84.031L	P031L100010	292,916
Strengthening Institutions - Title V	84.031S	PO31S050026/05	(12,363)
Student Success Model (Title V)	84.031S	P031S- 090114/100071	1,005,250
Child Care Access	84.335A	P335A100032	41,128
Total Direct from U. S. Department of Education			134,594,473
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	11017/12039	\$1,520,437
Starlink	84.048	13005/131105	35,239
			<hr/>
			1,555,676
Texas Education Agency			
TEA/Improving Basic Programs-RCHS	84.010A	1361101057840	13,089
TEA Teacher/Principal Trng & Recr	84.367A	S367A120041	1,915
			<hr/>
			15,004
University of North Texas			
Coop w/UNT - Title V	84.031S	P031S100113	890,698
			<hr/>
Total Pass-Through Other Agencies			2,461,378

(1) Clustered Student Financial Aid Programs
(2) Clustered TRIO Programs
(3) Clustered WIA Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

**SCHEDULE E
(CONTINUED)**

U.S. Department of Agriculture

Pass-Through From:

Texas Workforce Commission

Apprenticeship Training Program	10.561	0613ATP000	<u>19,310</u>
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Total U.S. Department of Agriculture			19,310
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U. S. Department of Commerce

Direct Programs:

Malcolm Baldrige Nat'l Quality Award			
Outreach Activities	11.013	60NANB11D134	<u>9,435</u>

Total U. S. Department of Commerce			9,435
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U.S. Department of Labor

Pass-Through From:

Dallas County Local Workforce Development Board

WIA Cluster:

Youth Services (OSY)	17.259 (3)	328-Out OSY-10	862,178
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Cincinnati State Technical & Community College

Trade Adjustment Assistance CC and Ca	17.282	TC-22486-11-60-A-39	801,338
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Texas Workforce Commission

Apprenticeship Training Program	17.278	0612ATP000	771
Apprenticeship Training Program	17.278	0613ATP000	76,426
College Credit for Heroes	17.267	2913WSW008	<u>5,927</u>

83,124

Total U.S. Department of Labor			1,746,640
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Institute of Museum and Library Services

Pass-Through From:

Texas State Library & Archive Commission

Museums for America	45.301	PO 306-13-8219	<u>9,375</u>
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Total Institute of Museum and Library Services			9,375
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National Science Foundation

Pass-Through From:

Collin County Community College

CCCCD/NSF Convergence Tech	47.076	DUE-0903239 & 1205077	26,972
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University of Texas at Dallas

STEM Gateway Collaboration	47.076	DUE-0856549	<u>166,781</u>
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Total National Science Foundation			193,753
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(1) Clustered Student Financial Aid Programs
(2) Clustered TRIO Programs
(3) Clustered WIA Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

**SCHEDULE E
(CONTINUED)**

Small Business Administration

Direct Programs:

Small Business Development Center:	59.037	0&1/603001-Z-0046-24	2,702,708
FAST	59.058	SBAHQ-10-G-0015	670
Jobs Act Program	59.037	1-603001-Z-01452	<u>424,650</u>

Total Small Business Administration **3,128,028**

U.S. Department of Defense

Direct Program:

Veteran's Administration Chapter 33	64.027		<u>1,459,327</u>
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Total U.S. Department of Defense **1,459,327**

U.S. Department of Energy

Pass-Through From:

Texas Comptroller of Public Accounts

Energy Sector Training Center	81.041	ARRA DE-EE0000116	(131)
Energy Sector Training Center	81.041	CM1260	<u>32,073</u>

Total U. S. Department of Energy **31,942**

U.S. Department of Health & Human Services

Pass-Through From:

University of Texas at Austin

Substance Abuse & Mental Health	93.243	UTA02-161 & UTA12-001079	20,641
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Texas Workforce Commission

Summer Merit Program	93.558	0612TAN002	(2,264)
Summer Merit Program	93.558	0613TAN004	25,634
Apprenticeship Training Program	93.558	0613ATP000	<u>14,595</u>

37,965

Pitt Community College

Region D CCHITC	93.721	ARRA/90CC0078	271,452
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Texas Woman's University

NTPPBS	93.859	R25 GM58397-06	<u>11,403</u>
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Total Department of Health & Human Services: **341,461**

U. S. Corporation for National and Community Service

MLK, Jr. Day of Service 2012	94.007	MLK Day of Service 2012	<u>828</u>
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Total Corporation for National and Community Service **828**

TOTAL EXPENDITURES OF FEDERAL AWARDS **\$ 143,995,950**

(1) Clustered Student Financial Aid Programs
 (2) Clustered TRIO Programs
 (3) Clustered WIA Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
SCHEDULE F

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas Grant Program		\$ 2,479,798
Texas Education Opportunity Grant		785,188
Texas College Work Study		158,779
Top 10% Scholarship Program		88,667
5th Year Accounting		5,740
T-Stem Challenge Scholarship	9261 & 11268	178,486
P16 College Readiness	04018	68,965
College for All Texans - G Force		95,603
Adult Basic Education	07053	372,824
Nursing Innovation	05688	45,689
Nursing Shortage Reduction Program		<u>823,417</u>
Total Texas Higher Education Coordinating Board		\$ 5,103,156

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

**SCHEDULE F
(CONTINUED)**

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Education Agency		
Dropout Recovery Performance Pay	11145587110018	\$ 2,530
Texas Workforce Commission		
Skills Development Funds (1)		
BrightStar Healthcare of TX	0512SDF000	(1,150)
Solar Turbines	0611SDF001	40,826
Healthcare Associates of Irving	0611SDF002	18,360
Construction Consortium	0611SDF003	236,508
Construction Consortium	0611SDF004	(18,860)
Legacy Medical College	0611SDF005	(14,286)
Genesis Project - Garland	0611SDF006	(118)
Construction Education for Texas	0611SDF007	322,294
Air System Components	0611SDF008	1,819
Dallas Area Medical Consortium	0611SDF009	93,801
DCMA Training	0611SDF010	18,186
MARS Medical	0611SDF011	208,617
Construction Consortium	0612SDF000	44,520
SDF Technology	0612SDF001	182,542
AT&T Services	0612SDF002	897,244
Advanced Improvement Manufacturing	0612SDF003	602,226
DMCA Manufacturing	0612SDF004	319,194
Manufacturing	0612SDF005	142,358
Aviall Services	0613SDF000	144,842
AMX Environmental	0613SDF001	1,123
Training	0613SDF002	4,080
Total Skills Development Funds (1)		<u>3,244,126</u>
Apprenticeship Training Program	0612ATP001	(2,617)
Apprenticeship Training Program	0612ATP000	1,977
Apprenticeship Training Program	0613ATP000	<u>120,835</u>
Total Apprenticeship Training Funds		120,195
Skills for Small Businesses	0612SSD000	<u>10,321</u>
Total Texas Workforce Commission		<u>3,374,642</u>
TOTAL EXPENDITURES OF STATE AWARDS		<u>\$ 8,480,328</u>

(1) Clustered Skills Development Programs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013

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, 2013. 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 awards revenues are reported in the financial statements of the District for the fiscal year ended August 31, 2013, as follows:

	<u>Federal</u>	<u>State</u>
Total revenues per Schedule A	\$ 15,671,391	\$ 8,577,835
Federal revenue, non-operating per Exhibit 2	90,602,218	-
Federal direct student loans	42,512,543	-
Fall tuition-related grants deferred to next fiscal year	(4,790,202)	(97,507)
Total expenditures for federal/state awards	<u>\$ 143,995,950</u>	<u>\$ 8,480,328</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

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 3-603001-Z-0046, 2-603001-Z-0046, 2-603001-Z-0046 Carryover and 1-603001-Z-0046 Carryover)

Collin County Community College	\$	175,915
Grayson College		57,148
Kilgore College		192,977
McLennan Community College		68,454
Navarro College		85,564
North Central Texas College		92,873
Northeast Community College		86,207
TAMU		-
Paris Junior College		178,672
Tarrant County College		163,789
Trinity Valley Community College		68,571
Tyler Junior College		82,698
UTA Enterprise Excellence		142,763
	<u>\$</u>	<u>1,395,631</u>

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, Jobs Act Program CFDA 59.037 (Award 1-603001-Z-0152)

Grayson College	\$	30,346
Kilgore College		4,179
Navarro College		41,884
North Central Texas College		10,956
Northeast Community College		48,385
Paris Junior College		-
Tarrant County College		71,006
Trinity Valley Community College		16,640
Tyler Junior College		36,448
	<u>\$</u>	<u>259,843</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

The following amount was passed through to the listed sub recipient by the District. This amount was funded by the U.S. Department of Health and Human Services, through Pitt Community College CFDA 93.721. (ARRA/90CC0078)

Temple College	\$	16,734
Austin Community College		83,282
		100,015
	\$	100,015

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 County Community College	\$	41,793
Grayson College		75,113
Kilgore College		73,568
McLennan Community College		83,781
Navarro College		67,540
North Central Texas College		87,247
Northeast Community College		91,843
TAMU		-
Paris Junior College		5,427
Tarrant County College		53,400
Trinity Valley Community College		110,667
Tyler Junior College		65,235
UTA Enterprise Excellence		-
		755,614
	\$	755,614
Total	\$	2,511,104

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013**

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 2013 fiscal year are \$101,483,407.

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	\$ 42,512,543	-	\$ 42,512,543

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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013

PART 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statement Section

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weakness identified? | No |
| b) Significant deficiencies identified, which are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards Section

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a) Material weakness identified? | No |
| b) Significant deficiencies identified, which are not considered to be material weaknesses? | None reported |
| 2. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed, which are required to be reported in accordance with Section 510(a) of Circular A-133? | No |

4. Identification of major programs:

<u>Federal CFDA Number</u>	<u>Name of Federal Program</u>
84.007, ,84.031, 84.033, 84.042, 84.044, 84.047, 84.063, 84.268, 84.335	Student Financial Aid Cluster
17.282	Trade Adjustment Assistance Community College and Career Training
47.076	Education and Human Resources.
84.048	Career and Technical Education
93.721	Health Information Technology Professionals in Health Care

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013

<u>State Program Number</u>	<u>Name of State Program</u>
NA	Texas Grant
NA	Texas Education Opportunity Grant
NA	T-Stem Challenge Scholarship
NA	Adult Basic Education
NA	Nursing Shortage Reduction Programs

5. Dollar threshold used to distinguish between type A and type B programs:
- | | |
|------------------|------------|
| Federal programs | \$ 468,508 |
| State programs | \$ 300,000 |
6. Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530? No

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2013**

PART II: FINANCIAL STATEMENT AUDIT

This section identifies the significant deficiencies, material weaknesses, and instances of fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

No findings were noted.

**PART III: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL
AWARD PROGRAMS**

None

DALLAS COUNTY COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2013

Prior Year Findings

There were no audit findings included in the August 31, 2012 Schedule of Findings and Questioned Costs relative to Federal Awards.



**Dallas County
Community Colleges**

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