



Dallas County Community College District

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



Comprehensive Annual Financial Report For the Fiscal Years Ended August 31, 2014 and 2013



**Dallas County
Community Colleges**

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

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DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

DALLAS, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

**PREPARED BY
BUSINESS AFFAIRS OFFICE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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INTRODUCTORY SECTION

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**ORGANIZATIONAL DATA
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

BOARD OF TRUSTEES

OFFICERS

Jerry Prater Chair
Joe D. May Secretary

MEMBERS

TRUSTEE	CITY, STATE	TERM EXPIRES
Charletta Rogers Compton (Chair Elect)	Dallas, Texas	2018
Bob Ferguson	Farmers Branch, Texas	2016
Diana Flores	Dallas, Texas	2020
Wesley Jameson	Irving, Texas	2020
Bill Metzger	Mesquite, Texas	2016
Jerry Prater	Garland, Texas	2016
JL Sonny Williams	Dallas, Texas	2018

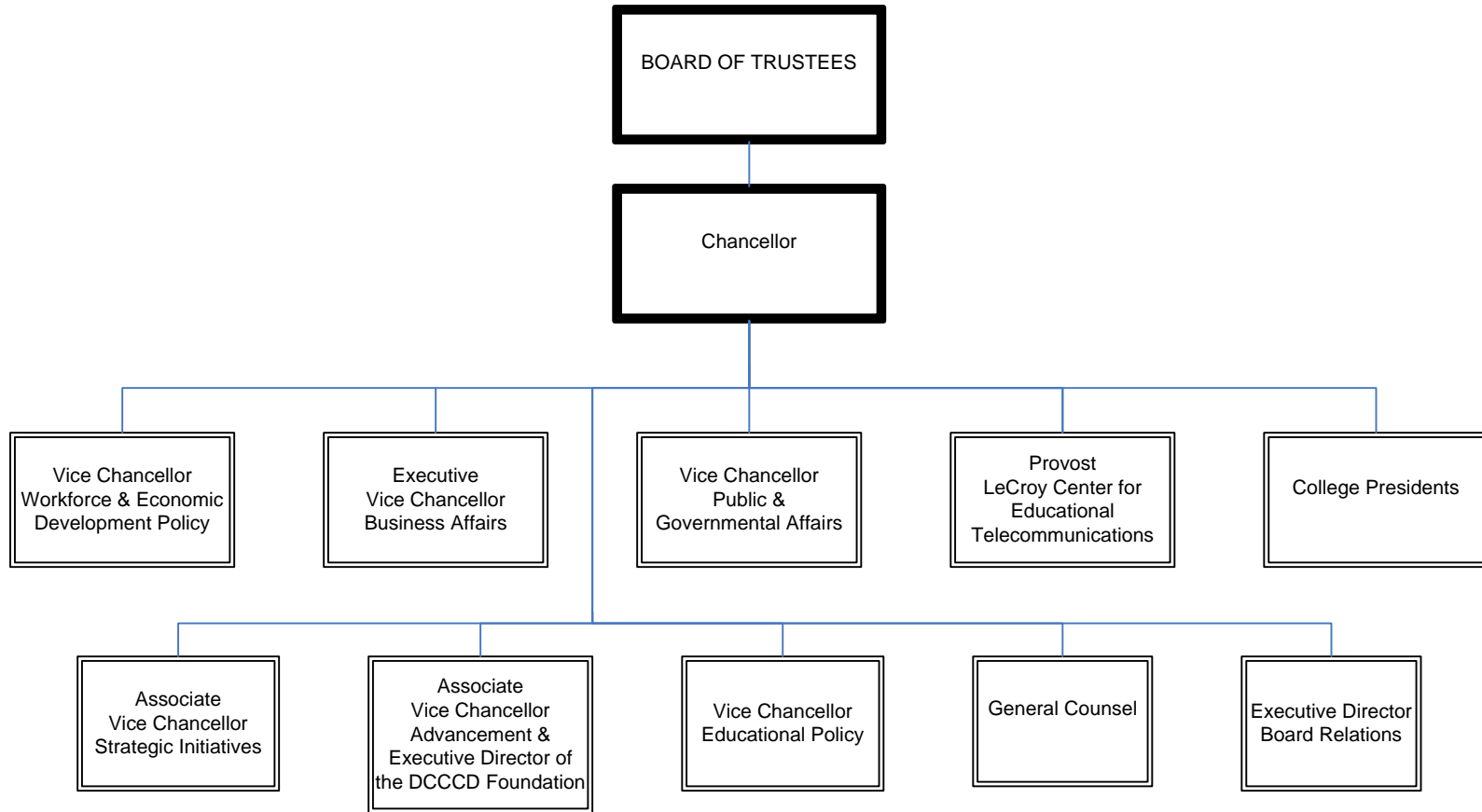
DISTRICT ADMINISTRATIVE OFFICERS

Joe D. May	Chancellor
Mary Brumbach	Associate Vice Chancellor, Strategic Initiatives
Edward M. DesPlas	Executive Vice Chancellor, Business Affairs
Susan Hall	Executive Director, Board Relations
Justin Lonon	Vice Chancellor, Public & Governmental Affairs
Pam Quinn	Provost, LeCroy Center for Educational Telecommunications
Vacant	Vice Chancellor, Educational Policy
Vacant	Associate Vice Chancellor of Advancement & Executive Director of the DCCCD Foundation
Robert Wendland	General Counsel
Joyce Williams (Interim)	Vice Chancellor, Workforce & Economic Development Policy

COLLEGE PRESIDENTS

Jose Adames	El Centro College
Thomas Chesney	Brookhaven College
Jean Conway	Eastfield College
Kathryn Eggleston	Richland College
Preston Pulliams (Interim)	Mountain View College
Christa Slejko	North Lake College
Jennifer Wimbish	Cedar Valley College

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
2014-2015





DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

November 25, 2014



Joe D. May

I am pleased to submit to the Board of Trustees for the Dallas County Community College District ("DCCCD") and the community of Dallas County, the comprehensive annual financial report for fiscal year ended August 31, 2014.

Thanks to the leadership of our Board of Trustees and their commitment to their fiduciary responsibilities, DCCCD ranks among the lowest in Texas community colleges for both tuition rates and property tax rates. While recent increases in tuition and the property tax rates have been implemented, 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

After several years of growth, enrollments declined slightly in fiscal year 2014 because of improvements in the Texas economy. This enrollment pattern is consistent with most community colleges in Texas. Total Operating Revenues in fiscal year 2014 are up \$1.5 million compared to fiscal year 2013 based on a full year of a tuition increase of \$7 per credit hour that was effective the spring 2013 semester. Non-Operating Revenues are up \$29.0 million due to an increase in the property tax values and a slight increase in the tax rate of \$0.005 per \$100 valuation. Operating expenses increased \$6.5 million due to a 1% salary increase for faculty and staff, a 3.3% increase in adjunct faculty pay, the addition of full-time faculty members, as well as technology and instructional equipment upgrades and acquisitions. Our Net Position totaled \$534.8 million, an increase of \$45.7 million; of that amount, \$237.8 million was Unrestricted Net Position.

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; this new formula methodology rewards colleges for improvement in student success measurements as established by the Texas Higher Education Coordinating Board. The effect of these changes for DCCCD was a reduction in enrollment-related state funding for fiscal year 2014 of approximately \$1.5 million per year, mainly due to the "base funding" portion. However, the state's benefit funding increased and the total state funding to DCCCD increased by \$2.2 million. We continue to believe that state funding, now less than 25% of total revenues, will continue to remain relatively flat.

Looking Forward

We believe that student enrollments will remain flat or will increase slightly. The biggest area of opportunity for growth will be returning Texans to work through concentrated efforts on workforce training, which leads to jobs for our students. Property values increased by 6% for fiscal year 2015, according to the latest figures from the Dallas County Appraisal District, with commercial and business personal property accounting for the biggest increases. The Board approved the same property tax rate for fiscal year 2015 and also approved a \$7 per credit hour increase in tuition to become effective the spring 2015 semester. These investments in DCCCD will fund specific initiatives which will enable us to return more Dallas County residents to work and improve their earning skills.

Strategic Priorities and Initiatives

To ensure Dallas County is vibrant, growing and economically stable for future generations, the Board of Trustees has established the thematic priorities of:

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

These thematic priorities will be pursued through strategic initiatives identified by the Board:

- Processes to enable environmental scanning to better determine stakeholder needs
- Increased capacity for convening stakeholders
- Heightened nimbleness as we respond to needs and opportunities
- Focused marketing efforts with particular emphasis on reaching non-consumers
- Studied approach to expanding responses across all DCCCD locations
- Emphasis on student support services
- Means to address transportation and childcare barriers
- Engagement of students in an "Ambassador" role
- Development of new or improved employer/education partnerships opportunities
- Means to bridge students from training to employment
- Support of a diverse and high-quality workforce
- Promotion of sustainable practices to impact social, economic and environmental vitality
- Continued efficient use of staff, fiscal and physical resources

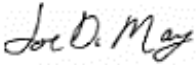
We exist to solve individuals' problems, ensure access, eliminate barriers, expand dual enrollment programs, and address workforce training that improves skills leading to better pay and earning opportunities.

It is the Board's intent for DCCCD to be the educational "choice" in North Texas that provides the economic stimulus for all stakeholders. We will do that by providing high-impact training which leads to jobs; partnering with employers; and guaranteeing transfer to a four-year college.

In Closing

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 our faculty and staff who tirelessly pursue the measures necessary to improve our students' lives.

Sincerely,

A handwritten signature in cursive script that reads "Joe D. May".

Joe D. May
Chancellor



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

November 25, 2014

To the Board of Trustees:

Respectfully submitted for your review is the comprehensive annual financial report for the Dallas County Community College District ("DCCCD") for the fiscal years ended August 31, 2014 and 2013. The purpose of this report is to provide detailed information about the financial condition and performance of DCCCD. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

Comprehensive Annual Financial Report

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

Reporting Entity

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

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

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

Organization of DCCCD

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

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

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

Mission and Values

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

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

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

Together, our colleges enroll more undergraduate (freshman and sophomore) students than any other college, university or community college system in the state of Texas. Since 1965, we have served more than 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: 39.9 percent Anglo, 24.3 percent Hispanic, 23.9 percent African-American, 8.4 percent Asian, and 3.5 percent all others combined. DCCCD's workforce is becoming increasingly diverse: currently 58.8 percent Anglo, 13.6 percent Hispanic, 22.1 percent African-American, 4.2 percent Asian, and 1.3 percent all others combined.

Economic Conditions and Outlook

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

- Ad Valorem Taxes – increased by \$19.2 million as the property tax rate for Maintenance and Operations (M&O) was increased by \$0.005 per \$100 valuation and total taxable assessed value increased by 4.4%.
- Tuition and Fees – increased by \$1.7 million
- State Appropriations – increased by \$2.2 million due to a change by the legislature to the method of funding for the 2014-2015 biennium for both enrollments and employee benefits.

Residential property values increased by 1.6% in fiscal year 2014 while commercial and business personal property increased by 6.2%. According to the Dallas County Appraisal District, the property values for fiscal year 2015 have increased by 6% due to strong growth in Dallas' central business district and increases in residential properties.

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

From fiscal year 2008 through fiscal year 2011, student headcount enrollment increased 22% while state appropriations for instruction have remained relatively flat. In fiscal year 2014, student headcount decreased by approximately 3% representing a slowdown in the dramatic enrollment growth experienced in prior years. DCCCD expects that enrollments will be flat in fiscal year 2015 and begin to grow again in the following several years. As the State legislature begins the budget process for the 2016-2017 biennium and the relative strength of the Texas economy, DCCCD is cautiously optimistic about future state funding and anticipates no loss in state support.

Operating expenses increased \$6.5 million in fiscal year 2014 due largely to the addition of new full-time faculty positions and a 1% across-the-board salary increase.

DCCCD's Series 2004 Maintenance Tax Notes matured in 2013. Moody's Investors Service, Standard & Poors, Inc. and Fitch Rating have all reaffirmed their "AAA" rating on DCCCD's General Obligation bonds, and the "AA" rating on our Revenue bonds in recent years.

Financial Planning and Budgeting

DCCCD's financial planning is comprised of three planning processes for all seven colleges and DCCCD 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. 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 to develop a new master plan for presentation to the Board of Trustees.

Major Initiatives

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

- \$86 million repair and restoration program to be funded from operations over the next 5-6 years. Approximately \$16 million is dedicated each fiscal year to complete the projects on a priority basis.
- \$12 million ADA upgrade program to be completed in 2015.

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 DCCCD'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 DCCCD's comprehensive annual financial report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to DCCCD for its comprehensive annual financial report for the fiscal year ended August 31, 2013, for the second year in a row. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and all applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our comprehensive annual financial report for the fiscal year ended August 31, 2014 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. In 2014, DCCCD was awarded a Platinum Star, the highest level, for its Financial Transparency webpages; this was DCCCD's second year to earn the highest level of recognition.

Acknowledgements

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward M. DesPlas". The signature is fluid and cursive, with a long horizontal stroke at the end.

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, 2013

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Dallas County Community College District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Dallas County Community College District (the "District"), as of and for the years ended August 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions 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 entity'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.

Opinions

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, 2014 and 2013, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 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 the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 10 and on pages 101 through 121, respectively, are presented for purposes of additional analysis and are not a required part of the financial statements. The Summary of revenues and expenses (the "Summary") and the Analysis of unrestricted net position components and other financial stability indicators of the individual colleges and the central administration of the District (the "Analysis") on pages 97 through 100 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 93 through 96, required by the Texas Higher Education Coordinating Board, and the schedules of expenditures of federal and state awards on pages 127 through 130 and pages 131 through 132, 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 November 25, 2014, 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
November 25, 2014

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013 (UNAUDITED)

Management's discussion and analysis of the annual financial statements of the Dallas County Community College District ("DCCCD") is designed to help readers understand some of the conditions and events contributing to the current financial position of DCCCD as well as to point out trends and changes in the results of operations. Please read it in conjunction with the Chancellor's letter, the transmittal letter, DCCCD's basic financial statements and notes to the financial statements. Responsibility for the completeness and fairness of this information rests with DCCCD. For purposes of the summary and discussion, the terms "2014", "2013" and "2012" refer to fiscal years ended August 31, 2014, August 31, 2013 and August 31, 2012, respectively.

FINANCIAL HIGHLIGHTS FOR 2014

- Total assets for 2014 were \$1,034.8 million, increasing by \$34.7 million from 2013. Total liabilities were \$501.9 million, down \$11.4 million. Deferred outflows were \$1.9 million.
- Net position at August 31, 2014 was \$534.8 million, of which, \$237.8 million was unrestricted and may be used to meet DCCCD's ongoing obligations. Total net position increased \$45.7 million.
- Operating revenues were \$92.6 million, up \$1.5 million and operating expenses were \$446.1 million, up \$6.5 million. Non-operating revenues were \$399.2 million, for an increase of \$29.0 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

DCCCD qualifies as a special-purpose government engaged in business-type activities according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, and the financial statements are prepared on that basis. The resulting financial statement format focuses on DCCCD as a whole. The basic financial statements are designed to emulate the corporate presentation model whereby DCCCD's fiscal activities are consolidated into one column total. Comparative data from the prior year is shown in a separate column on the face of each of the statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)**

The financial position is presented as of August 31, 2014 and 2013 and consists of three primary statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. As required by GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, an accrual basis of accounting is employed. This means that transactions are recorded as incurred rather than when cash changes hands.

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

Statements of Net Position

The focus of the Statements of Net Position is to illustrate the financial position at a point in time. These statements present the current financial resources (short-term spendable assets) along with assets planned to be held for more than a year. It also shows amounts owed against those assets, and reveals the amount of remaining assets available to DCCCD for further endeavors. In order to show the trends for the two years presented in the Statements of Net Position, a summary of three years of data for the fiscal years ended August 31, 2012 through 2014 is presented in Table 1 below:

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

	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
ASSETS					
Current Assets	\$ 125.3	\$ 92.5	\$ 109.8	\$ 32.8	\$ (17.3)
Capital Assets, net of depreciation	649.9	660.4	682.4	(10.5)	(22.0)
Other Non-current Assets	259.6	247.2	211.2	12.4	36.0
Total Assets	1,034.8	1,000.1	1,003.4	34.7	(3.3)
DEFERRED OUTFLOWS	1.9	2.3	2.6	(0.4)	(0.3)
LIABILITIES					
Current Liabilities	148.4	138.3	139.5	10.1	(1.2)
Non-current Liabilities	353.5	375.0	396.6	(21.5)	(21.6)
Total Liabilities	501.9	513.3	536.1	(11.4)	(22.8)
NET POSITION					
Invested in Capital Assets, net of related debt	293.6	285.1	286.7	8.5	(1.6)
Restricted	3.4	2.1	(1.9)	1.3	4.0
Unrestricted	237.8	201.9	185.1	35.9	16.8
Total Net Position	\$ 534.8	\$ 489.1	\$ 469.9	\$ 45.7	\$ 19.2

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

Changes in Assets

Current assets increased by \$32.5 million in 2014 compared to 2013 as a result of a \$22.5 million increase in cash, due to an increase in investment pools; a \$4.4 million increase in accounts receivable, due to an increase in Federal grants receivables; and a \$7.2 million increase in accrued charges, due to an increase in grants and scholarships related to next year. Long-term investments increased \$16 million due to the investment in securities from the increase in ad valorem tax revenues. Capital assets subject to depreciation decreased by \$19.6 million due to depreciation of \$27.8 million charged in fiscal year 2014 which was partly offset by the capitalization of new fixed assets.

Change in Deferred Outflows

Deferred Outflows on the loss of bond refunding was \$1.9 million for 2014, a decrease of \$0.4 million from 2013.

Changes in Liabilities

Current liabilities increased in 2014 over 2013 by \$10.1 million due to the increase in unearned revenues (grants) and accounts payable (construction projects).

Non-current liabilities decreased in 2014 by \$21.5 million, compared to the 2013 balance, as long term bonds became current and matured.

Changes in Net Position

At August 31, 2014, the difference in assets and liabilities was \$534.8 million. While at August 31, 2013, the difference was \$489.1 million, an increase of \$45.7 million. The beginning Net Position for 2013 was restated as DCCCD implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The effect of this change was a \$2.8 million reduction in Net Position.

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position presents the operating results, as well as non-operating revenues and expenses. Of the three main sources of revenue — ad valorem taxes, state appropriations and tuition — only tuition represents an exchange for services. Taxes and state appropriations represent non-exchange transactions and thus are considered non-operating revenues. This approach to presenting revenues and expenses is intended to summarize and simplify the user's analysis of the various 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, 2014 AND 2013
(UNAUDITED)

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

	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
Operating Revenues					
Tuition and Fees (Net)	\$ 60.0	\$ 58.3	\$ 56.5	\$ 1.7	\$ 1.8
Grants and Contracts	26.2	26.2	25.0	0.0	1.2
Auxiliary Enterprises	4.5	4.5	5.1	0.0	(0.6)
Other Operating Revenues	1.9	2.1	2.3	(0.2)	(0.2)
Total Operating Revenues	<u>92.6</u>	<u>91.1</u>	<u>88.9</u>	<u>1.5</u>	<u>2.2</u>
Operating Expenses	<u>446.1</u>	<u>439.6</u>	<u>417.4</u>	<u>6.5</u>	<u>22.2</u>
Operating Loss	(353.5)	(348.5)	(328.5)	(5.0)	(20.0)
Non-Operating Revenues and (Expenses)					
State Appropriations	111.2	109.0	109.3	2.2	(0.3)
Ad Valorem Taxes	209.8	190.6	156.7	19.2	33.9
Federal Revenue	87.0	90.6	90.5	(3.6)	0.1
Investment Income	5.8	(4.1)	1.9	9.9	(6.0)
Interest on Capital-Related Debt	(15.8)	(16.1)	(16.9)	0.3	0.8
Other Non-Operating Revenue (Expense)	1.2	0.5	(2.5)	0.7	3.0
Net Non-Operating Revenues	<u>399.2</u>	<u>370.5</u>	<u>339.0</u>	<u>28.7</u>	<u>31.5</u>
Increase in Net Position	45.7	22.0	10.5	23.7	11.5
Net Position - Beginning of Year	<u>489.1</u>	<u>467.1</u>	<u>456.9</u>	<u>22.0</u>	<u>10.2</u>
Net Position - End of Year	<u>\$ 534.8</u>	<u>\$ 489.1</u>	<u>\$ 467.1</u>	<u>\$ 45.7</u>	<u>\$ 22.0</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 by \$1.7 million in 2014 due mainly to the full year effect of an increase in tuition effective with the spring 2013 semester. Overall, student enrollments are down slightly from 2013. Grants and contracts provided 28.3% of operating revenue for 2014, which is up slightly compared to 2013. Auxiliary revenue, commissions from bookstores and food service providers, has been decreasing since 2012, due to textbook rental instead of purchase. While this has been

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
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FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
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favorable with DCCCD's students, the book rental has caused a decrease in bookstore commissions.

Non-Operating Revenues

State appropriations increased for 2014 by \$2.2 million. The 83rd Texas Legislature passed an appropriation act for the 2014-2015 biennium and changed the method of funding to the state's fifty community college districts. The new method contains three elements of student-based funding: each college district will receive a base funding of \$500,000 per year; an allocation based on reportable contact hours; and another portion based on student success. Benefit funding increased compared to the previous biennium as the Legislature changed the benefit funding methodology.

Ad Valorem Tax revenue, net of collection fees and bad debt, increased dramatically as the taxable assessed value increased 4.4% and the rate for maintenance and operations (M&O) was increased by \$0.005 per \$100 valuation. Tax revenue increased \$19.2 million in 2014. Ad Valorem Tax revenue has exceeded state appropriations as the primary funding source in all three fiscal years shown, representing 52.5%, 51.4% and 46.2% of total non-operating revenues, respectively, compared to 27.9%, 29.5% and 32.0% for state appropriations. The taxable assessed valuation for DCCCD increased with commercial and business personal property showing the biggest increases and slight increases in residential values. Investment income increased by \$9.9 million in 2014 over 2013 due to changes in interest rates during 2014, changing the market value of DCCCD's securities. Interest on capital related debt decreased by \$0.3 million.

Federal revenue was \$87 million, a decrease of \$3.6 million from 2013 due to changes in Title IV grants (Pell) reducing the number of students eligible and the slight decrease in overall student enrollments.

Revenues by Source

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

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).

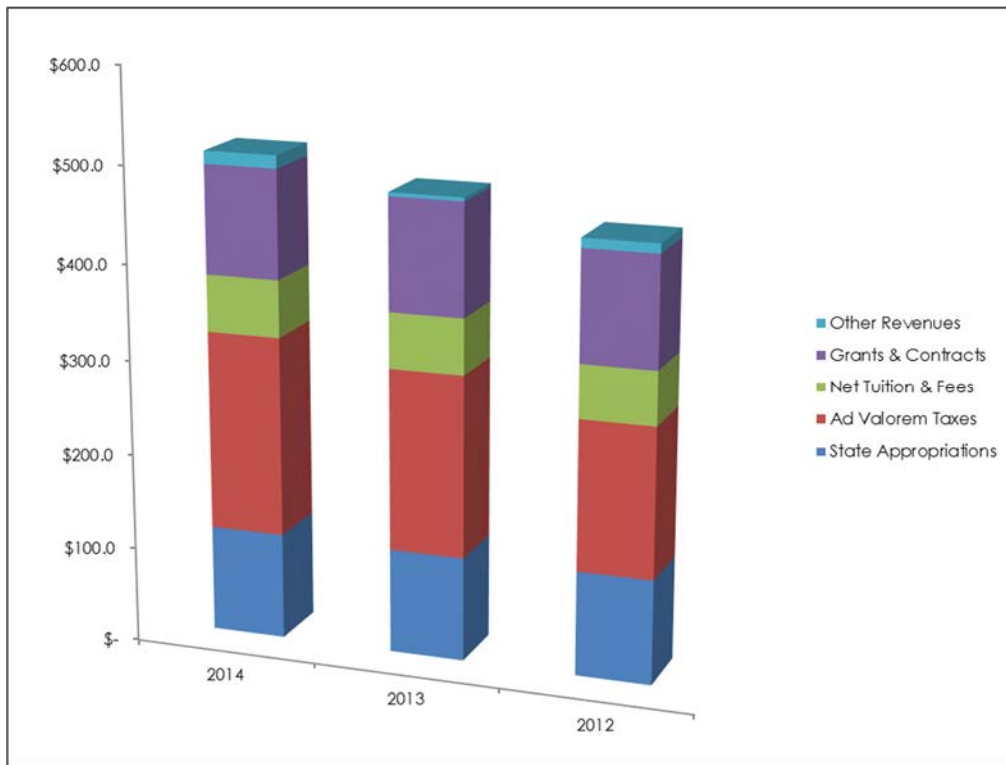
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

TABLE 3: REVENUE BY SOURCE
(In Millions)

Revenue Sources	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
State Appropriations	\$ 111.2	\$ 109.0	\$ 109.3	\$ 2.2	\$ (0.3)
Ad Valorem Taxes	209.8	190.6	156.7	19.2	33.9
Net Tuition & Fees	60.0	58.3	56.5	1.7	1.8
Grants & Contracts	113.2	116.8	115.5	(3.6)	1.3
Other Operating Revenues	2.0	2.1	2.3	(0.1)	(0.2)
Auxiliary Enterprises	4.5	4.5	5.1	0.0	(0.6)
Investment & Other Income	7.1	(2.6)	2.7	9.7	(5.3)
Total Revenues	\$ 507.8	\$ 478.7	\$ 448.1	\$ 29.1	\$ 30.6

REVENUE BY SOURCE
Figure 1



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013 (UNAUDITED)

Operating Expenses

Total Operating Expenses were \$446.1 million in 2014 and \$439.6 million in 2013 for an increase of \$6.5 million. While total expenses have increased by \$28.7 million since 2012, the 2014 total is still below the fiscal year 2011 amount of \$454.1 million.

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

Natural Classification

In 2014, salary expense increased as the Board of Trustees approved across-the-board employee salary increases. Additional part-time faculty pay increases were also given in order to compete in the local market. Salaries increased \$3.2 million over 2013. Benefits increased in 2014 due to the effect of the salary increases on variable benefits. As a percentage of salary expenses, benefits were 21.5% in 2014, 20.4% in 2013 and 21.2% in 2012. Scholarships decreased due to a slight decrease in enrollments and changes to the Title IV eligibility requirements, reducing the number of students receiving Pell grants. Supplies and Services increased due to replacement of technology and increased number of service contracts. See Table 4 and Figure 2.

Functional Classification

As would be expected, the bulk of operating expenses are for instruction which increased \$5.4 million in 2014 compared to 2013 with the salary increases being the majority of the increase. The same is true for the other functional classifications with personnel. The decrease in scholarships is attributable to a slight decline in student enrollment and changes to the Title IV eligibility requirements, reducing the number of students receiving Pell grants. Depreciation decreased in 2014 by \$1.5 million due to increases in 2013 from a large volume of projects that were capitalized. See Table 5 and Figure 3.

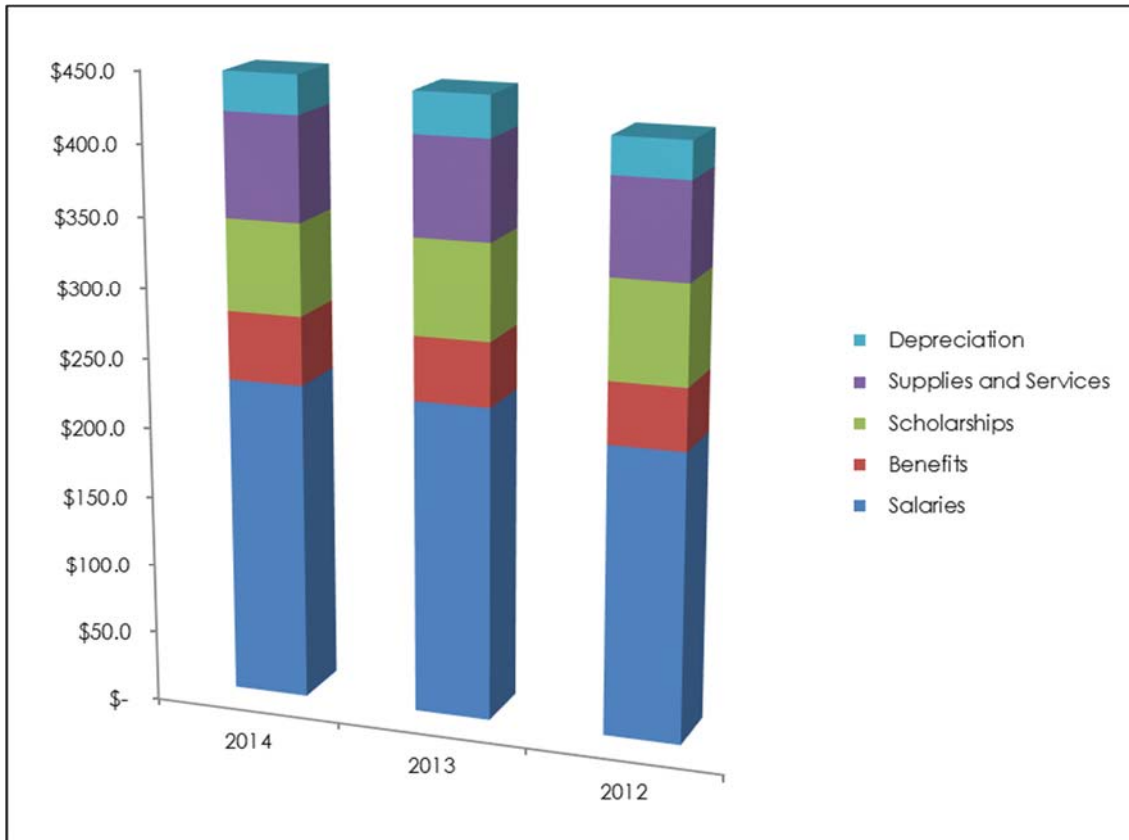
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

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

OPERATING EXPENSE	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
Salaries	\$ 228.6	\$ 225.4	\$ 207.7	\$ 3.2	\$ 17.7
Benefits	49.1	45.9	44.0	3.2	1.9
Scholarships	66.2	68.8	71.2	(2.6)	(2.4)
Supplies and Services	74.4	70.2	68.3	4.2	1.9
Depreciation	27.8	29.3	26.2	(1.5)	3.1
Total Operating Expenses	\$ 446.1	\$ 439.6	\$ 417.4	\$ 6.5	\$ 22.2

OPERATING EXPENSES – NATURAL CLASSIFICATION
Figure 2



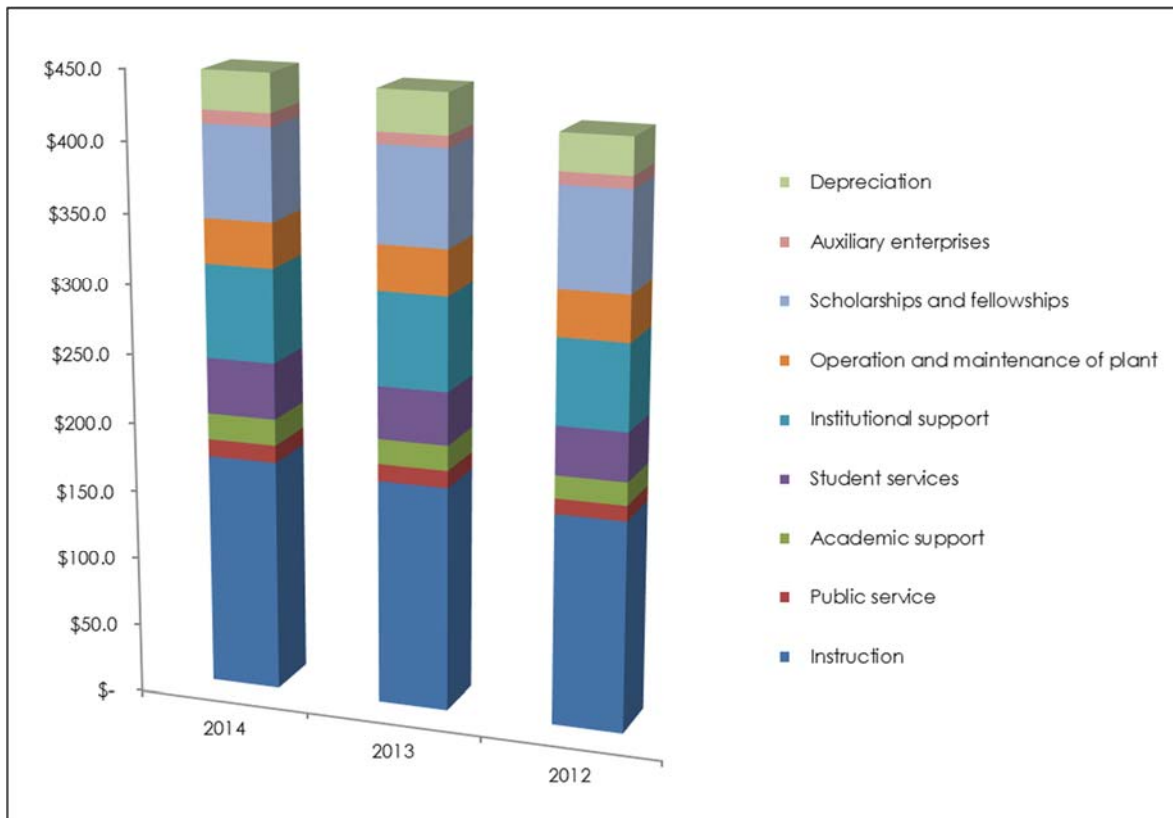
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
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TABLE 5: OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION
(In Millions)

OPERATING EXPENSES	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
Instruction	\$ 169.4	\$ 164.0	\$ 153.7	\$ 5.4	\$ 10.3
Public service	12.6	12.4	11.1	0.2	1.3
Academic support	19.0	18.1	16.5	0.9	1.6
Student services	40.6	38.0	35.0	2.6	3.0
Institutional support	68.4	67.4	61.8	1.0	5.6
Operation and maintenance of plant	32.5	33.2	33.1	(0.7)	0.1
Scholarships and fellowships	66.2	68.8	71.2	(2.6)	(2.4)
Auxiliary enterprises	9.6	8.4	8.8	1.2	(0.4)
Depreciation	27.8	29.3	26.2	(1.5)	3.1
Total Operating Expenses	<u>\$ 446.1</u>	<u>\$ 439.6</u>	<u>\$ 417.4</u>	<u>\$ 6.5</u>	<u>\$ 22.2</u>

OPERATING EXPENSES – FUNCTIONAL CLASSIFICATION
Figure 3



DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013 (UNAUDITED)

The Foundation

As required when meeting the criteria delineated in GASB Statement No. 39, DCCCD began including the statements of the Foundation starting in fiscal year ended August 31, 2004. For the fiscal year ended August 31, 2014, the Foundation's net position was \$40.5 million, an amount that represents 7.6% of DCCCD's net position for the same period. For the fiscal year ended August 31, 2013, the Foundation's net position was \$35.9 million, which represents 7.3% of DCCCD'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 DCCCD. However, most of the Foundation's net position is permanently restricted and therefore not available for DCCCD's direct use. Permanently restricted net position of the Foundation was \$25.4 million and \$25.3 million for the fiscal years ended August 31, 2014 and 2013, respectively.

Statements of Cash Flows

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

Cash Flows from Operating Activities decreased \$11.7 million with increases in scholarships and payments to vendors. Cash Flows from Non-Capital Financing Activities increased \$13.9 million due mainly to the increase in ad valorem taxes offset by decreases in federal grants and state appropriations. Cash Flows from Financing Activities increased \$7.7 million due to capitalization of assets offset by decreases in debt. Cash Flows from Investing Activities decreased \$38.5 million as the additional cash for investments peaked in 2013 and has now levelled out.

Capital Asset and Debt Administration

For the fiscal year ended August 31, 2014, net capital assets decreased by \$10.5 million. 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 depreciation for the buildings placed into service. More information on Capital Assets can be found in Note 5 and Notes 6-10 for Long-Term Debt activity.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

TABLE 6: NET CAPITAL ASSETS
(In Millions)

	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
CAPITAL ASSETS:					
Land and Improvements	\$ 66.8	\$ 66.3	\$ 64.7	\$ 0.5	\$ 1.6
Buildings & Building Improvements	855.3	852.1	842.2	3.2	9.9
Equipment, Furniture, and Software	77.1	74.6	74.2	2.5	0.4
Library Books	9.2	11.2	10.8	(2.0)	0.4
Construction In Progress	15.8	6.6	14.3	9.2	(7.7)
Total	1,024.2	1,010.8	1,006.2	13.4	4.6
Less Accumulated Depreciation	(374.3)	(350.4)	(323.8)	(23.9)	(26.6)
Net Capital Assets	\$ 649.9	\$ 660.4	\$ 682.4	\$ (10.5)	\$ (22.0)

After several years of issuing bonds related to the 2004 capital improvement program, no bonds were issued in the fiscal years 2014, 2013 and 2012. 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 14.3 in 2014 from 7.0 in 2012 as DCCCD revised the state allowed tuition pledge to 25% of tuition per student per semester. General obligation bond debt service decreased to \$136.16 per capita, down from \$145.03 in 2013.

Debt Service decreased \$2.2 million in 2014 compared to 2013 as shown below:

Table 7: Debt Service
(In Millions)

	Fiscal Year			Change	
	2014	2013	2012	2014 to 2013	2013 to 2012
Revenue Bonds	\$ 2.9	\$ 2.9	\$ 5.1	\$ -	\$ (2.2)
MTN Bonds	-	2.2	6.5	(2.2)	(4.3)
GO Bonds	33.6	33.6	33.6	-	-
Total	\$ 36.5	\$ 38.7	\$ 45.2	\$ (2.2)	\$ (6.5)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
(UNAUDITED)

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". 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 6-10).

Currently Known Facts, Decisions and Conditions

The certified tax assessed value increased for fiscal year 2015 by 6% and the Board approved the same maintenance and operations tax rate of \$0.104 per \$100 valuation. The debt service rate was increased slightly to \$0.020775 per \$100 valuation.

In September 2013, DCCCD was notified by the Internal Revenue Service (IRS) of a \$500,000 penalty for missing tax identification numbers on its submission of form 1098-T. DCCCD has responded that it operated with a good faith effort and has requested the penalty be waived. In recent correspondence with the IRS, this penalty is not being pursued, but an official letter of waiver has not been received. Management believes the penalty will be waived per the agreement developed with the National Association of College and University Business Officers (NACUBO). DCCCD was also notified in September 2014 of a \$1.2 million penalty on the 2012 filing of missing tax identification numbers. DCCCD has responded that it operated with a good faith effort and has requested the penalty be waived. At this time, the IRS has not responded. Management believes that the IRS will also waive this penalty.

Beginning with fiscal year 2015, DCCCD will implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. GASB Statement No. 68 will require entities that participate in the Teacher's Retirement System of Texas (TRS) to recognize their proportionate share of the net pension liability. An actuarial valuation as of August 31, 2013, reported that TRS's unfunded pension liability is \$28.9 billion. Based on a ratio of DCCCD's TRS contributions to total TRS contributions by all state agencies, DCCCD's portion was \$68.3 million for fiscal year 2013 or 0.236% of the total unfunded liability.

Contacting DCCCD's Financial Management

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF NET POSITION
AUGUST 31, 2014 AND 2013
EXHIBIT 1**

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 32,928,007	\$ 10,361,356
Accounts receivable (net of allowance for uncollectible accounts)	51,830,303	48,800,315
Accrued charges, net	39,174,234	32,009,219
Notes receivable	4,133	9,778
Inventories	288,983	351,020
Prepaid expenses	1,031,756	1,001,504
Total current assets	125,257,416	92,533,192
NON-CURRENT AND RESTRICTED ASSETS		
Restricted cash and cash equivalents	9,596,519	11,882,235
Long-term investments	249,627,635	233,649,222
Accrued charges, net	383,810	1,645,056
Capital assets, net		
Not subject to depreciation	54,755,563	45,566,778
Subject to depreciation	595,233,789	614,821,703
Total non-current and restricted assets	909,597,316	907,564,994
TOTAL ASSETS	1,034,854,732	1,000,098,186
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on bond refunding	1,906,240	2,255,089
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	27,749,148	25,283,985
Accrued liabilities	5,412,717	5,131,511
Accrued interest	745,807	741,257
Accrued compensable absences-current portion	7,116,855	7,280,491
Funds held for others	2,258,479	2,357,968
Unearned revenues	83,477,573	76,506,415
Bonds payable-current portion	21,649,509	20,972,970
Total current liabilities	148,410,088	138,274,597
NON-CURRENT LIABILITIES		
Accrued compensable absences	3,387,369	3,220,183
Bonds payable	350,117,217	371,766,726
Total non-current liabilities	353,504,586	374,986,909
TOTAL LIABILITIES	501,914,674	513,261,506
NET POSITION		
Net investment in capital assets	293,619,352	285,086,118
Restricted for:		
Unexpended bond proceeds	3,421,734	2,144,864
Unrestricted	237,805,212	201,860,787
TOTAL NET POSITION (Schedule D)	\$ 534,846,298	\$ 489,091,769

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

**STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2014 AND 2013
EXHIBIT 1A**

	2014	2013
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 5,414,188	\$ 5,336,598
Investments	9,355,456	5,680,954
Accrued interest and dividends receivable	48,691	46,746
Contributions receivable, net	449,266	291,426
Other assets	11,296	11,125
Total current assets	15,278,897	11,366,849
Noncurrent Assets:		
Cash equivalents restricted for endowments	1,567,130	1,326,801
Investments restricted for endowments	23,676,849	23,161,456
Contributions receivable, net	19,942	-
Total non-current assets	25,263,921	24,488,257
TOTAL ASSETS	\$ 40,542,818	\$ 35,855,106
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Due to affiliate	\$ 209,773	\$ 180,982
Accounts payable	5,057	30,164
Total current liabilities	214,830	211,146
Total liabilities	214,830	211,146
Net Assets:		
Unrestricted	2,044,458	1,056,537
Temporarily restricted	12,854,828	9,307,306
Permanently restricted	25,428,702	25,280,117
Total net assets	40,327,988	35,643,960
TOTAL LIABILITIES AND NET ASSETS	\$ 40,542,818	\$ 35,855,106

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
EXHIBIT 2**

	2014	2013
OPERATING REVENUES		
Tuition and charges (net of discounts of \$45,146,909 and \$44,103,061, respectively)	\$ 59,950,395	\$ 58,335,519
Federal grants and contracts	14,937,227	15,671,391
State grants and contracts	9,662,489	8,577,835
Non-governmental grants and contracts	1,673,080	1,839,443
Sales and services of educational activities	453,036	606,543
Auxiliary enterprises	4,467,302	4,520,913
General operating revenues	1,497,445	1,501,922
Total operating revenues (Schedule A)	92,640,974	91,053,566
OPERATING EXPENSES		
Instruction	169,392,180	164,004,415
Public service	12,601,298	12,392,471
Academic support	18,971,455	18,153,947
Student services	40,648,922	37,959,461
Institutional support	68,430,544	67,357,381
Operation and maintenance of plant	32,454,141	33,201,432
Scholarships and fellowships	66,243,088	68,820,441
Auxiliary enterprises	9,547,080	8,399,456
Depreciation	27,842,392	29,337,838
Total operating expenses (Schedule B)	446,131,100	439,626,842
OPERATING LOSS	(353,490,126)	(348,573,276)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	111,242,146	109,030,381
Maintenance taxes (net of bad debt and fees of \$2,867,779 and \$5,446,842, respectively)	209,828,369	190,553,282
Federal revenue, non-operating	86,928,896	90,602,218
Gifts	72,729	114,713
Investment income (loss)	5,821,138	(4,051,823)
Gain on sale of investment	105,274	59,287
Interest on capital related debt	(15,809,014)	(16,123,604)
Loss on disposal of fixed assets	(172,959)	(58,468)
Other non-operating revenue	1,232,213	1,049,000
Other non-operating expense	(4,137)	(844,171)
Net non-operating revenues (Schedule C)	399,244,655	370,330,815
Contributions in aid of construction	-	242,463
INCREASE IN NET POSITION	45,754,529	22,000,002
NET POSITION		
Net Position—Beginning of Year	489,091,769	467,091,767
Net Position—End of Year	\$ 534,846,298	\$ 489,091,769

The accompanying notes are an integral part of the financial statements.
See Note 27 for GASB 65 restatement of beginning 2013 Net Position

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

**STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
EXHIBIT 2A**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ 41,295	\$ 1,920,296	\$ 86,625	\$ 2,048,216
Interest and dividend income	264,101	685,007	-	949,108
Contributed employees' salaries and benefits	487,087	-	-	487,087
Net realized and unrealized gains on investments	1,022,020	2,621,453	-	3,643,473
Net assets released from restrictions	1,617,144	(1,617,144)	-	-
TOTAL REVENUES	3,431,647	3,609,612	86,625	7,127,884
EXPENSES				
Program services:				
Scholarship awards	948,308	-	-	948,308
Grants	851,972	-	-	851,972
Total program services	1,800,280	-	-	1,800,280
Non-program services:				
Management and general	507,125	-	-	507,125
Fundraising	136,451	-	-	136,451
Total non-program services	643,576	-	-	643,576
TOTAL EXPENSES	2,443,856	-	-	2,443,856
Transfers between funds, based on donor instructions	130	(62,090)	61,960	-
 CHANGE IN NET ASSETS	 987,921	 3,547,522	 148,585	 4,684,028
NET ASSETS, BEGINNING OF YEAR	\$ 1,056,537	\$ 9,307,306	\$ 25,280,117	\$ 35,643,960
NET ASSETS, END OF YEAR	\$ 2,044,458	\$12,854,828	\$ 25,428,702	\$ 40,327,988

See Note 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT FOUNDATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2013
EXHIBIT 2A
(CONTINUED)

	<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	3,538,046	(1,202,157)	(2,335,889)	-
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 24 of the primary government organization.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
EXHIBIT 3**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ \$ 70,421,231	\$ 69,175,548
Receipts from grants and contracts	28,748,548	27,045,390
Payments to suppliers for goods and services	(74,775,122)	(71,250,859)
Payments to or on behalf of employees	(263,503,815)	(262,336,393)
Payments for scholarships and fellowships	(73,445,910)	(63,575,254)
Loans issued to students	(16,125)	(45,971)
Collection of loans to students	25,591	42,801
Other receipts	1,493,624	1,501,066
Net cash used in operating activities	(311,051,978)	(299,443,672)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from ad valorem taxes	212,450,794	195,742,229
Payments for collection of taxes	(2,697,194)	(5,284,386)
Receipts from state appropriations	97,600,498	99,270,273
Receipts from federal grants for non operating activities	86,944,029	90,607,206
Receipts from federal student direct loan program	33,340,220	42,507,555
Payments of federal direct loans to students	(33,355,353)	(42,512,543)
Receipts from student organizations and other agency transactions	3,458,748	2,897,701
Payments to student organizations and other agency transactions	(3,558,237)	(2,976,632)
Net cash provided by non-capital financing activities	394,183,505	380,251,403
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Contribution received in aid of construction	-	242,463
Proceeds from the sale of capital assets	39,233	110,768
Purchases of capital assets	(16,353,149)	(7,166,848)
Payments on capital debt - principal	(18,935,000)	(20,410,000)
Payments on capital debt - interest	(17,532,451)	(17,913,061)
Net cash used in capital and related financing activities	(52,781,367)	(45,136,678)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	92,655,274	147,059,287
Interest on investments	2,984,756	2,929,171
Purchase of investments	(105,709,255)	(198,625,091)
Net cash used in investing activities	(10,069,225)	(48,636,633)
INCREASE (DECREASE) CASH AND CASH EQUIVALENTS	20,280,935	(12,965,580)
CASH AND CASH EQUIVALENTS, SEPTEMBER 1	22,243,591	35,209,171
CASH AND CASH EQUIVALENTS, AUGUST 31	\$ \$ 42,524,526	\$ 22,243,591

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
EXHIBIT 3
(CONTINUED)

Reconciliation of net operating loss to net cash used in operating activities	2014	2013
Operating loss	\$ (353,490,126)	\$ (348,573,276)
Adjustments to reconcile net loss to net cash		
Used inoperating activities:		
Depreciation expense	27,842,392	29,337,838
Bad debt expense	1,166,600	1,353,700
Payments made directly by State for benefits	13,641,648	9,760,108
Changes in assets and liabilities:		
Receivables (net)	(4,104,596)	2,423,482
Accrued charges	(5,903,769)	6,259,714
Inventories	62,037	218,038
Notes receivable	5,645	7,365
Prepaid expenses	(30,252)	(48,237)
Accounts payable	2,465,163	1,119,323
Accrued liabilities	318,572	(1,312,452)
Compensatable absences	3,550	908,997
Deferred revenue	6,971,158	(898,272)
Net cash used in operating activities	\$ (311,051,978)	\$ (299,443,672)

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, 2014 AND 2013

1. REPORTING ENTITY

The Dallas County Community College District ("DCCCD") 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. DCCCD is considered to be a special-purpose, primary government. While DCCCD 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, DCCCD is comprised of seven separately accredited colleges:

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

Financial reporting on the individual colleges and DCCCD central administration operations is presented in the Financial Section, Supplemental Financial Reporting by College.

In evaluating how to define DCCCD for financial reporting purposes, management has considered all potential component units, including 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 DCCCD, 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 DCCCD. DCCCD 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 DCCCD and its students. The complete financials of the Foundation can be found at www.foundation.dcccd.edu/about-us/financials or by writing to: DCCCD Foundation, 1601 South Lamar St., Dallas, TX. 75215-1816.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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*, DCCCD is classified as a special-purpose government with all financial data of DCCCD reflected as one business-type activity. The Statements of Net Position display the financial position of DCCCD at the end of each fiscal year and the Statements of Revenues, Expenses, and Changes in Net Position display the operations of DCCCD for the years ended August 31, 2014 and 2013. The financial statements are prepared using the economic resources measurement focus and the full accrual method of accounting.

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

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

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 DCCCD to pass through to students. These funds are initially received by DCCCD 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

DCCCD 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 DCCCD 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, 2014 AND 2013

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

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

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

Accrued Charges—Current accrued charges of \$39,174,234 and \$32,009,219 represent expenses for grants, scholarships, and fellowships related to the periods after August 31, 2014 and 2013, respectively.

DCCCD 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 to other educational institutions. Aggregate deferred production costs, net of accumulated amortization, amounted to \$383,810 and \$1,645,056 at August 31, 2014 and 2013, respectively, and have been included in the accompanying Statements of Net Position as non-current accrued charges. In addition, all bond issuance costs were written off per GASB Statement No. 65 as the fiscal year 2013 beginning net position was restated.

Capital Assets—Capital assets are stated at cost. Donated capital assets are recorded at their estimated fair value on the date received. DCCCD reports depreciation under a single-line item as a business-type unit. For equipment, DCCCD'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 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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

Unearned Revenues—Tuition and other revenues received, which relate to future periods, have been deferred.

Deferred Outflows of Resources—In addition to assets, the Statements of Net Position includes a separate section for Deferred Outflows of Resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. For 2014 and 2013, the deferred loss on bond refunding is presented as Deferred Outflows of Resources.

Deferred Inflows of Resources—In addition to liabilities, the Statements of Net Position includes a separate section for Deferred Inflows of Resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until then. For 2014 and 2013, there are no Deferred Inflows.

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—DCCCD distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with DCCCD'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 not discounted against tuition. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Bookstore and food service operations are contracted to a third party.

Use of Restricted Resources—DCCCD'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—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 accumulated balance of either.

Self-Insurance—DCCCD 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, 2014 AND 2013

GASB Pronouncements—Effective with fiscal year 2014, DCCCD implemented the following:
GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (see Note 27)
GASB Statement No. 66, *Technical Corrections–2012* (GASB Statement Nos. 10, 62 amendment)
GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

Effective with fiscal year 2015, DCCCD will implement the following:
GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 27 amendment)
GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB Statement No. 68 amendment)

Reclassifications—Certain accounts in the prior-year financial statements have been reclassified for comparative purpose to conform with the presentation in current year financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

3. AUTHORIZED INVESTMENTS

The Board of Trustees of DCCCD 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.

Only the following types of instruments are allowable investments:

- Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies and instrumentalities of the United States as permitted by Government Code 2256.009.
- Fully collateralized repurchase agreements and reverse repurchase agreements permitted by Government Code 2256.011.
- Certificates of deposit and share certificates that are fully guaranteed or insured by the FDIC, 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.

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer. The following are guidelines for maximums:

U.S. Treasury Securities	100%
Agencies and Instrumentalities	85%
Insured or collateralized Certificates of Deposit	100%
Repurchase Agreements	20%
Money Market Mutual Funds	50%
Authorized Investment Pools	50%
Commercial paper with a maximum maturity of 181 days, rated A1/P1 by a nationally recognized rating agency, and not more than five percent in any single issuer.	15%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

4. DEPOSITS AND INVESTMENTS

DCCCD 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 DCCCD policy. These restrictions are summarized below:

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

The carrying amount of DCCCD's deposits with financial institutions as of August 31, 2014 was \$7,664,329, and the bank balance was \$9,110,470. The carrying amount of DCCCD's deposits with financial institutions as of August 31, 2013 was \$3,966,910, and the bank balance was \$5,666,032. At August 31, 2014 and 2013, all of DCCCD's non-interest bearing deposits with banks were either insured by FDIC or were collateralized with securities through third party agreements.

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

	<u>2014</u>	<u>2013</u>
Bank deposits		
Local funds - demand	\$ 7,658,600	\$ 3,958,410
Imprest funds	<u>5,729</u>	<u>8,500</u>
Total deposits	7,664,329	3,966,910
Cash on hand	26,134	28,004
Cash equivalents		
Investment in TexPool	1,253,300	3,252,332
Investment in TexSTAR	14,002,668	12,455,289
Investment in LOGIC	<u>19,578,095</u>	<u>2,541,056</u>
Total cash equivalents	<u>34,834,063</u>	<u>18,248,677</u>
Total cash and cash equivalents	<u>\$ 42,524,526</u>	<u>\$ 22,243,591</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

Investments—DCCCD has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an Amendment of GASB Statement No. 3*. Disclosures are presented accordingly. DCCCD 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 DCCCD are governed by formally adopted procedures and allow investments as permitted under state laws for public institutions. Permissible investments under DCCCD 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, 2014 and 2013, long-term investments consisted of U.S. government and agency securities.

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

As of August 31, 2014, DCCCD had the following cash equivalents and 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	\$ 249,627,635	\$ -	\$ 33,238,326	\$ 7,011,675	\$ 49,420,431	\$ 38,433,680	\$ 121,523,523
Investment Pools:							
TexPool	1,253,300	1,253,300	-	-	-	-	-
TexSTAR	14,002,668	14,002,668	-	-	-	-	-
LOGIC	19,578,095	19,578,095	-	-	-	-	-
Total cash equivalents and investments	<u>\$ 284,461,698</u>	<u>\$ 34,834,063</u>	<u>\$ 33,238,326</u>	<u>\$ 7,011,675</u>	<u>\$ 49,420,431</u>	<u>\$ 38,433,680</u>	<u>\$ 121,523,523</u>

As of August 31, 2013, DCCCD 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	\$ 233,649,222	\$ -	\$ -	\$ 4,975,000	\$ 56,865,890	\$ 62,877,584	\$ 108,930,748
Investment Pools:							
TexPool	3,252,332	3,252,332	-	-	-	-	-
TexSTAR	12,455,289	12,455,289	-	-	-	-	-
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, 2014 AND 2013**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As previously described, DCCCD'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. DCCCD policy provides that investment maturities are limited to six years with the average maturity of no more than four years as a means of managing exposure to fair value losses arising from increasing interest rates. DCCCD'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. DCCCD's investment policy sets guidelines for the maximum percent of portfolio for any one type of investment. However, all of DCCCD'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 75.16% of DCCCD's total portfolio at August 31, 2014 and meets DCCCD's guideline of no more than 85% of the portfolio being U.S. Agency securities.

RECONCILIATION OF DEPOSITS AND INVESTMENTS TO EXHIBIT 1

	Fair Market Value August 31, 2014	Fair Market Value August 31, 2013
Total cash and cash equivalents	\$ 42,524,526	\$ 22,243,591
Total investments	249,627,635	233,649,222
 Total	 \$ 292,152,161	 \$ 255,892,813
 Cash and cash equivalents (Exhibit 1)	 \$ 32,928,007	 \$ 10,361,356
Restricted cash and cash equivalents (Exhibit 1)	9,596,519	11,882,235
Long-term investments (Exhibit 1)	249,627,635	233,649,222
 Total	 \$ 292,152,161	 \$ 255,892,813

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

There were no investments held by broker-dealers under reverse repurchase agreements as of August 31, 2014 or 2013.

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

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 & Pools "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 Statement No. 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net positions to compute share price.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

5. CAPITAL ASSETS

Capital assets activity for the fiscal year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Increases/ Reclassifications	Decreases	Balance August 31, 2014
Capital assets not subject to depreciation:				
Land	\$ 38,946,849	\$ -	\$ -	\$ 38,946,849
Construction in progress	<u>6,619,929</u>	<u>12,705,548</u>	<u>(3,516,763)</u>	<u>15,808,714</u>
Total not depreciated	45,566,778	12,705,548	(3,516,763)	54,755,563
Capital assets subject to depreciation:				
Buildings and building improvements	852,127,665	3,145,993	-	855,273,658
Land improvements	27,305,397	537,758	-	27,843,155
Furniture, machinery, vehicles, and other equipment	74,606,526	4,575,982	(2,066,093)	77,116,415
Library books	<u>11,213,438</u>	<u>331,718</u>	<u>(2,291,252)</u>	<u>9,253,904</u>
Total depreciated	965,253,026	8,591,451	(4,357,345)	969,487,132
Accumulated depreciation:				
Buildings and building improvements	(266,468,798)	(22,136,106)	-	(288,604,904)
Land improvements	(19,059,701)	(463,945)	-	(19,523,646)
Furniture, machinery, vehicles, and other equipment	(56,833,591)	(4,875,874)	1,729,120	(59,980,345)
Library books	<u>(8,069,233)</u>	<u>(366,467)</u>	<u>2,291,252</u>	<u>(6,144,448)</u>
Total accumulated depreciation	<u>(350,431,323)</u>	<u>(27,842,392)</u>	<u>4,020,372</u>	<u>(374,253,343)</u>
Net capital assets subject to depreciation	614,821,703			595,233,789
Total net capital assets	<u>\$ 660,388,481</u>	<u>\$ (6,545,393)</u>	<u>\$ (3,853,736)</u>	<u>\$ 649,989,352</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

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

	Balance September 1, 2012	Increases/ Reclassifications	Decreases	Balance August 31, 2013
Capital assets not subject to depreciation:				
Land	\$ 38,995,065	\$ -	\$ (48,216)	\$ 38,946,849
Construction in progress	<u>14,322,998</u>	<u>3,802,462</u>	<u>(11,505,531)</u>	<u>6,619,929</u>
Total not depreciated	53,318,063	3,802,462	(11,553,747)	45,566,778
Capital assets subject to depreciation:				
Buildings and building improvements	842,217,880	9,909,785	-	852,127,665
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	<u>10,831,165</u>	<u>382,273</u>	<u>-</u>	<u>11,213,438</u>
Total depreciated	952,910,949	15,701,705	(3,359,628)	965,253,026
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	<u>(7,725,034)</u>	<u>(344,199)</u>	<u>-</u>	<u>(8,069,233)</u>
Total accumulated depreciation	<u>(323,798,653)</u>	<u>(29,337,838)</u>	<u>2,705,168</u>	<u>(350,431,323)</u>
Net capital assets subject to depreciation	629,112,296			614,821,703
Total 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
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

6. Non-Current Liabilities

Non-current liability activity for the fiscal year ended August 31, 2014 was as follows:

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Current Portion
Series 2006 Revenue Financing					
System Refunding Bonds	\$ 19,425,000	\$ -	\$ (2,090,000)	\$ 17,335,000	\$ 2,175,000
Series 2008 General Obligation Bonds	176,565,000	-	(8,180,000)	168,385,000	8,555,000
Series 2009 General Obligation Bonds	90,175,000	-	(3,895,000)	86,280,000	4,045,000
Series 2010 General Obligation Bonds	43,075,000	-	(1,725,000)	41,350,000	1,780,000
Series 2010 General Obligation Refunding Bonds	46,065,000	-	(3,045,000)	43,020,000	3,145,000
Unamortized bond premium	17,434,696	-	(2,037,970)	15,396,726	1,949,509
Subtotal bonds	<u>392,739,696</u>	<u>-</u>	<u>(20,972,970)</u>	<u>371,766,726</u>	<u>21,649,509</u>
Accrued interest	741,257	4,550	-	745,807	745,807
Compensable absences	<u>10,500,674</u>	<u>3,550</u>	<u>-</u>	<u>10,504,224</u>	<u>7,116,855</u>
Total	<u>\$ 403,981,627</u>	<u>\$ 8,100</u>	<u>\$ (20,972,970)</u>	<u>\$ 383,016,757</u>	<u>\$ 29,512,171</u>

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
Subtotal bonds	<u>415,274,523</u>	<u>-</u>	<u>(22,534,827)</u>	<u>392,739,696</u>	<u>20,972,970</u>
Accrued interest	770,125	-	(28,868)	741,257	741,257
Compensable absences	<u>9,591,677</u>	<u>908,997</u>	<u>-</u>	<u>10,500,674</u>	<u>7,280,491</u>
Total	<u>\$ 425,636,325</u>	<u>\$ 908,997</u>	<u>\$ (22,563,695)</u>	<u>\$ 403,981,627</u>	<u>\$ 28,994,718</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

7. DEBT AND LEASE OBLIGATIONS

DCCCD 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 DCCCD's service area. GO bonds are secured by the Interest & Sinking (I&S) portion of the tax rate. MTN are secured by the Maintenance & Operations portion (M&O) of the tax rate and are authorized by the Board of Trustees. Revenue bonds are secured by a portion of tuition and other revenue streams of DCCCD and are authorized by the Board of Trustees. Currently, DCCCD has only outstanding Revenue and GO bonds as the MTN bonds fully matured in 2013. The following table shows the debt service by each type of bond for the next five years and thereafter:

	<u>General Obligation Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year ended August 31:				
2015	\$ 17,525,000	\$ 16,035,094	\$ 2,175,000	\$ 721,457
2016	18,295,000	15,259,494	2,265,000	621,782
2017	19,160,000	14,396,281	2,360,000	517,483
2018	20,075,000	13,481,756	2,470,000	396,733
2019	21,045,000	12,515,406	2,575,000	283,483
2020 - 2024	122,180,000	45,590,308	5,490,000	235,203
2025 - 2029	117,170,000	13,663,630	-	-
2030	3,585,000	73,941	-	-
Total	<u>\$ 339,035,000</u>	<u>\$ 131,015,910</u>	<u>\$ 17,335,000</u>	<u>\$ 2,776,141</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.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ended August 31:			
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	23,620,000	12,798,889	36,418,889
2020 - 2024	127,670,000	45,825,511	173,495,511
2025 - 2029	117,170,000	13,663,630	130,833,630
2030	3,585,000	73,941	3,658,941
Total	<u>\$ 356,370,000</u>	<u>\$ 133,792,051</u>	<u>\$ 490,162,051</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

Included in operating expenses is \$780,643 and \$760,388 of rent paid during fiscal years 2014 and 2013, respectively.

Future minimum lease payments under non-cancelable operating leases having an initial term in excess of one year as of August 31, 2014 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2015	\$ 394,469
2016	394,469
2017	<u>121,872</u>
Total	<u>\$ 910,810</u>

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

8. BONDS PAYABLE

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

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
2004	Maintenance Tax Notes	\$ 38,555,000	2.00%-5.00%	2004	2013	2/15/2010
2004	General Obligation Bonds	\$ 67,375,000	3.00%-5.00%	2005	2025	2/15/2013
2008	General Obligation Bonds	\$ 211,975,000	3.50%-5.00%	2009	2028	2/15/2019
2009	General Obligation Bonds	\$ 102,985,000	1.50%-5.00%	2010	2029	2/15/2020
2010	General Obligation Bonds	\$ 47,060,000	2.00%-5.00%	2011	2030	2/15/2020

On 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, DCCCD 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 DCCCD. The notes are direct obligations of DCCCD payable from a continuing direct annual ad valorem tax pursuant to DCCCD's maintenance tax authority, with the limits prescribed by law, on all taxable property in DCCCD. As of August 31, 2014, the outstanding amount on the Series 2004 Notes is \$0.

On September 4, 2008, DCCCD 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 DCCCD. 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, DCCCD issued the third tranche of general obligation bonds for the \$450 million bond election. The Series 2009 Bonds have a par amount of \$102,985,000 and were sold with a reoffering premium of \$7,904,650 and accrued interest of \$439,704. The bonds were sold in \$5,000 increments with interest rates varying from 1.5% to 5.0% and maturity dates from February 15, 2010 to February 15, 2029. The cost of issuance and underwriter's discount totaled \$869,233. Proceeds of the bond were utilized to continue the constructing and equipping of buildings in DCCCD. 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.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

On January 15, 2010, DCCCD 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 DCCCD. The bonds were issued and the tax levied for their payment, pursuant to authority conferred by the Constitution and laws of the State of Texas.

In 2014, DCCCD incurred \$15,460,165 in interest cost, of which \$15,460,165 was expensed. In 2013, DCCCD incurred \$16,123,604 in interest cost, of which \$16,123,604 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, 2014 AND 2013**

9. ADVANCE REFUNDING BONDS

On December 15, 2006, DCCCD 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 Series 2001 bonds reduces DCCCD'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, 2014, there was no Bond Reserve fund requirement.

On June 1, 2010, DCCCD 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.

Series	Bond Type	Bonds Issued to Date	Range of Interest Rates	Maturities		
				First Year	Last Year	First Call Date
2006 Revenue Financing System Refunding Bonds		\$ 25,275,000	4.00%-5.00%	2011	2021	2/15/2017
2010 GO Refunding Bonds		\$ 49,290,000	2.00%-5.00%	2011	2025	2/15/2021

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

10. DEFEASED BONDS OUTSTANDING

As of August 31, 2014 and 2013, DCCCD had no defeased bonds outstanding.

Bond Issue	Year Refunded	Par Value Outstanding	
		2014	2013
Series 2001 Revenue Financing System Bonds	2006	\$ -	\$ -
Series 2004 General Obligation Bonds	2010	-	-
		<u>\$ -</u>	<u>\$ -</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

11. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description – DCCCD 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. Senate Bill 1812 (SB1812), effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district. For certain classes of employees, the reporting district is required to make all or a portion of the State's contribution amounts.

<u>Teacher Retirement Contribution Rates</u>	<u>2014</u>	<u>2013</u>
Member Contribution	6.40%	6.40%
DCCCD/State Contribution	6.80%	6.40%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

Optional Retirement Plan – Defined Contribution Plan

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

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

Optional Retirement Plan Contribution Rates	2014	2013
Member Contribution of Annual Compensation	6.65%	6.65%
State Contribution of Participant's Salary	6.60%	6.00%
DCCCD Contribution of Participant's Annual Compensation for Participants Enrolled Prior to September 1, 1995	1.90%	2.50%
DCCCD Contribution of Participant's Annual Compensation for Participants Enrolled After September 1, 1995	0.00%	0.58%

Retirement Plan Expense

Below is a summary of both TRS and ORP retirement plan expenses for fiscal years ended August 31, 2014 and 2013. For the 2014-2015 biennium, the State legislature changed the methodology of benefit funding for community colleges in the state. SB1812 limited the State's portion to 50% of the total contribution made on behalf of both active and retired employees. Prior biennium funding was an "amount certain" appropriated by the legislature and the State's portion was applied to retiree expense first, with any remaining amounts applied to active employee cost. The effect of the change due to Senate Bill 1812 is shown in State's contribution in the comparison of 2014 and 2013.

ORP and TRS Retirement Plan Expense	2014	2013
Total Payroll	\$ 228,575,822	\$ 225,372,932
TRS Payroll	128,344,611	120,944,389
ORP Payroll	57,874,790	56,966,049
Actual Cost of ORP and TRS Retirement Benefits	13,096,063	12,071,014
DCCCD Contribution for ORP and TRS Retirement Benefits	7,555,276	6,317,752
Total State Contribution for ORP and TRS	5,540,787	5,753,262
State Contribution for TRS	3,706,236	2,533,262
State Contribution for ORP	1,834,551	3,220,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

12. DEFERRED COMPENSATION PLAN

DCCCD 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 years ended August 31, 2014, and August 31, 2013, DCCCD had one employee participating in the program.

It is the opinion of DCCCD's legal counsel that DCCCD 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. DCCCD 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, 2014 AND 2013

13. COMPENSABLE ABSENCES

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

	Accrued Liability for Unpaid Annual Leave for the Fiscal Year Ended August 31,	
	2014	2013
Balance as of September 1,	\$ 10,500,674	\$ 9,591,667
Leave Accruals/Adjustments	7,409,895	7,736,372
Leave Used	(6,325,702)	(6,298,017)
Accrued Leave Paid Terminated Employees	(1,080,643)	(529,348)
Balance as of August 31,	<u>\$ 10,504,224</u>	<u>\$ 10,500,674</u>
Current Liability	\$ 7,116,855	\$ 7,280,491
Non-Current Liability	\$ 3,387,369	\$ 3,220,183

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

14. HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the State of Texas 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. For the 2014-2015 biennium, the State legislature changed the methodology of benefit funding for community colleges in the State. SB1812 limited the State's portion to 50% of the total contribution made on behalf of both active and retired employees. Prior biennium funding was an "amount certain" appropriated by the legislature and the State's portion was applied to retiree expense first, with any remaining amounts applied to active employee cost. The effect of the change due to Senate Bill 1812 is shown in State's contribution in the comparison of 2014 and 2013.

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

	2014	2014
	State/Employer	Annualized
<u>HealthSelect of Texas Plan</u>	<u>Contribution</u>	<u>Contribution</u>
Member Only	\$ 503.14	\$ 6,037.68
Member & Spouse	791.16	9,493.92
Member & Child(ren)	696.00	8,352.00
Member & Family	984.02	11,808.24
	2013	2013
	State/Employer	Annualized
<u>HealthSelect of Texas Plan</u>	<u>Contribution</u>	<u>Contribution</u>
Member Only	\$ 470.38	\$ 5,644.56
Member & Spouse	739.58	8,874.96
Member & Child(ren)	650.62	7,807.44
Member & Family	919.82	11,037.84

<u>Cost of Providing Health Care Insurance</u>	<u>2014</u>	<u>2013</u>
Number of Retirees	1,157	1,136
Cost of Health Benefits for Retirees	\$ 7,994,217	\$ 7,525,732
Number of Active Full-Time Employees	3,242	3,142
Cost of Health Benefits for Active Full-Time Employees	\$ 22,599,984	\$ 20,509,715
State Appropriation for Health Insurance-Retirees	\$ 3,997,109	\$ 7,525,732
State Appropriation for Health Insurance-Active	\$ 9,644,539	\$ 2,234,376
Net Cost to DCCCD	\$ 16,952,553	\$ 18,275,338

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

15. POSTEMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

Plan Description – DCCCD 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. DCCCD's contributions to the plan for the years ended August 31, 2014, 2013 and 2012 were \$16,952,553, \$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, 2014 AND 2013

16. COMMITMENTS & CONTINGENCIES

Commitments—DCCCD has entered into contracts for the planning and construction of new facilities, as well as for the renovation and repair of existing campuses within DCCCD. Commitments remaining under such contracts at August 31, 2014 are \$3,979,684.

Pending Lawsuits and Claims—Various claims and lawsuits are pending against DCCCD. In the opinion of DCCCD 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 DCCCD.

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

On August 25, 2008, DCCCD sold a building to the University of North Texas. A clause in the original deed requires that DCCCD 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 DCCCD 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, DCCCD does not plan to accrue a liability.

On September 3, 2013, DCCCD was notified by the Internal Revenue Service (IRS) of a \$500,000 penalty for incorrect taxpayer information submitted on form 1098-T for the year ending December 31, 2011. DCCCD has replied to the IRS that the penalty should be waived under Treasury Regulation Section 1.6050S-1 because DCCCD took "reasonable cause" to obtain the missing information. DCCCD has not received a reply from the IRS but believes the penalty will be waived per the agreement developed with NACUBO. This amount is not recorded in the financial statements.

On September 2, 2014, DCCCD was notified by the Internal Revenue Service (IRS) of a \$1,288,500 penalty for incorrect taxpayer information submitted on form 1098-T for the year ending December 31, 2012. DCCCD has replied to the IRS that the penalty should be waived under Treasury Regulation Section 1.6050S-1 because DCCCD took "reasonable cause" to obtain the missing information. DCCCD has not received a reply from the IRS but believes the penalty will be waived. This amount is not recorded in the financial statements.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

17. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables—Receivables for the fiscal years ended August 31, 2014 and 2013 were as follows:

	2014	2013
Ad valorem taxes	\$ 8,503,358	\$ 7,976,606
Student tuition and charges	11,004,536	12,502,940
Accounts Receivable		
Federal grants	37,033,076	33,204,834
State grants	1,782,768	1,409,141
Local grants	426,929	273,349
Interest on investments	582,248	565,023
Other receivables	1,413,938	1,377,788
Total receivables	60,746,853	57,309,681
Less allowances for uncollectible amounts		
Ad valorem taxes	(6,908,772)	(6,456,789)
Student tuition and charges	(1,949,676)	(1,993,451)
Other receivables	(58,102)	(59,126)
Total allowances	(8,916,550)	(8,509,366)
Total receivables, net of allowances	\$ 51,830,303	\$ 48,800,315

Payables—Accounts Payable for the fiscal years ended August 31, 2014 and 2013 were as follows:

	2014	2013
Vendors payable	\$ 9,746,887	\$ 7,192,385
Salaries and benefits payable	16,095	17,015
Students payable	17,986,166	18,074,585
Total accounts payable	\$ 27,749,148	\$ 25,283,985

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

18. FUNDS HELD IN TRUST BY OTHERS

DCCCD 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 \$2,258,479 and \$2,357,968 for 2014 and 2013, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

19. CONTRACTS AND GRANTS 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 unearned 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 receivables on the Statements of Net Position. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed or funds awarded during fiscal year 2014 for which monies have not been received nor funds expended totaled \$44,259,060. Of this amount, \$28,918,927 is from Federal contract and grant awards, \$13,120,599 is from State contract and grant awards, and \$2,219,534 is from Local contract and grant awards. Contract and grant award funds already committed or funds awarded during fiscal year 2013 for which monies had not been received nor funds expended totaled \$39,229,205. Of this amount, \$27,398,902 was from Federal contract and grant awards, \$9,556,732 was from State contract and grant awards, and \$2,273,571 was from Local contract and grant awards.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

20. SELF-INSURED PLAN

DCCCD 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. DCCCD 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, DCCCD was self-insured for workers' compensation. Effective September 1, 1998, DCCCD implemented a guaranteed cost workers' compensation insurance program to handle workers' compensation claims. DCCCD 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, 2014 and 2013 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
2014	\$ 244,361	\$ -	\$ -	\$244,361
2013	244,361	-	-	244,361

Self-insurance activity for the current plan for the fiscal years ended August 31, 2014 and 2013 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
2014	\$ 350,000	\$ 426,688	\$ (426,688)	\$ 350,000
2013	1,130,150	36,152	(816,302)	350,000

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

21. AD VALOREM TAX

Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year. Taxes levied for the years ended August 31, 2014 and 2013 were \$214,468,493 and \$196,939,981, respectively (which includes any penalties and interest assessed, if applicable).

Tax rates for the fiscal years ended August 31, 2014 and 2013 are shown below:

	2014		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$0.50000	\$0.66000
Assessed tax rate per \$100 valuation	\$ 0.10400	\$0.02070	\$0.12470

	2013		
	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.16000	\$0.50000	\$0.66000
Assessed tax rate per \$100 valuation	\$ 0.09861	\$0.02077	\$0.11938

Valuation for property taxed by DCCCD at August 31, 2014 and 2013 are shown below:

	2014	2013
Assessed valuation of DCCCD	\$ 215,247,997,940	\$ 206,772,307,511
Less exempt property	21,135,859,363	19,675,472,000
Less exemptions and Capped Loss	22,371,518,983	22,189,295,921
Net assessed valuation of DCCCD	\$ 171,740,619,594	\$ 164,907,539,590

The Dallas County Tax Assessor-Collector (DCTO) is the collecting agency for the levy and remits daily collections to DCCCD. The use of tax proceeds is for either maintenance and operations or restricted to funding interest and sinking requirements. In 2014, the DCTO fee for collection was changed from a 2% of levy to a "per parcel" amount, reducing the total collection fee to DCCCD by \$2.6 million.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

Gross Taxes Collected - 2014	Maintenance & Operations	Interest & Sinking	2014 Total
Current	\$ 174,260,108	\$ 35,292,016	\$ 209,552,124
Delinquent	1,594,878	(67,204)	1,527,674
Penalties and interest	1,897,748	-	1,897,748
Total Gross Collections	\$ 177,752,734	\$ 35,224,812	\$ 212,977,546
Less:			
Appraisal & Collection Fees	2,363,717	333,478	2,697,195
Bad Debt Expense	501,134	(49,152)	451,982
Total Net Collections	\$ 174,887,883	\$ 34,940,486	\$ 209,828,369

Gross Taxes Collected - 2013	Maintenance & Operations	Interest & Sinking	2013 Total
Current	\$ 159,035,630	\$ 33,904,335	\$ 192,939,965
Delinquent	1,505,375	(235,002)	1,270,373
Penalties and interest	1,789,786	-	1,789,786
Total Gross Collections	\$ 162,330,791	\$ 33,669,333	\$ 196,000,124
Less:			
Appraisal & Collection Fees	4,431,088	853,299	5,284,387
Bad Debt Expense	545,509	(383,054)	162,455
Total Net Collections	\$ 157,354,194	\$ 33,199,088	\$ 190,553,282

Tax collections for the years ended August 31, 2014 and 2013 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, DCCCD 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, 2014 AND 2013

22. TAX INCREMENT FINANCING DISTRICTS

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

TIF Title	Percentage of Incremental Tax Committed	Taxes Forgone in 2014	Taxes Forgone in 2013
Oak Cliff Gateway	100%	\$ -	\$ 97,671
City of Irving	100	752,704	580,901
City of Farmers Branch Mercer Crossing	35	19,800	16,756
City of Farmers Branch Old Farmers Branch	100	8,661	3,805
City of Grand Prairie #1	100	118,339	109,925
City of Grand Prairie #2	100	86,820	82,897
City of Grand Prairie #3	100	11,856	11,385
Total taxes forgone		\$ 998,180	\$ 903,340

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

23. INCOME TAXES

DCCCD 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*. DCCCD had no material unrelated business income tax liability for the fiscal years ended August 31, 2014 or 2013.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

24. COMPONENT UNITS

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

Dallas County Community College District Foundation, Inc. (the "Foundation") was established as a separate non-profit organization in 1973 to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 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 DCCCD's annual report as a discretely presented component unit as Exhibit 1A – Statements of Financial Position and Exhibit 2A – Statements of Activities for the fiscal years ended August 31, 2014 and August 31, 2013.

For financial information about the Dallas County Community College District Foundation, Inc., please contact the Foundation at:

DCCCD Foundation, 1601 South Lamar St., Dallas, Texas 75215-1816
or visit their website at: <http://www.foundation.dcccd.edu/about-us/financials>.

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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

General

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

Basis of Presentation

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash equivalents included in cash and cash equivalents at August 31, 2014 and 2013, amounted to \$3,376,716 and \$2,483,895, 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,

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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, 2014. 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 recorded an allowance for this amount as of August 31, 2013.

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 \$487,087 and \$560,774 for fiscal years 2014 and 2013, 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 2014 and 2013. Therefore, the Foundation has made no provision for federal income taxes in the

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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 2011 through 2013 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 (a) present values of contributions receivable expected to be received beyond one year, and (b) the valuation of the investments at fair value.

New Accounting Pronouncements

In April 2013, the FASB issued Accounting Standards Update (ASU) 2013-06 – Not-for-Profit Entities (Topic 958), *Services Received from Personnel of an Affiliate*, which requires that contributed services be recognized at fair value if employees of separately governed affiliated entities regularly perform services (in other than an advisory capacity) for and under the direction of the donee. In addition, guidance indicates that those contributed services should be recognized only if they (1) create or enhance nonfinancial assets or (2) require specialized skills, are provided by individuals possessing those skills, and typically would need to be purchased if not provided by donation. The salaries of Foundation employees have been donated by the District (a separately governed affiliate entity). The estimated fair value of these contributed services is \$487,087 and \$560,774 for fiscal years 2014 and 2013, respectively.

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 is effective for the Foundation's fiscal year 2014 annual financial statements though there were no such transactions during the fiscal year 2014.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

NOTE B - INVESTMENTS

Investments are composed of the following as of August 31:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Corporate bonds	\$ 3,181,845	\$ 4,964,668	\$ 3,361,540	\$ 4,959,714
Corporate stocks	4,010,887	5,580,103	3,575,686	4,311,847
Mutual funds	18,289,898	22,487,534	16,955,772	19,570,849
	<u>\$ 25,482,630</u>	<u>\$ 33,032,305</u>	<u>\$ 23,892,998</u>	<u>\$ 28,842,410</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 change could significantly affect the amounts reported in the financial statements.

For the years ended August 31, 2014 and 2013, the components of investment earnings are:

	2014	2013
Interest and dividend income	\$ 949,108	\$ 490,543
Net gain on investments carried at fair value	3,643,473	2,450,685
Total return on investments	<u>\$ 4,592,581</u>	<u>\$ 2,941,227</u>

NOTE C - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following unconditional promises to give:

	August 31,	
	2014	2013
Contributions receivable	\$ 469,266	\$ 2,741,667
Less allowance for uncollectible receivable	-	(2,335,889)
Less unamortized discount ranging from 0.27% to 0.49% at August 31, 2014 and 0.17% to 3.84% at August 31, 2013	(58)	(114,352)
	<u>\$ 469,208</u>	<u>\$ 291,426</u>

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

	2014	2013
Maturing in less than one year	\$ 449,266	\$ 291,426
Maturing between one and five years	19,942	-
Total contributions receivable	<u>\$ 469,208</u>	<u>\$ 291,426</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

NOTE D - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	August 31,	
	2014	2013
Student scholarship for tuition and books	\$ 8,788,262	\$ 2,994,348
Professional development, student related activities, and program support	4,066,566	6,312,958
	\$ 12,854,828	\$ 9,307,306

NOTE E - PERMANENTLY RESTRICTED NET ASSETS

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

	August 31,	
	2014	2013
Student scholarship for tuition and books	\$ 24,395,232	\$ 24,256,144
Professional development, student related activities, and program support	1,033,470	1,023,973
	\$ 25,428,702	\$ 25,280,117

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

NOTE F - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from restrictions consisting of temporarily and permanently restricted funds were due mainly to satisfaction of purpose restrictions. Net Assets released from restrictions amounted to \$1,167,144 and \$3,538,046 for the years ended August 31, 2014 and 2013, respectively. Of the amount released from restrictions in 2013, \$2,335,889 relates to an allowance for an uncollectible endowment pledge receivable.

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 balance exceeded the federally insured limit by approximately \$3,278,100 and \$3,307,743 as of August 31, 2014 and 2013, 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, 2014 AND 2013

NOTE H - TRANSACTIONS WITH RELATED PARTIES

The Foundation's payments to the District for scholarships and grants amounted to \$1,667,738 and \$896,555 for fiscal years 2014 and 2013, respectively. At August 31, 2014 and 2013, the Foundation recorded a total of \$209,773 and \$180,982, 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 \$487,087 and \$560,774 for fiscal years 2014 and 2013, 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, 2014 AND 2013**

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

	Fair value measurement using input considered as:			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 4,964,668	\$ -	\$ 4,964,668
Equity investments	5,580,103	-	-	5,580,103
Mutual funds	19,215,177	3,272,357	-	22,487,534
	<u>\$ 24,795,280</u>	<u>\$ 8,237,025</u>	<u>\$ -</u>	<u>\$ 33,032,305</u>

	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>

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

On September 1, 2007, the State of Texas promulgated the Uniform Prudent Management of Investment Funds Act (“UPMIFA”). UPMIFA provides standards and guidelines for the management, investment, and expenditure of charitable funds and for endowment spending by institutions organized and operated exclusively for a charitable purpose. The purposes of UPMIFA are to modernize rules, to articulate prudence standards, and to provide guidance and authority for the management and investment of charitable funds and for endowment spending. The act provides greater direction with respect to making prudent determinations and requires charities to focus on donor intent and the purpose of endowment funds when managing institutional funds.

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 UPMIFA; and improves disclosures about an organization’s endowment funds (both donor

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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 requires an organization to classify a portion of a donor-restricted endowment fund (other than a term 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, 2014 AND 2013**

Endowment Net Asset Composition by Type of Fund as of August 31, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 9,133,884	\$ 25,428,702	\$ 34,562,586
Board restricted endowment funds	7,878	-	-	7,878
Total	<u>\$ 7,878</u>	<u>\$ 9,133,884</u>	<u>\$ 25,428,702</u>	<u>\$ 34,570,464</u>
Endowment net assets, beginning of year	\$ 7,446	\$ 6,260,212	\$ 25,280,117	\$ 31,547,775
Contributions	-	-	86,625	86,625
Investment income:				
Dividends and interest	227	2,621,453	-	2,621,680
Net realized and unrealized gains on investments	205	685,007	-	685,212
Transfer-In	-	(62,090)	61,960	(130)
Released from restrictions	-	-	-	-
Amount appropriated for expenditures	-	(370,698)	-	(370,698)
Endowment net assets, end of year	<u>\$ 7,878</u>	<u>\$ 9,133,884</u>	<u>\$ 25,428,702</u>	<u>\$ 34,570,464</u>

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	\$ 25,280,117	\$ 33,876,218
Board restricted endowment funds	7,446	-	-	7,446
Total	<u>\$ 7,446</u>	<u>\$ 6,260,212</u>	<u>\$ 25,280,117</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>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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, 2014 and 2013.

For the Foundation, such assets include investments in fixed income funds. Investments in the fund are valued at a net asset value of \$17.08 and \$16.15 per unit, as of August 31, 2014 and 2013, respectively, and the Foundation had 290,559 and 307,010 units as of August 31, 2014 and 2013, respectively.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

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, 2014 and 2013

	<u>Fair Value as of August 31, 2014</u>	<u>Fair Value as of August 31, 2013</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Other Redemption Restrictions</u>	<u>Redemption Notice Period</u>
Barrow, Hanley, Mewhinney & Strauss – BHMS Core Fixed Income Fund (a)	\$ 4,964,668	\$ 4,959,714	None	Daily	None	30 days
Total	<u>\$ 4,964,668</u>	<u>\$ 4,959,714</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 - 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. The first annual installment of \$600,000 was received and recognized as revenue in fiscal year 2013 by the Foundation. The 2nd annual installment of \$600,000 was received in September 2014. The balance of \$1.2 million was considered a conditional promise to give at August 31, 2014 and 2013.

NOTE M - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 11, 2014; the date financial statements were available to be issued. Except as described in the first paragraph of this note, no changes are 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, 2014 AND 2013**

25. RICHLAND COLLEGIATE HIGH SCHOOL – CHARTER HIGH SCHOOL OPERATED BY DCCCD

In January 2005, DCCCD'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. At this time, the charter agreement has been renewed and is in effect indefinitely.

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 DCCCD's Richland College as well as direct expenses for equipment and supplies. The high school has no direct employees.

Beginning with the fall 2010 classes, performing and other arts, a new area of emphasis, was added. Because of the expanded offerings, the "Mathematics, Science, and Engineering" portion of the school name was dropped and is now Richland Collegiate High School (RCHS). For 2014, RCHS had over 450 students with a capacity of 900. Students do not pay for tuition or books.

RCHS has the same legal identity as DCCCD and is governed by the same Board of Trustees. 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 RCHS is included in the statements of DCCCD.

The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, Schedule of Expenses and Schedule of Capital Assets for the fiscal years ended August 31, 2014 and 2013 for Richland Collegiate High School alone are presented on the following pages. Included also is a Budgetary Comparison Schedule for 2014.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF NET POSITION WITH TEA CLASSIFICATIONS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
EXHIBIT 1

DATA CONTROL CODES	ASSETS	2014	2013
	CURRENT ASSETS:		
1100	Cash and cash equivalents	\$ 249,654	\$ -
1240	Accounts receivable (net) -Due from TEA	17,567	15,004
1300	Inventories	<u>-</u>	<u>9,440</u>
	Total current assets	267,221	24,444
	NON-CURRENT AND RESTRICTED ASSETS:		
1539	Furniture and Equipment	12,882	-
1910	Investments	<u>1,847,480</u>	<u>1,951,963</u>
1800	Total non-current assets	<u>1,860,362</u>	<u>1,951,963</u>
1000	TOTAL ASSETS	2,127,583	1,976,407
	DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred outflows	<u>-</u>	<u>-</u>
	Total deferred outflows of resources	-	-
	LIABILITIES		
	CURRENT LIABILITIES:		
2501	Due to District (parent organization)	<u>6,487</u>	<u>\$ 15,004</u>
	Total current liabilities	6,487	15,004
	NON-CURRENT LIABILITIES:		
2502	Loan payable to Richland College	<u>-</u>	<u>-</u>
	Total non-current liabilities	-	-
2000	TOTAL LIABILITIES	6,487	15,004
	DEFERRED INFLOWS OF RESOURCES		
2600	Deferred inflows	<u>-</u>	<u>-</u>
	Total deferred inflows of resources	-	-
	NET POSITION		
3200	Invested in capital assets, net of related debt	12,882	-
3900	Unrestricted	<u>2,108,214</u>	<u>1,961,403</u>
3000	TOTAL NET POSITION	<u>\$ 2,121,096</u>	<u>\$ 1,961,403</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013
EXHIBIT 2

District Presentation

	2014	2013
OPERATING REVENUES:		
Federal grants and contracts	\$ 7,857	\$ 15,004
Total operating revenues	7,857	15,004
OPERATING EXPENSES:		
Instruction	1,640,193	1,519,790
Public Service	299,754	243,557
Academic support	135,583	45,847
Student services	469,339	512,415
Institutional support	724,188	702,473
Plant Maintenance and operation	10,870	-
Depreciation	108	-
Total operating expenses	3,280,035	3,024,082
OPERATING LOSS	(3,272,178)	(3,009,078)
NON-OPERATING REVENUES (EXPENSES):		
State appropriations	3,408,547	3,187,642
Investment income	23,324	20,725
Net non-operating revenues	3,431,871	3,208,367
INCREASE IN NET POSITION	159,693	199,289
NET POSITION:		
Net Position—Beginning of Year	1,961,403	1,762,114
Net Position—End of Year	\$ 2,121,096	\$ 1,961,403

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

EXHIBIT 2
(CONTINUED)

		TEA Classifications	
Data Control Codes		2014	2013
	OPERATING REVENUES:		
5929	Federal grants revenue distributed by TEA	\$ 7,857	\$ 15,004
5020	Total operating revenues	7,857	15,004
	OPERATING EXPENSES:		
0011	Instruction	1,938,577	1,763,347
0012	Instructional resources and media services	37,097	12,106
0013	Curriculum development & instructional	70,670	5,209
0023	School leadership	418,397	532,391
0031	Guidance, counseling and evaluation services	382,636	364,659
0033	Health services	43,000	10,000
0034	Student transportation	27,969	27,650
0035	Food service	271	7,800
0036	Co-Curricular/Extra-curricular	-	1,500
0041	General administration	250,328	222,496
0051	Plant maintenance and operation	10,870	-
0052	Security and monitoring services	71,403	48,392
0053	Data processing services	28,817	28,532
6030	Total operating expenses	3,280,035	3,024,082
1100	OPERATING LOSS	(3,272,178)	(3,009,078)
	NON-OPERATING REVENUES (EXPENSES):		
5800	State appropriations	3,408,547	3,187,642
5742	Investment income	23,324	20,725
	Net non-operating revenues	3,431,871	3,208,367
1200	INCREASE IN NET POSITION	159,693	199,289
	NET POSITION:		
0100	Net Position—Beginning of Year	1,961,403	1,762,114
3000	Net Position—End of Year	\$ 2,121,096	\$ 1,961,403

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

EXHIBIT 3

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from grants and contracts	\$ 5,294	\$ 17,072
Payments to suppliers for goods and services	<u>(3,279,004)</u>	<u>(3,035,590)</u>
Net cash used in operating activities	<u>(3,273,710)</u>	<u>(3,018,518)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	<u>3,408,547</u>	<u>3,187,642</u>
Net cash provided by non-capital financing activities	<u>3,408,547</u>	<u>3,187,642</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of equipment	<u>(12,990)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(12,990)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	23,324	20,725
Purchase of investments	<u>104,483</u>	<u>(688,851)</u>
Net cash provided by / (used in) investing activities	<u>127,807</u>	<u>(668,126)</u>
Increase (decrease) in cash and cash equivalents	249,654	(499,002)
Cash and cash equivalents - September 1	<u>-</u>	<u>499,002</u>
Cash and cash equivalents - August 31	<u>\$ 249,654</u>	<u>\$ -</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (3,272,178)	\$ (3,009,078)
Depreciation	108	-
Adjustments to reconcile net loss to net cash used in operating activities:		
Changes in assets and liabilities:		
Receivables (net)	(2,563)	2,068
Inventories	9,440	(9,440)
Accounts payable	<u>(8,517)</u>	<u>(2,068)</u>
Net cash used in operating activities	<u>\$ (3,273,710)</u>	<u>\$ (3,018,518)</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014

		<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	\$ 10,000	\$ 23,324	\$ 13,324	133.24% ^c	0.00%
State program revenues:							
5810	Foundation School Program Act Revenues	3,458,349	3,349,174	3,408,547	59,373	1.77%	-3.16%
Federal program revenues:							
5900	5900 Federal program revenues	-	20,500	7,857	(12,643)	-61.67% ^b	100.00% ^e
Total revenues		<u>3,468,349</u>	<u>3,379,674</u>	<u>3,439,728</u>	<u>60,054</u>	1.78%	-2.56%
EXPENDITURES							
State program expenditures							
0011	11 Instruction ¹	1,895,231	1,927,630	1,938,577	10,947	0.57%	1.71%
0012	12 Instructional resources and media services	37,650	38,950	37,097	(1,853)	-4.76%	3.45%
0013	13 Curriculum and staff development ¹	2,520	68,100	70,670	2,570	3.77%	2602.38% ^f
0023	23 School leadership	572,850	446,200	418,397	(27,803)	-6.23%	-22.11% ^g
0031	31 Guidance, counseling, and evaluation services	444,375	402,000	382,636	(19,364)	-4.82%	-9.54%
0033	33 Health services	45,150	43,000	43,000	-	0.00%	-4.76%
0034	34 Student Transportation	22,088	27,969	27,969	-	0.00%	26.63% ^h
0035	35 Food Service	13,200	20,750	271	(20,479)	-98.69% ^c	57.20% ⁱ
0036	36 Extracurricular activities	1,575	1,575	-	(1,575)	-100.00% ^d	0.00%
0041	41 General administration	318,225	268,000	250,328	(17,672)	-6.59%	-15.78% ^j
0051	51 Facilities maintenance and operations	16,000	11,000	10,870	(130)	-1.18%	-31.25% ^k
0052	52 Security and monitoring services	69,525	75,000	71,403	(3,597)	-4.80%	7.87%
0053	53 Data processing services	29,960	29,000	28,817	(183)	-0.63%	-3.20%
Total expenditures		<u>3,468,349</u>	<u>3,359,174</u>	<u>3,280,035</u>	<u>(79,139)</u>	-2.36%	-3.15%
1200	Net change in fund balances	-	-	159,693	139,193	n/a	n/a
0100	Fund balances--beginning	<u>1,961,403</u>	<u>1,961,403</u>	<u>1,961,403</u>	-	0.00%	0.00%
3000	Fund balances--ending	<u>\$ 1,961,403</u>	<u>\$ 1,961,403</u>	<u>\$ 2,121,096</u>	<u>\$ 139,193</u>	8.14%	0.00%

¹ Includes grant-funded expenditures

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014
(CONTINUED)

Variance Explanations

- a Reflects unrealized market gains
- b,d Anticipated expenses were not realized
- c Anticipated expenses were delayed to next fiscal year and capital item purchase of \$12,990 was moved to capital assets
- e Grant funds are not reported in original PEIMS budget.
- f Increase in personnel expenses with the addition of AVID employees
- g Vacancy in Principal and Asst. Principal positions during the Fall semester
- h Transportation costs were higher than originally anticipated
- i Budget increase due to additional vending machine components for Breakfast Food Program
- j Consolidated personnel in the Business Manager position
- k Furniture purchase was less than originally anticipated

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF EXPENSES
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

Expenses Object	<u>2014</u>	<u>2013</u>
6100 Payroll Cost	\$ 1	\$ 1
6200 Professional/Contracted Services	2,746,767	2,494,912
6300 Supplies/Material	497,553	480,130
6400 Other Operating	35,714	49,039
	<u>\$ 3,280,035</u>	<u>\$ 3,024,082</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

RICHLAND COLLEGIATE HIGH SCHOOL
SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

Asset Object	Local Ownership Interest	
	2014	2013
1110 Cash	\$ 249,654	\$ -
1539 Furniture and Equipment	12,882	-
	<u>\$ 262,536</u>	<u>\$ -</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013**

26. RELATED PARTIES

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

The Foundation's payments to DCCCD for scholarships and grants amounted to \$1,667,738 and \$896,555 for fiscal years 2014 and 2013, respectively. At August 31, 2014 and 2013, the Foundation recorded a total of \$209,773 and \$180,982, respectively, for scholarships and grants payable to DCCCD.

DCCCD paid the salaries and benefits of certain Foundation's employees and the value of these contributed services is \$487,087 and \$560,774 for fiscal years 2014 and 2013, respectively. Also, DCCCD also provided office space and equipment at no cost to the Foundation. Because DCCCD does not have a clearly measurable basis to estimate the value of these contributed facilities and equipment, no amounts can be disclosed.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

27. RESTATEMENT OF BEGINNING NET POSITION

As described in Note 2, in fiscal year 2014, DCCCD applied the provisions of GASB Statement No. 65 in the preparation and presentation of its financial statements. The provisions of GASB Statement No. 65 were applied retroactively to write-off the prior year outstanding balance on the debt issuance costs in accordance with the requirements. This resulted in the restatement of the beginning net position for fiscal year 2013 as follows:

	<u>Amount</u>
Net Position previously reported as of September 1, 2012	\$ 469,928,377
Reverse other non-operating expense in FY 2013	(322,944)
Write-off of remaining unamortized balance at end of FY 2013	<u>(2,513,666)</u>
Total restatement	(2,836,610)
Net Position as of September 1, 2012, Restated	<u>\$ 467,091,767</u>

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED AUGUST 31, 2014 AND 2013

28. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2014. The financial statements were available on this date. 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, 2014
 (WITH MEMORANDUM TOTALS FOR THE FISCAL YEAR ENDED AUGUST 31, 2013)
 SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2014	2013
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 58,158,135	\$ -	\$ 58,158,135	\$ -	\$ 58,158,135	\$ 56,181,388
Out-of-district resident tuition	15,122,066	-	15,122,066	-	15,122,066	14,923,687
Non-resident tuition	12,497,011	-	12,497,011	-	12,497,011	12,413,323
TPEG - credit (set aside) *	4,262,681	-	4,262,681	-	4,262,681	4,230,683
State-funded continuing education	9,616,557	-	9,616,557	-	9,616,557	9,479,963
TPEG - non-credit (set aside) *	1,069,873	-	1,069,873	-	1,069,873	602,915
Non-state funded educational programs	3,523,631	-	3,523,631	-	3,523,631	3,692,766
Total Tuition	<u>104,249,954</u>	<u>-</u>	<u>104,249,954</u>	<u>-</u>	<u>104,249,954</u>	<u>101,524,725</u>
Fees:						
Installment plan fees	847,350	-	847,350	-	847,350	905,575
Prior year tuition and fees	-	-	-	-	-	8,280
Total fees	<u>847,350</u>	<u>-</u>	<u>847,350</u>	<u>-</u>	<u>847,350</u>	<u>913,855</u>
Scholarship allowances and discounts:						
Bad debt allowance	(1,243,100)	-	(1,243,100)	-	(1,243,100)	(1,339,000)
Remissions and exemptions - state	(2,467,154)	-	(2,467,154)	-	(2,467,154)	(2,975,101)
Remissions and exemptions - local	(7,505,797)	-	(7,505,797)	-	(7,505,797)	(5,589,754)
Title IV federal grants	(26,000,100)	-	(26,000,100)	-	(26,000,100)	(26,059,498)
Other federal grants	(2,571,748)	-	(2,571,748)	-	(2,571,748)	(2,222,198)
State grants	(3,077,849)	-	(3,077,849)	-	(3,077,849)	(3,024,358)
TPEG awards	(2,137,532)	-	(2,137,532)	-	(2,137,532)	(2,522,045)
Rising Star program	(176,959)	-	(176,959)	-	(176,959)	(369,887)
Other local grants	33,330	-	33,330	-	33,330	(1,220)
Total scholarship allowances	<u>(45,146,909)</u>	<u>-</u>	<u>(45,146,909)</u>	<u>-</u>	<u>(45,146,909)</u>	<u>(44,103,061)</u>
Total net tuition and fees	<u>59,950,395</u>	<u>-</u>	<u>59,950,395</u>	<u>-</u>	<u>59,950,395</u>	<u>58,335,519</u>
Additional operating revenues:						
Federal grants and contracts	1,000,409	13,899,694	14,900,103	37,124	14,937,227	15,671,391
State grants and contracts	232,120	9,415,891	9,648,011	14,478	9,662,489	8,577,835
Non-governmental grants and contracts	2,265	1,670,815	1,673,080	-	1,673,080	1,839,443
Sales and services of educational activities	453,036	-	453,036	-	453,036	606,543
Other operating revenues	1,497,445	-	1,497,445	-	1,497,445	1,501,922
Total additional operating revenues	<u>3,185,275</u>	<u>24,986,400</u>	<u>28,171,675</u>	<u>51,602</u>	<u>28,223,277</u>	<u>28,197,134</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	2,062,790	2,062,790	1,998,950
Food Service	-	-	-	614,014	614,014	594,910
Center for Educational Telecommunications	-	-	-	1,049,258	1,049,258	1,103,383
Business Incubation Center	-	-	-	131,006	131,006	166,703
Student Programs	-	-	-	610,234	610,234	656,967
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,467,302</u>	<u>4,467,302</u>	<u>4,520,913</u>
Total Operating Revenues	<u>\$ 63,135,670</u>	<u>\$ 24,986,400</u>	<u>\$ 88,122,070</u>	<u>\$ 4,518,904</u>	<u>\$ 92,640,974</u>	<u>\$ 91,053,566</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$5,332,554 and \$4,833,598 for the fiscal years August 31, 2014 and 2013, 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, 2014
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)
 SCHEDULE B

	Operating Expenses					Total 2014	Total 2013
	Salaries and Wages	Benefits		Other Expenses	Total 2014		
		State	Local				
UNRESTRICTED - Educational Activities							
Instruction	\$ 123,711,806	\$ -	\$ 15,713,884	\$ 14,626,095	\$ 154,051,785	\$ 150,803,606	
Public Service	3,341,819	-	433,420	2,196,133	5,971,372	5,817,352	
Academic Support	12,417,487	-	1,559,428	3,661,021	17,637,936	17,078,653	
Student Services	23,216,352	-	2,965,893	8,698,304	34,880,549	33,100,451	
Institutional Support	46,723,069	-	6,139,151	7,253,018	60,115,238	59,161,113	
Operation and Maintenance of Plant	7,610,701	-	970,482	23,872,958	32,454,141	33,201,432	
Total unrestricted educational activities	<u>217,021,234</u>	<u>-</u>	<u>27,782,258</u>	<u>60,307,529</u>	<u>305,111,021</u>	<u>299,162,607</u>	
RESTRICTED - Educational Activities							
Instruction	1,716,266	11,516,031	257,255	1,850,843	15,340,395	13,200,809	
Public Service	1,360,657	-	279,175	4,990,094	6,629,926	6,575,119	
Academic Support	156,130	1,155,913	23,976	(2,500)	1,333,519	1,075,294	
Student Services	2,086,481	2,161,154	448,452	1,072,286	5,768,373	4,859,010	
Institutional Support	2,137,492	4,349,337	367,288	1,461,189	8,315,306	8,196,268	
Scholarships and Fellowships	9,857	-	-	66,233,231	66,243,088	68,820,441	
Total restricted educational activities	<u>7,466,883</u>	<u>19,182,435</u>	<u>1,376,146</u>	<u>75,605,143</u>	<u>103,630,607</u>	<u>102,726,941</u>	
TOTAL EDUCATIONAL ACTIVITIES	224,488,117	19,182,435	29,158,404	135,912,672	408,741,628	401,889,548	
AUXILIARY ENTERPRISES	4,087,705	-	700,311	4,759,064	9,547,080	8,399,456	
DEPRECIATION EXPENSE - Buildings and other real estate improvements	-	-	-	22,600,051	22,600,051	23,454,899	
DEPRECIATION EXPENSE - Equipment and furniture	-	-	-	5,242,341	5,242,341	5,882,939	
TOTAL OPERATING EXPENSES	<u>\$ 228,575,822</u>	<u>\$ 19,182,435</u>	<u>\$ 29,858,715</u>	<u>\$ 168,514,128</u>	<u>\$ 446,131,100</u>	<u>\$ 439,626,842</u>	
				(Exhibit 2)	(Exhibit 2)		

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)
 SCHEDULE C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total 2014</u>	<u>Total 2013</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 87,146,027	\$ -	\$ -	\$ 87,146,027	\$ 88,829,819
State group insurance	-	13,641,648	-	13,641,648	9,760,108
State retirement matching	-	5,540,787	-	5,540,787	5,753,262
SBDC state match	-	1,180,876	-	1,180,876	1,281,496
Starlink	-	275,364	-	275,364	218,054
Hazlewood state reimbursement	48,897	-	-	48,897	-
Foundation school program	3,408,547	-	-	3,408,547	3,187,642
Total state appropriations	<u>90,603,471</u>	<u>20,638,675</u>	<u>-</u>	<u>111,242,146</u>	<u>109,030,381</u>
Maintenance ad valorem taxes	174,887,883	34,940,486	-	209,828,369	190,553,282
Federal revenue, non-operating	-	86,928,896	-	86,928,896	90,602,218
Gifts	67,819	-	4,910	72,729	114,713
Investment income (loss)	5,275,230	6,243	539,665	5,821,138	(4,051,823)
Gain on sale of investment	96,535	-	8,739	105,274	59,287
Other non-operating revenue	1,232,213	-	-	1,232,213	1,049,000
Total non-operating revenues	<u>272,163,151</u>	<u>142,514,300</u>	<u>553,314</u>	<u>415,230,765</u>	<u>387,357,058</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	15,809,014	-	-	15,809,014	16,123,604
Loss on disposal of capital assets	172,959	-	-	172,959	58,468
Other non-operating expense	4,137	-	-	4,137	844,171
Total non-operating expenses	<u>15,986,110</u>	<u>-</u>	<u>-</u>	<u>15,986,110</u>	<u>17,026,243</u>
NET NON-OPERATING REVENUES	<u>\$ 256,177,041</u>	<u>\$ 142,514,300</u>	<u>\$ 553,314</u>	<u>\$ 399,244,655</u> (Exhibit 2)	<u>\$ 370,330,815</u> (Exhibit 2)

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2013)
 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	\$ 164,848,962	\$ -	\$ -	\$ -	\$ 164,848,962	\$ 164,848,962	\$ -
Auxiliary enterprises	18,460,080	-	-	-	18,460,080	18,460,080	-
Restricted	-	-	-	-	-	-	-
Loan	443,638	-	-	-	443,638	-	443,638
Endowment:							
Quasi:							
Unrestricted	5,443,749	-	-	-	5,443,749	-	5,443,749
Restricted	-	-	-	-	-	-	-
Plant:							
Unexpended	48,608,783	3,421,734	-	-	52,030,517	-	52,030,517
Debt Service	-	-	-	-	-	-	-
Investment in Plant	-	-	-	293,619,352	293,619,352	-	293,619,352
TOTAL NET POSITION-- August 31, 2014	237,805,212	3,421,734	-	293,619,352	534,846,298 (Exhibit 1)	183,309,042	351,537,256
TOTAL NET POSITION-- August 31, 2013	201,860,787	2,144,864	-	285,086,118	489,091,769 (Exhibit 1)	154,989,878	334,101,891
NET INCREASE (DECREASE) IN NET POSITION	\$ 35,944,425	\$ 1,276,870	\$ -	\$ 8,533,234	\$ 45,754,529 (Exhibit 2)	\$ 28,319,164	\$ 17,435,365



**Dallas County
Community Colleges**

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**SUPPLEMENTAL FINANCIAL REPORTING
BY COLLEGE**

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2014**

	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	\$ 59,950,395	\$ 10,105,154	\$ 3,108,096	\$ 6,895,018	\$ 4,903,611	\$ 4,516,984	\$ 8,854,609	\$ 15,197,853	\$ 6,369,070
Federal grants and contracts	14,937,227	583,359	749,715	1,705,204	5,284,979	2,867,770	992,157	2,668,034	86,009
State grants and contracts	9,662,489	755,839	645,658	744,577	3,576,896	1,131,942	1,326,849	1,409,343	71,385
Local grants and contracts	1,673,080	(337,714)	91,588	(243,608)	2,143,428	(97,435)	(242,569)	(451,846)	811,236
Sales and services of auxiliary enterprises	4,467,302	488,824	243,508	440,797	532,026	320,155	584,925	778,110	1,078,957
Sales and services of educational activities	453,036	20,320	43,657	270,034	57,874	13,590	24,081	23,480	-
Other	1,497,445	68,948	6,703	75,288	646,607	175,047	178,701	40,245	305,906
Total Operating Revenue	92,640,974	11,684,730	4,888,925	9,887,310	17,145,421	8,928,053	11,718,753	19,665,219	8,722,563
State appropriations	111,242,146	13,930,473	7,618,397	15,764,832	17,257,032	9,183,263	13,416,560	26,291,516	7,780,073
Taxes, net	209,828,369	25,904,445	18,825,095	23,256,834	32,655,789	20,511,288	22,739,872	25,373,777	40,561,269
Federal grants and contracts	86,928,896	8,338,192	7,369,358	17,381,238	16,424,421	11,144,703	9,386,051	16,884,933	-
Gifts	72,729	2,300	862	23,910	31,042	-	14,615	-	-
Investment income (loss)	5,821,138	9,784	6,622	6,922	8,394	1,472	13,681	40,439	5,733,824
Other	1,337,487	1,183	626	1,530	1,322	-	653,135	1,530	678,161
Total Non-operating Revenue	415,230,765	48,186,377	33,820,960	56,435,266	66,378,000	40,840,726	46,223,914	68,592,195	54,753,327
Total revenues	507,871,739	59,871,107	38,709,885	66,322,576	83,523,421	49,768,779	57,942,667	88,257,414	63,475,890
EXPENSES									
Instruction	169,392,180	26,463,295	14,391,669	25,214,137	27,393,957	15,236,019	22,892,115	37,215,782	585,206
Public service	12,601,298	1,020,422	606,807	253,638	8,812,448	410,621	252,741	1,249,903	(5,282)
Academic support	18,971,455	1,933,909	1,819,701	2,695,097	1,865,697	2,274,035	2,870,412	4,647,343	865,261
Student services	40,648,922	4,407,297	3,568,908	5,998,195	6,026,154	4,372,923	5,648,895	7,820,174	2,806,376
Institutional support	68,430,544	5,750,090	4,912,115	5,498,545	8,641,697	6,743,523	5,767,685	8,290,995	22,825,894
Operation and maintenance of plant	32,454,141	4,370,056	2,864,536	4,560,091	5,492,178	3,288,239	3,799,512	6,073,698	2,005,831
Scholarships and fellowships	66,243,088	5,944,287	5,734,189	12,294,266	13,434,323	8,809,508	7,120,315	12,906,358	(158)
Auxiliary enterprises	9,547,080	1,191,363	559,873	1,125,223	1,019,485	863,933	1,163,873	1,592,889	2,030,441
Depreciation	27,842,392	3,467,028	2,598,546	3,174,681	3,486,565	2,492,930	4,493,763	3,939,646	4,189,233
Total Operating Expense	446,131,100	54,547,747	37,056,344	60,813,873	76,172,504	44,491,731	54,009,311	83,736,788	35,302,802
Interest on indebtedness	15,809,014	2,153,100	1,740,321	2,243,840	2,489,702	1,753,726	2,177,609	2,577,999	672,717
Other non-operating expense	177,096	211	(1,115)	45,450	21,817	-	-	2,103	108,630
Total Non-operating Expense	15,986,110	2,153,311	1,739,206	2,289,290	2,511,519	1,753,726	2,177,609	2,580,102	781,347
Total expenses	462,117,210	56,701,058	38,795,550	63,103,163	78,684,023	46,245,457	56,186,920	86,316,890	36,084,149
Change in net position	45,754,529	3,170,049	(85,665)	3,219,413	4,839,398	3,523,322	1,755,747	1,940,524	27,391,741
Net position - beginning of year	489,091,769	42,148,772	40,853,098	39,173,686	28,182,903	33,631,429	68,402,162	67,709,079	168,990,640
Net position - end of year	\$ 534,846,298	\$ 45,318,821	\$ 40,767,433	\$ 42,393,099	\$ 33,022,301	\$ 37,154,751	\$ 70,157,909	\$ 69,649,603	\$ 196,382,381

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SUMMARY OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2013**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
REVENUES									
Tuition and fees, net	\$ 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>467,414,711</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>156,356,534</u>
Net position - end of year	<u>\$ 489,091,769</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>\$ 168,990,640</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2014**

	<u>Total</u>	<u>Brookhaven College</u>	<u>Cedar Valley College</u>	<u>Eastfield College</u>	<u>El Centro College</u>	<u>Mountain View College</u>	<u>North Lake College</u>	<u>Richland College</u>	<u>Central Administration</u>
Unrestricted	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Temporarily restricted	3,421,734	-	-	-	-	-	-	-	3,421,734
Capital assets, net	293,639,352	37,648,081	32,581,581	34,988,950	24,312,896	32,036,728	57,468,167	50,383,185	24,219,764
Total net position	\$ 534,866,298	\$ 45,318,821	\$ 40,767,433	\$ 42,393,099	\$ 33,022,301	\$ 37,154,751	\$ 70,157,909	\$ 69,669,603	\$ 196,382,381
Unrestricted	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Unrestricted, net of compensated absences	\$ 237,805,212	\$ 7,670,740	\$ 8,185,852	\$ 7,404,149	\$ 8,709,405	\$ 5,118,023	\$ 12,689,742	\$ 19,286,418	\$ 168,740,883
Current assets	\$ 125,257,416	\$ 12,484,838	\$ 9,254,978	\$ 16,647,699	\$ 16,361,205	\$ 11,463,548	\$ 12,593,179	\$ 19,494,745	\$ 26,957,224
Current liabilities	147,338,987	15,398,164	9,353,837	18,970,613	18,557,152	13,047,499	14,148,875	22,884,610	34,978,237
Current ratio	0.85	0.81	0.99	0.88	0.88	0.88	0.89	0.85	0.77
Operating revenues	\$ 92,640,974	\$ 11,684,730	\$ 4,888,925	\$ 9,887,310	\$ 17,145,421	\$ 8,928,053	\$ 11,718,753	\$ 19,665,219	\$ 8,722,563
Add non-operating revenues	415,230,765	48,186,377	33,820,960	56,435,266	66,378,000	40,840,726	46,223,914	68,592,195	54,753,327
Less operating expenses	446,131,100	54,547,747	37,056,344	60,813,873	76,172,504	44,491,731	54,009,311	83,736,788	35,302,802
Operational "bottom line" net of interest on capital related debt	35,857,441	5,323,360	1,653,541	5,508,703	8,415,776	5,277,048	3,933,356	4,520,626	1,225,031
Add back depreciation expense	27,842,392	3,467,028	2,598,546	3,174,681	3,486,565	2,492,930	4,493,763	3,939,646	4,189,233
Operational "bottom line" net of depreciation and interest on capital related debt	\$ 63,699,833	\$ 8,790,388	\$ 4,252,087	\$ 8,683,384	\$ 11,902,341	\$ 7,769,978	\$ 8,427,119	\$ 8,460,272	\$ 5,414,264
Cash and equivalents	\$ 42,524,526	\$ 7,481,123	\$ 4,889,271	\$ 3,519,676	\$ 4,480,648	\$ 3,561,570	\$ 6,767,022	\$ 8,286,290	\$ 3,538,926
Acquisition and construction of capital assets	\$ 16,092,303	\$ 2,493,087	\$ 641,907	\$ 2,403,884	\$ 2,845,678	\$ 2,410,258	\$ 2,575,569	\$ 1,194,518	\$ 1,527,402

Source: Location IPEDS Finance Reports
Combined with all other DCCCD locations, ties to audited financial statements.

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
ANALYSIS OF UNRESTRICTED NET POSITION COMPONENTS AND OTHER FINANCIAL STABILITY INDICATORS
OF THE INDIVIDUAL COLLEGES AND THE CENTRAL ADMINISTRATION
FOR THE FISCAL YEAR ENDING AUGUST 31, 2013**

	Total	Brookhaven College	Cedar Valley College	Eastfield College	El Centro College	Mountain View College	North Lake College	Richland College	Central Administration
Unrestricted	\$ 201,860,787	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 141,288,485
Temporarily restricted	2,144,864	-	-	-	-	-	-	-	2,144,864
Capital assets, net	285,086,118	36,010,176	32,431,006	33,120,710	21,891,415	29,706,853	56,711,863	49,656,804	25,557,291
Total net position	\$ 489,091,769	\$ 42,148,772	\$ 40,853,098	\$ 39,173,686	\$ 28,182,903	\$ 33,631,429	\$ 68,402,162	\$ 67,709,079	\$ 168,990,640
Unrestricted	\$ 201,860,787	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 141,288,485
Unrestricted, net of compensated absences	\$ 201,860,787	\$ 6,138,596	\$ 8,422,092	\$ 6,052,976	\$ 6,291,488	\$ 3,924,576	\$ 11,690,299	\$ 18,052,275	\$ 141,288,485
Current assets	\$ 92,533,192	\$ 8,184,167	\$ 6,397,806	\$ 12,866,685	\$ 12,904,773	\$ 8,152,415	\$ 8,754,919	\$ 13,725,084	\$ 21,547,343
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	0.67	0.58	0.71	0.73	0.70	0.73	0.66	0.64	0.67
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 Colleges**

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**STATISTICAL SECTION
(UNAUDITED)**

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

STATISTICAL SECTION TABLE OF CONTENTS

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

FINANCIAL TRENDS

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

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

REVENUE CAPACITY

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

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

DEBT CAPACITY

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

- Demographic and Economic Information – Taxing District
- Principal Employers

OPERATING INFORMATION

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

- Faculty, Staff, and Administrative Statistics
- Enrollment Details
- Student Profile
- Transfers to Senior Institutions
- Capital Asset Information

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

	For the Fiscal Year Ended August 31,									
	<u>2014</u>	<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>
Net Investment in Capital Assets	\$ 293,619	\$ 285,086	\$ 286,715	\$ 281,853	\$ 265,613	\$ 252,511	\$ 237,335	\$ 236,563	\$ 238,727	\$ 231,102
Restricted - expendable	3,422	2,145	1,166	5,828	11,902	11,708	11,563	12,463	13,649	29,999
Unrestricted	237,805	201,861	182,047	169,237	182,738	186,261	178,053	156,254	131,117	104,147
Total net position	<u>\$ 534,846</u>	<u>\$ 489,092</u>	<u>\$ 469,928</u>	<u>\$ 456,918</u>	<u>\$ 460,253</u>	<u>\$ 450,480</u>	<u>\$ 426,951</u>	<u>\$ 405,280</u>	<u>\$ 383,493</u>	<u>\$ 365,248</u>

Note: GASB 65 applied to the 2013 beginning Net Position.

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

For the Fiscal Year Ended August 31,

(amounts expressed in thousands)

	<u>2014</u>	<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>
Tuition and charges (net of discounts)	\$ 59,950	\$ 58,336	\$ 56,484	\$ 59,135	\$ 60,680	\$ 59,918	\$ 53,800	\$ 51,735	\$ 46,055	\$ 44,141
Federal grants and contracts	14,937	15,671	15,696	20,307	21,647	18,842	16,245	15,934	16,246	15,641
State grants and contracts	9,663	8,578	7,914	6,681	7,733	7,237	3,438	2,338	1,387	1,752
Non-governmental grants and contracts	1,673	1,839	1,356	4,547	2,860	2,318	4,368	4,263	3,528	4,619
Sales and services of educational activities	453	607	474	527	627	509	538	543	481	543
Auxiliary enterprises	4,467	4,521	5,072	5,163	5,409	5,576	5,914	6,663	6,299	5,735
General operating revenues	1,498	1,502	1,858	1,902	2,240	1,643	1,740	1,800	1,675	1,697
Total Operating Revenues	92,641	91,054	88,854	98,262	101,196	96,043	86,043	83,276	75,671	74,128
State appropriations	111,242	109,030	109,268	119,373	123,304	119,415	118,197	110,740	108,041	103,248
Maintenance ad valorem taxes	209,829	190,553	156,741	158,309	159,137	153,057	130,734	121,220	113,769	106,596
Federal revenue, non-operating	86,929	90,602	90,499	87,927	74,419	40,458	32,230	31,405	34,551	33,726
Gifts	73	115	499	149	83	779	205	65	122	138
Investment income	5,821	(4,052)	1,921	3,943	7,385	8,343	11,975	12,349	8,689	5,501
Gain on sale of investment	105	59	-	7	-	153	-	-	-	-
Contributions in aid of construction	-	243	-	-	-	75	-	-	-	-
Gain on disposal of capital assets & easements	-	-	50	-	-	-	-	-	-	-
Other non-operating revenue	1,232	1,049	218	1,363	1,571	50	241	51	175	874
Total Non-operating Revenues	415,231	387,599	359,196	371,071	365,899	322,330	293,582	275,830	265,347	250,083
Total Revenues	\$ 507,872	\$ 478,653	\$ 448,050	\$ 469,333	\$ 467,095	\$ 418,373	\$ 379,625	\$ 359,106	\$ 341,018	\$ 324,211

For the Fiscal Year Ended August 31,

	<u>2014</u>	<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>
Tuition and charges (net of discounts)	11.80%	12.19%	12.61%	12.60%	12.99%	14.32%	14.17%	14.41%	13.51%	13.62%
Federal grants and contracts	2.94%	3.27%	3.50%	4.33%	4.63%	4.50%	4.28%	4.44%	4.76%	4.82%
State grants and contracts	1.90%	1.79%	1.77%	1.42%	1.66%	1.74%	0.91%	0.65%	0.41%	0.54%
Non-governmental grants and contracts	0.33%	0.38%	0.30%	0.97%	0.61%	0.55%	1.15%	1.19%	1.03%	1.42%
Sales and services of educational activities	0.09%	0.13%	0.11%	0.11%	0.13%	0.12%	0.14%	0.15%	0.14%	0.17%
Auxiliary enterprises	0.88%	0.95%	1.13%	1.10%	1.16%	1.33%	1.56%	1.85%	1.85%	1.77%
General operating revenues	0.30%	0.31%	0.41%	0.41%	0.48%	0.39%	0.46%	0.50%	0.49%	0.52%
Total Operating Revenues	18.24%	19.02%	19.83%	20.94%	21.66%	22.95%	22.67%	23.19%	22.19%	22.86%
State appropriations	21.90%	22.78%	24.39%	25.44%	26.40%	28.54%	31.14%	30.84%	31.68%	31.85%
Maintenance ad valorem taxes	41.32%	39.81%	34.98%	33.73%	34.07%	36.59%	34.44%	33.75%	33.36%	32.88%
Federal revenue, non-operating	17.12%	18.93%	20.20%	18.73%	15.93%	9.67%	8.49%	8.75%	10.13%	10.40%
Gifts	0.01%	0.03%	0.11%	0.03%	0.02%	0.19%	0.05%	0.02%	0.04%	0.04%
Investment income	1.15%	-0.85%	0.43%	0.84%	1.58%	1.99%	3.15%	3.44%	2.55%	1.70%
Gain on sale of investment	0.02%	0.01%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%
Contributions in aid of construction	0.00%	0.05%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
Gain on disposal of capital assets & easements	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenue	0.24%	0.22%	0.05%	0.29%	0.34%	0.01%	0.06%	0.01%	0.05%	0.27%
Total Non-operating Revenues	81.76%	80.98%	80.17%	79.06%	78.34%	77.05%	77.33%	76.81%	77.81%	77.14%
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>2014</u>	<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>
Instruction	\$ 169,392	\$ 164,004	\$ 153,710	\$ 168,329	\$ 161,769	\$ 150,414	\$ 141,112	\$ 137,429	\$ 132,577	\$ 130,728
Public service	12,601	12,393	11,123	12,191	13,503	13,954	10,839	10,578	10,334	10,406
Academic support	18,972	18,154	16,480	19,988	20,065	19,363	18,713	18,303	17,314	16,586
Student services	40,649	37,960	35,092	37,616	38,354	35,151	32,418	31,527	29,656	29,199
Institutional support	68,431	67,357	61,815	69,320	72,466	67,196	58,216	52,878	51,110	48,190
Operation and maintenance of plant	32,454	33,201	33,105	38,844	38,718	33,000	30,058	27,083	26,079	24,630
Scholarships and fellowships	66,243	68,820	71,174	72,415	61,104	33,144	26,383	24,053	26,396	26,344
Auxiliary enterprises	9,547	8,400	8,771	9,439	10,389	9,539	10,104	10,774	10,286	9,966
Depreciation	27,842	29,338	26,167	25,982	22,986	18,530	17,084	17,584	14,464	11,343
Total Operating Expenses	446,131	439,627	417,437	454,124	439,354	380,291	344,927	330,209	318,216	307,392
Interest on capital debt	15,809	16,124	16,862	18,094	16,508	13,907	6,149	4,992	4,146	4,538
Loss on disposal of capital assets	173	58	-	35	1,041	270	5,343	1,736	145	122
Accrual for legal expense	-	-	-	-	-	-	-	-	-	(13,271)
Other non-operating expense	4	844	741	415	419	376	1,535	382	265	1,146
Total Non-operating Expenses	15,986	17,026	17,603	18,544	17,968	14,553	13,027	7,110	4,556	(7,465)
Total Expenses	\$ 462,117	\$ 456,653	\$ 435,040	\$ 472,668	\$ 457,322	\$ 394,844	\$ 357,954	\$ 337,319	\$ 322,772	\$ 299,927

For the Fiscal Year Ended August 31,

	<u>2014</u>	<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>
Instruction	36.65%	35.91%	35.33%	35.61%	35.37%	38.10%	39.41%	40.73%	41.07%	43.59%
Public service	2.73%	2.71%	2.56%	2.58%	2.95%	3.53%	3.03%	3.14%	3.20%	3.47%
Academic support	4.11%	3.98%	3.79%	4.23%	4.39%	4.90%	5.23%	5.43%	5.36%	5.53%
Student services	8.80%	8.31%	8.07%	7.96%	8.39%	8.90%	9.06%	9.35%	9.19%	9.74%
Institutional support	14.81%	14.75%	14.21%	14.66%	15.84%	17.02%	16.26%	15.68%	15.84%	16.07%
Operation and maintenance of plant	7.02%	7.26%	7.61%	8.22%	8.47%	8.36%	8.40%	8.03%	8.08%	8.21%
Scholarships and fellowships	14.33%	15.07%	16.36%	15.32%	13.36%	8.39%	7.37%	7.13%	8.18%	8.78%
Auxiliary enterprises	2.07%	1.84%	2.01%	2.00%	2.27%	2.42%	2.82%	3.19%	3.19%	3.32%
Depreciation	6.02%	6.42%	6.01%	5.50%	5.03%	4.69%	4.77%	5.21%	4.48%	3.78%
Total Operating Expenses	96.54%	96.27%	95.95%	96.08%	96.07%	96.31%	96.35%	97.89%	98.59%	102.49%
Interest on capital debt	3.42%	3.53%	3.88%	3.82%	3.61%	3.52%	1.72%	1.48%	1.28%	1.51%
Loss on disposal of capital assets	0.04%	0.01%	0.00%	0.01%	0.23%	0.07%	1.50%	0.52%	0.05%	0.04%
Accrual for legal expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-4.42%
Other non-operating expense	0.00%	0.18%	0.17%	0.09%	0.09%	0.10%	0.43%	0.11%	0.08%	0.38%
Total Non-operating Expenses	3.46%	3.73%	4.05%	3.92%	3.93%	3.69%	3.65%	2.11%	1.41%	-2.49%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Resident							
Fees per Semester Credit Hour (SCH)							
Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District	
2013-14	\$ 52	\$ 97	\$ 624	\$ 1,164	15.56%	16.87%	
2012-13	45	83	540	996	0.00%	0.00%	
2011-12	45	83	540	996	9.76%	9.21%	
2010-11	41	76	492	912	0.00%	0.00%	
2009-10	41	76	492	912	5.13%	5.56%	
2008-09	39	72	468	864	0.00%	0.00%	
2007-08	39	72	468	864	8.33%	9.09%	
2006-07	36	66	432	792	9.09%	10.00%	
2005-06	33	60	396	720	10.00%	20.00%	
2004-05	30	50	360	600	0.00%	0.00%	

Non-Resident							
Fees per Semester Credit Hour (SCH)							
Academic Year (Fall)	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International	
2013-14	\$ 153	\$ 153	\$ 1,836	\$ 1,836	15.91%	15.91%	
2012-13	132	132	1,584	1,584	0.00%	0.00%	
2011-12	132	132	1,584	1,584	9.09%	9.09%	
2010-11	121	121	1,452	1,452	0.00%	0.00%	
2009-10	121	121	1,452	1,452	5.22%	5.22%	
2008-09	115	115	1,380	1,380	0.00%	0.00%	
2007-08	115	115	1,380	1,380	8.49%	8.49%	
2006-07	115	106	1,272	1,272	10.42%	10.42%	
2005-06	115	96	1,152	1,152	20.00%	20.00%	
2004-05	115	80	960	960	0.00%	0.00%	

Source: District Office of Business Affairs

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

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

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

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
2013-14	\$ 87,146	49,867	\$ 1,748	20,729	8,864	29,593	\$ 2.94
2012-13	88,830	51,522	1,724	21,399	8,959	30,358	2.93
2011-12	89,931	52,321	1,719	21,889	9,176	31,065	2.89
2010-11	89,478	53,360	1,889	22,438	9,416	31,854	2.81
2009-10	93,099	53,474	1,741	21,604	10,360	31,964	2.91
2008-09	89,498	47,374	1,889	19,244	9,284	28,528	3.14
2007-08	89,498	43,737	2,046	17,911	8,428	26,339	3.40
2006-07	84,753	42,992	1,971	17,047	8,120	25,167	3.37
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

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)										
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	
Oncor Electric Delivery	Electric Utility	\$ 1,343,904	\$ 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	
ATT/Southwestern Bell/Cingular	Telephone Utility	999,684	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	
Aviall Inc	Aviation	970,872	975,394	789,342	720,147	592,642	-	-	-	-	-	
Raytheon/Texas Instruments	Manufacturing	697,164	746,887	812,802	859,002	1,075,514	1,469,996	1,692,476	1,056,013	1,164,396	1,272,884	
Wal-Mart	Retail	684,169	652,358	536,260	453,385	545,857	533,885	475,048	485,283	471,872	431,497	
Crescent Real Estate	Real Estate Development	658,123	693,300	459,455	353,769	703,343	567,651	748,339	773,627	781,402	793,480	
Southwest Airlines	Airline	612,739	492,901	605,196	519,000	532,463	552,440	600,667	512,039	537,242	476,922	
Northpark Land Partners	Real Estate Development	602,355	578,775	645,301	530,065	545,522	590,682	569,402	-	-	-	
Verizon/GTE	Telephone Utility	452,837	303,252	480,121	429,566	508,920	550,663	510,897	527,007	549,021	536,833	
Post Apartment Homes LP/ SP Millenium Center, LP	Real Estate Development	367,828	-	-	-	-	-	-	-	276,921	-	
YPI Thanksgiving Tower/Central	Real Estate Development	-	440,259	-	-	-	-	-	-	-	-	
Gulfstream Aerospace	Aerospace Manufacturing	-	-	385,595	337,437	-	-	402,989	-	-	-	
Teachers Insurance	Insurance	-	-	-	-	-	488,333	-	368,709	-	-	
Galleria Mall Inv LP	Real Estate Development	-	-	-	-	-	418,988	431,782	-	-	-	
Tammell Crow /Anatole	Real Estate Development	-	-	-	-	-	-	-	367,490	323,381	324,764	
Trizec Renaissance	Real Estate Development	-	-	-	-	-	-	-	366,948	-	-	
Exxon/Mobil	Oil & Gas Exploration	-	-	-	-	-	-	-	-	262,664	273,239	
Totals		\$ 7,389,675	\$ 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	
Total Taxable Assessed Value		\$ 171,740,620	\$ 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	

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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year									
		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Oncor Electric Delivery	Electric Utility	0.78%	0.77%	0.77%	0.75%	0.76%	0.80%	0.78%	0.83%	0.87%	0.97%
ATT/Southwestern Bell/Cingular	Telephone Utility	0.58%	0.57%	0.79%	0.75%	0.82%	0.91%	0.95%	1.02%	1.04%	1.06%
Aviall Inc	Aviation	0.57%	0.59%	0.49%	0.44%	0.37%					
Raytheon/Texas Instruments	Manufacturing	0.41%	0.45%	0.50%	0.53%	0.66%	0.85%	0.95%	0.63%	0.76%	0.90%
Wal-Mart	Retail	0.40%	0.40%	0.33%	0.28%	0.34%	0.31%	0.27%	0.29%	0.31%	0.30%
Crescent Real Estate	Real Estate Development	0.38%	0.42%	0.28%	0.22%	0.43%	0.33%	0.42%	0.46%	0.51%	0.56%
Southwest Airlines	Airline	0.36%	0.30%	0.37%	0.32%	0.33%	0.32%	0.34%	0.31%	0.35%	0.34%
Northpark Land Partners	Real Estate Development	0.35%	0.35%	0.40%	0.32%	0.34%	0.34%	0.32%			
Verizon/GTE	Telephone Utility	0.26%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Post Properties	Real Estate Development	0.21%								0.18%	
SP Millenium Center, LP	Real Estate Development		0.27%								
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%
Trizec Renaissance	Real Estate Development								0.22%		
Exxon/Mobil	Oil & Gas Exploration									0.17%	0.19%
	Totals	4.30%	4.31%	3.95%	3.61%	4.29%	4.39%	4.27%	4.21%	4.41%	4.54%

Source: Dallas County Tax Office

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

Fiscal Year Ended 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
2014	\$ 214,468	\$ (2,091)	\$ 212,377	\$ 209,552	98.67%	\$ 1,528	\$ 1,898	\$ 212,978	100.28%
2013	196,940	(821)	196,119	192,940	98.38%	1,270	1,790	196,000	99.94%
2012	161,589	(453)	161,136	158,458	98.34%	1,107	1,842	161,407	100.17%
2011	163,181	(1,375)	161,806	159,289	98.44%	709	2,086	162,084	100.17%
2010	163,869	(1,798)	162,071	159,244	98.26%	1,444	2,165	162,853	100.48%
2009	158,943	(2,519)	156,424	153,224	97.95%	2,405	2,074	157,703	100.82%
2008	135,224	(1,732)	133,492	131,024	98.15%	1,765	2,088	134,877	101.04%
2007	123,162	132	123,294	120,829	98.00%	1,981	1,274	124,084	100.64%
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%

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

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

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

For the Fiscal Year Ended August 31 (In Thousands)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Bonded Debt										
General obligation bonds	\$ 339,035	\$ 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	\$ 339,035	\$ 355,880	\$ 372,095	\$ 387,680	\$ 401,605	\$ 367,140	\$ 60,735	\$ 63,035	\$ 65,250	\$ 67,375
Other Debt										
Revenue bonds	\$ 17,335	\$ 19,425	\$ 21,450	\$ 25,595	\$ 29,620	\$ 33,560	\$ 37,145	\$ 40,660	\$ 45,795	\$ 49,975
Tax notes	-	-	2,170	8,460	14,435	20,120	25,475	30,450	35,130	39,560
Notes	-	-	-	-	-	-	51	252	445	630
Commercial paper	-	-	-	-	-	-	125,000	-	-	-
Total outstanding debt	\$ 356,370	\$ 375,305	\$ 395,715	\$ 421,735	\$ 445,660	\$ 420,820	\$ 248,406	\$ 134,397	\$ 146,620	\$ 157,540
General Bonded Debt Ratios										
Per Capita	\$ 136.16	\$ 145.03	\$ 155.95	\$ 162.89	\$ 169.08	\$ 156.47	\$ 26.25	\$ 27.50	\$ 28.68	\$ 29.93
Per FTSE	6,799	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	0.20%	0.22%	0.23%	0.24%	0.23%	0.21%	0.04%	0.04%	0.05%	0.05%
Total Outstanding Debt Ratios										
Per Capita	\$ 143.12	\$ 152.95	\$ 165.85	\$ 177.20	\$ 178.78	\$ 170.30	\$ 101.32	\$ 56.92	\$ 61.53	\$ 68.33
Per FTSE	7,146	7,284	7,563	7,904	8,334	8,883	5,680	3,126	3,520	3,669
As a percentage of Taxable Assessed Value	0.21%	0.23%	0.25%	0.26%	0.26%	0.24%	0.15%	0.09%	0.10%	0.12%

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

Source: District Business Affairs

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

	For the Fiscal Year Ended August 31 (In Thousands)									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Taxable Assessed Value	\$ 171,740,620	\$ 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
General Bonded Debt										
Statutory Tax Levy Limit for Debt Service	\$ 858,703	\$ 824,538	\$ 807,114	\$ 816,196	\$ 863,378	\$ 889,516	\$ 832,813	\$ 762,637	\$ 710,998	\$ 675,049
Less: Funds Restricted for Payment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	858,703	824,538	807,114	816,196	863,378	889,516	832,813	762,637	710,998	675,049
Current Year Debt Service Requirements	33,560	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	\$ 825,143	\$ 790,981	\$ 773,551	\$ 782,640	\$ 835,862	\$ 866,519	\$ 825,350	\$ 757,333	\$ 705,697	\$ 671,841
Net Current Requirements as a % of Statutory Limit	3.91%	4.07%	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	
2014	\$ 35,781	\$ 847	\$ 2,677	\$ 250	\$ 2,008	\$ 41,563	\$ 2,090	\$ 818	\$ 2,908	14.29
2013	34,624	914	2,594	250	2,194	40,576	2,025	900	2,925	13.87
2012	15,059	869	2,701	250	1,693	20,572	4,145	1,005	5,150	3.99
2011	15,267	907	2,737	300	2,538	21,749	4,025	1,128	5,153	4.22
2010	17,942	906	2,971	400	3,938	26,157	3,940	1,240	5,180	5.05
2009	18,531	857	2,817	400	4,901	27,506	3,675	1,564	5,239	5.25
2008	15,200	897	2,729	400	6,650	25,876	3,515	1,720	5,235	4.94
2007	14,765	880	2,510	400	6,967	25,522	3,360	2,182	5,542	4.61
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

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)

Calendar Year	District Population	District Personal Income (In Thousands)	District Personal Income per Capita	District Unemployment Rate
2014	2,490,000 *	N/A	N/A	5.8%
2013	2,480,331 *	N/A	N/A	6.9%
2012	2,453,843	\$ 118,095,353	\$ 48,127	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%

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

* Estimated

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 13
PRINCIPAL EMPLOYERS
FISCAL YEARS 2005 TO 2014
(UNAUDITED)

Employer	Number of Employees								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Texas Health Resources	21,100	19,230	24,189	18,672	17,485	17,203	17,299	13,582	17,000
Bank of America	20,000	20,000	20,000	20,000	-	-	-	-	-
Dallas Independent School District	19,800	18,314	18,868	20,554	20,387	21,289	20,077	19,535	19,359
AMR Corporation	19,219	24,700	24,888	20,684	21,935	25,952	25,655	22,265	25,000
Baylor Health Resources	16,850	17,097	17,097	19,677	18,000	16,000	16,000	15,065	14,572
Lockheed Martin Aeronautics Co.	16,000	14,126	15,000	14,902	14,100	14,250	14,776	15,085	15,000
JP Morgan Chase	14,500	13,500	13,500	13,000	10,000	-	-	-	-
Texas Instruments Inc.	14,000	-	-	-	-	-	-	-	-
City of Dallas	13,000	12,836	13,369	13,427	14,613	13,946	12,825	-	-
UT Southwestern Medical Center	12,100	13,122	13,053	-	-	-	-	-	-
AT&T/SBC Communications Inc.	(a)	15,800	17,500	17,482	14,400	16,600	16,200	13,300	12,500
Wal-Mart Stores, Inc.	(a)	(a)	(a)	34,698	37,100	35,700	33,500	31,700	29,237
Raytheon Co.	-	-	-	-	-	-	-	16,250	16,250
Verizon Communications Inc.	-	-	-	-	14,000	14,000	13,800	13,500	15,900
Albertson's Inc.	-	-	-	-	-	-	-	-	12,240
US Postal Service	-	-	-	-	-	12,993	13,328	14,939	-
Total Top Ten	166,569	168,725	177,464	193,096	182,020	187,933	183,460	175,221	177,058

Employer	Percentage of Total Employment								
	2014	2013	2012	2011	2010	2009	2008	2007	2006
Texas Health Resources	0.66%	0.61%	0.78%	0.62%	0.58%	0.59%	0.58%	0.46%	0.58%
Bank of America	0.62%	0.64%	0.64%	0.66%	0.00%	0.00%	0.00%	0.00%	0.00%
Dallas Independent School District	0.62%	0.58%	0.61%	0.68%	0.68%	0.72%	0.68%	0.66%	0.66%
AMR Corporation	0.60%	0.79%	0.80%	0.68%	0.73%	0.88%	0.87%	0.75%	0.86%
Baylor Health Resources	0.53%	0.55%	0.55%	0.65%	0.60%	0.54%	0.54%	0.51%	0.50%
Lockheed Martin Aeronautics Co.	0.50%	0.45%	0.48%	0.49%	0.47%	0.48%	0.50%	0.51%	0.51%
JP Morgan Chase	0.45%	0.43%	0.43%	0.43%	0.33%	0.00%	0.00%	0.00%	0.00%
Texas Instruments Inc.	0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City of Dallas	0.41%	0.41%	0.43%	0.44%	0.49%	0.47%	0.43%	0.00%	0.00%
UT Southwestern Medical Center	0.38%	0.42%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AT&T/SBC Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Stores, Inc.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Raytheon Co.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%	0.56%
Verizon Communications Inc.	0.00%	0.00%	0.00%	0.00%	0.47%	0.48%	0.47%	0.46%	0.54%
Albertson's Inc.	5.19%	4.88%	5.15%	4.63%	4.35%	4.17%	4.07%	3.92%	4.21%
US Postal Service	-	-	-	-	-	-	-	-	-
Total Employment	3,207,300	3,135,000	3,106,034	3,029,960	2,992,091	2,939,247	2,964,768	2,951,995	2,923,354

Source:
FY 2006: Greater Dallas Chamber of Commerce
FY2007-2014: 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									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Faculty										
Full-Time	866	842	792	765	763	765	733	699	725	736
Part-Time	2,390	2,425	2,349	2,413	2,440	2,335	2,254	2,384	2,608	2,855
Total	3,256	3,267	3,141	3,178	3,203	3,100	2,987	3,083	3,333	3,591
Percent										
Full-Time	26.6%	25.8%	25.2%	24.1%	23.8%	24.7%	24.5%	22.7%	21.8%	20.5%
Part-Time	73.4%	74.2%	74.8%	75.9%	76.2%	75.3%	75.5%	77.3%	78.2%	79.5%
Staff and Administrators										
Full-Time	2,343	2,290	2,235	2,196	2,472	2,426	2,284	2,193	2,177	2,174
Part-Time	1,527	1,507	1,582	1,373	1,555	1,655	1,516	1,463	1,449	1,736
Total	3,870	3,797	3,817	3,569	4,027	4,081	3,800	3,656	3,626	3,910
Percent										
Full-Time	60.5%	60.3%	58.6%	61.5%	61.4%	59.4%	60.1%	60.0%	60.0%	55.6%
Part-Time	39.5%	39.7%	41.4%	38.5%	38.6%	40.6%	39.9%	40.0%	40.0%	44.4%
Total Employees										
Full-Time	3,209	3,132	3,027	2,961	3,235	3,191	3,017	2,892	2,902	2,910
Part-Time	3,917	3,932	3,931	3,786	3,995	3,990	3,770	3,847	4,057	4,591
Total	7,126	7,064	6,958	6,747	7,230	7,181	6,787	6,739	6,959	7,501
Percent										
Full-Time	45.0%	44.3%	43.5%	43.9%	44.7%	44.4%	44.5%	42.9%	41.7%	38.8%
Part-Time	55.0%	55.7%	56.5%	56.1%	55.3%	55.6%	55.5%	57.1%	58.3%	61.2%
FTSE per Full-Time Faculty	57.6	61.2	66.1	69.9	70.1	61.9	59.7	61.5	57.4	58.3
FTSE per Full-Time Staff Member	21.3	22.5	23.4	24.4	21.6	19.5	19.1	19.6	19.1	19.7
Average Annual Faculty Salary	\$ 80,255	\$ 77,287	\$ 72,903	\$ 80,212	\$ 79,623	\$ 75,532	\$ 74,931	\$ 76,186	\$ 71,042	\$ 68,366

Source: District Business Affairs

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

	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	47,139	54.51%	49,371	55.18%	53,206	55.82%	47,351	53.10%	45,566	53.86%
Male	39,339	45.49%	40,101	44.82%	42,118	44.18%	41,816	46.90%	39,042	46.14%
Total	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%

	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	21,652	25.04%	24,898	27.83%	28,319	29.71%	28,251	31.68%	27,621	32.65%
Hispanic	29,766	34.42%	25,088	28.04%	27,643	29.00%	25,834	28.97%	23,294	27.53%
African American	19,535	22.59%	21,008	23.48%	23,314	24.46%	20,312	22.78%	18,508	21.87%
Asian	5,397	6.24%	5,749	6.43%	7,993	8.38%	7,893	8.85%	5,726	6.77%
Foreign	3,915	4.53%	3,990	4.46%	1,035	1.09%	1,109	1.25%	4,469	5.28%
Native American	318	0.37%	415	0.46%	542	0.57%	412	0.46%	391	0.46%
Other	5,895	6.81%	8,324	9.30%	6,478	6.79%	5,356	6.01%	4,599	5.44%
Total	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%

	Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	7,365	8.52%	6,542	7.31%	7,664	8.04%	4,681	5.25%	4,264	5.04%
18-21	27,746	32.08%	29,527	33.00%	28,616	30.02%	26,518	29.74%	25,797	30.49%
22-24	11,653	13.48%	12,362	13.82%	12,182	12.78%	11,940	13.39%	11,439	13.52%
25-30	12,152	14.05%	14,608	16.33%	15,233	15.98%	15,034	16.86%	14,003	16.55%
31-35	8,333	9.64%	7,910	8.84%	8,483	8.90%	8,444	9.47%	8,029	9.49%
36-50	13,996	16.18%	13,283	14.84%	15,584	16.35%	15,907	17.84%	14,823	17.52%
51 and over	5,233	6.05%	5,240	5.86%	7,562	7.93%	6,643	7.45%	6,253	7.39%
Total	86,478	100.00%	89,472	100.00%	95,324	100.00%	89,167	100.00%	84,608	100.00%

Average Age	26	29	29	29	29
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Source: District Business Affairs

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2012 FALL STUDENTS AS OF FALL 2013
(UNAUDITED) (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	2503	397	341	3,241	18.71%
2 University of Texas - Dallas	2250	374	219	2,843	16.41%
3 University of North Texas	2206	378	160	2,744	15.84%
4 Texas Woman's University	1224	225	116	1,565	9.03%
5 Texas A&M University - College Station	987	117	38	1,142	6.59%
6 University of Texas - Austin	972	135	34	1,141	6.59%
7 University of North Texas - Dallas	685	141	54	880	5.08%
8 Texas A&M University - Commerce	553	140	53	746	4.31%
9 Texas Tech University	640	66	28	734	4.24%
10 Texas State University	318	31	15	364	2.10%
11 Stephen F. Austin State University	269	47	16	332	1.92%
12 Sam Houston State University	161	36	1	198	1.14%
13 Tarleton State University	124	38	4	166	0.96%
14 Midwestern State University	107	27	23	157	0.91%
15 University of Houston	114	17	4	135	0.78%
16 Prairie View A&M University	103	20	5	128	0.74%
17 University of Texas - Tyler	68	9	8	85	0.49%
18 Texas Tech University Health Science Center	54	9	3	66	0.38%
19 University of Texas - San Antonio	52	8	6	66	0.38%
20 Texas Southern University	52	8	3	63	0.36%
21 University of Texas - Permian Basin	36	12	8	56	0.32%
22 West Texas A&M University	28	14	7	49	0.28%
23 University of North Texas Health Science Center - Forth Worth	38	5	1	44	0.25%
24 University of Texas Medical Branch Galveston	25	2	12	39	0.23%
25 Texas A&M University - Corpus Christi	36	2	0	38	0.22%

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2012 FALL STUDENTS AS OF FALL 2013
(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
26 Lamar University Institute of Technology	31	6	0	37	0.21%
27 Angelo State University	25	7	4	36	0.21%
28 University of Texas - El Paso	29	4	1	34	0.20%
29 Texas A&M University System Health Science Center	27	4	1	32	0.18%
30 University of Texas Health Science Center - San Antonio	21	5	0	26	0.15%
31 Texas A&M University - Galveston	21	0	0	21	0.12%
32 University of Texas - Brownsville	9	9	0	18	0.10%
33 University of Texas Southwestern Medical Center - Dallas	14	3	1	18	0.10%
34 Sul Ross State University	12	1	2	15	0.09%
35 Texas A&M University -Texarkana	10	2	0	12	0.07%
36 University of Houston - Victoria	7	5	0	12	0.07%
37 University of Texas Health Science Center - Houston	7	5	0	12	0.07%
38 University of Houston - Downtown	3	1	3	7	0.04%
39 University of Texas - Pan American	5	1	0	6	0.04%
40 Texas A&M International University	4	0	1	5	0.03%
41 Texas A&M University - Kingsville	4	1	0	5	0.03%
42 Texas A&M University - San Antonio	0	1	1	2	0.01%
43 University of Houston - Clear Lake	2	0	0	2	0.01%
44 University of Texas M.D Anderson Cancer Center	1	1	0	2	0.01%
Totals	13,837	2,314	1,173	17,324	100.00%

Source: THECB "Students Pursuing Additional Education" report for Academic Year 2012-13

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
FISCAL YEARS 2005 TO 2014
(UNAUDITED)

	Fiscal Year									
	<u>2014</u>	<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>
Academic buildings	89	89	89	89	89	84	69	67	67	67
Square footage	3,847,370	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
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765	222,765
Number of volumes	420,505	420,505	420,505	432,076	433,212	438,488	441,895	446,346	529,952	504,977
Administrative and support buildings						8	8	7	7	7
Square footage	326,215	326,215	326,215	326,215	326,215	326,215	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	43	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	22	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	36	39	39	28	22	21	24	23
Light trucks/vans	79	79	79	88	88	84	77	76	80	75
Buses	8	8	8	10	10	9	9	7	6	7
Total Square Footage	4,714,801	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

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2014.

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

We noted certain matter that we reported to management of the District in a separate letter dated November 25, 2014.

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, 2014, no instance of non-compliance with the Act was 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
November 25, 2014



**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, 2014. 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, *OMB Circular A-133* and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal and state program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 the 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.

McConnell & Sons LLP

Houston, Texas
November 25, 2014

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
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)		\$ 1,556,649
College Work Study Program	84.033A (1)		685,484
Job Locator Development	84.033A (1)		72,664
PELL	84.063P (1)		88,437,379
Direct Loans	84.268 (1)		33,355,353
TRIO Cluster			
TRIO-Student Services	84.042A (2)	P042A100 - 709/253/557/753	1,067,261
TRIO-Talent Search	84.044A (2)	P044A111046	214,671
TRIO-Upward Bound	84.047A (2)	P047A-120 & 121	1,192,290
Other Direct Programs			
Strengthening Institutions - Title III	84.031A	P031A080120	36,830
HSI STEM Articulation Programs	84.031C	P031C08 & P031C11	1,561,345
Islander - Serving Institution	84.031L	P031L100010	314,724
Strengthening Institutions - Title V	84.031S	P031S050026/05	20,983
Student Success Model (Title V)	84.031S	P031S- 090114/100071	878,181
Developing HSI Title V Coop w/UNT	84.031S	P031S100113	818,459
Child Care Access	84.335A	P335A100032	40,272
Total Direct from U. S. Department of Education			130,252,545
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	134228/142034	\$ 1,719,320
Career & Technical Education Early College High Schools	84.048	13005/131104	1,087
SLDS Program	84.372A	R372A090010	10,000
			<u>1,730,407</u>
Texas Education Agency			
Title I Improving Basic Programs-RCHS	84.010A	S010A130043	5,486
Title II Teacher/Principal Training & Recruitment-RCHS	84.367A	S367A130041	1,001
			<u>6,487</u>
Del Mar College			
Title I State Leadership - TSSB Recognized Skill	84.048	11667	6,000
Region 10			
Perkins Basic Formula	84.048A	V048A130043	1,370
Total Pass-Through Other Agencies			1,744,264
Total U. S. Department of Education			131,996,809

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
SCHEDULE E
(CONTINUED)

U.S. Department of Agriculture

Pass-Through From:

Sul Ross State University

Tex Prep	10.223	2007-38422-18081	\$	(2,250)
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Texas Workforce Commission

Apprenticeship Training Program	10.561(3)	0613ATP000	\$	18
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Apprenticeship Training Program	10.561(3)	0614ATP000	24,776	
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24,794

Total U.S. Department of Agriculture

22,544

U. S. Department of Commerce

Direct Programs:

Malcolm Baldrige Nat'l Quality Award

Outreach Activities	11.013	60NANB11D134		9,028
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Total U. S. Department of Commerce

9,028

U.S. Department of Labor

Pass-Through From:

Dallas County Local Workforce Development Board

WIA Cluster:

Youth Services (OSY)	17.259 (4)	328-Out OSY-10	98,462	
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Youth Services (OSY)	17.259 (4)	RLC 3-2011	637,993	
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736,455

Texas Workforce Commission

College Credit for Heroes	17.267	2913WSW008	106,221	
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Apprenticeship Training Program	17.278 (4)	0613ATP000	71	
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Apprenticeship Training Program	17.278 (4)	0614ATP000	54,192	
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160,484

Cincinnati State Technical & Community College

Trade Adjustment Assistance CC and Career Training	17.282	TC-22486-11-60-A-39		406,118
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Total U.S. Department of Labor

1,303,057

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

**SCHEDULE E
(CONTINUED)**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
National Science Foundation			
Direct Programs:			
Advanced Technology Education	47.076	DUE-1304004	\$ 76,271
Pass-Through From:			
Collin County Community College			
CCCCD/NSF Convergence Tech	47.076	DUE-1205077	45,816
Texas A&M University			
Curriculum Pathways for Industrial Automation Careers	47.076	DUE-1304843	1,421
University of Texas at Dallas			
STEM Gateway Collaboration	47.076	DUE-0856549	161,471
Total Pass-Through Other Agencies			208,708
Total National Science Foundation			284,979
 Small Business Administration			
Direct Programs:			
Small Business Development Center:	59.037	3&4/603001-Z-0046-24	2,583,399
Jobs Act Program	59.037	1-603001-Z-0152	431,740
FAST	59.058	SBAHQ-05-B-0005	(7,803)
Total Small Business Administration			3,007,336
 U.S. Department of Defense			
Direct Program:			
Veteran's Administration Chapter 33	64.027		1,759,530
Total U.S. Department of Defense			1,759,530
 U.S. Department of Energy			
Pass-Through From:			
Texas Comptroller of Public Accounts			
Energy Sector Training Center	81.041	CM1260	6,579
Total U. S. Department of Energy			6,579

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

**SCHEDULE E
(CONTINUED)**

<u>Grantor Program Name</u>	<u>CFDA</u>	<u>Grant #</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services			
Pass-Through From:			
University of Texas at Austin			
Substance Abuse & Mental Health	93.243	UTA12-001079	\$ 21,781
Texas Workforce Commission			
SSF Partnership with Business Consortium	93.558 (5)	0613SSF000	\$ 275,815
STEM Exploration Program	93.558 (5)	0614TAN002	36,728
Apprenticeship Training Program	93.558 (5)	0613ATP000	14
Apprenticeship Training Program	93.558 (5)	0614ATP000	32,890
HIS Bridge Builders	93.721	0612SSF000	118,677
			464,124
Dallas County Local Workforce Development Board			
Child Care Professional Development	93.575	CCO 1-2013	64,749
			550,654
Total Department of Health & Human Services:			
U. S. Corporation for National and Community Service			
MLK Collegiate Challenge	94.007	PG14-67790-10	1,000
			1,000
Total Corporation for National and Community Service			
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 138,941,516

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

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

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
 SCHEDULE F

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Texas Grant Program		\$ 3,860,916
Texas Education Opportunity Grant		1,826,782
Texas College Work Study		239,705
Top 10% Scholarship Program		57,500
5th Year Accounting		5,244
T-STEM Challenge Scholarship	11268	200,322
College for All Texans - G Force	10862, 11829/31/32/39	92,185
Nursing & Allied Health	13039	476
Nursing Shortage Reduction Program	NSRP FY2010-11 Under 70	354,574
Nursing Shortage Reduction Program	ProNurSho07	133
Total Texas Higher Education Coordinating Board		6,637,837

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014
SCHEDULE F
(CONTINUED)**

<u>State Agency/ Program Name</u>	<u>Grant #</u>	<u>Expenditures</u>
Texas Education Agency		
Dropout Recovery Performance Pay	11145587110018	\$ 11,893
Texas Workforce Commission		
Skills Development Funds - cluster		
Solar Turbines	0611SDF001	(7,509)
Construction Consortium	0612SDF000	83,222
SDF Technology	0612SDF001	15,362
AT&T Services	0612SDF002	1,522,611
Advanced Improvement Manufacturing	0612SDF003	94,540
DMCA Manufacturing	0612SDF004	85,690
Manufacturing	0612SDF005	10,773
Aviall Services	0613SDF000	209,031
AMX Environmental	0613SDF001	206,146
Training	0613SDF002	309,057
Versacom Training	0613SDF003	18,475
GEMS Skills Development	0613SDF004	820,044
Mentor Worldwide	0613SDF005	413,180
Manufacturing	0614SDF000	180,046
Logistics Consortium	0614SDF001	52,048
Fresh Express	0614SDF002	4,441
Manufacturing Consortium	0614SDF004	5,833
Total Skills Development Funds (1)		4,022,990
Apprenticeship Training Program	0613ATP000	113
Apprenticeship Training Program	0614ATP000	114,472
Total Apprenticeship Training Funds		114,585
Skills for Small Businesses	0614SSD000	15,225
Total Texas Workforce Commission		4,152,800
TOTAL EXPENDITURES OF STATE AWARDS		\$ 10,802,530

(1) Clustered Skills Development Programs

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

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

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 (DCCCD) using the accrual basis. The reporting entity and significant accounting policies of DCCCD is defined in the Notes to the Financial Statements. 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 DCCCD's fiscal year ended August 31, 2014. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by DCCCD 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. DCCCD 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 DCCCD for the fiscal year ended August 31, 2014, as follows:

	Federal	State
Total revenues per Schedule A	\$ 14,937,227	\$ 9,662,489
Federal revenue, non-operating per Exhibit 2	86,928,896	-
Federal direct student loans	33,355,353	-
Fall tuition-related grants deferred to next fiscal year	3,720,040	1,140,041
Total expenditures for federal/state awards	\$ 138,941,516	\$ 10,802,530

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

4. AMOUNTS PASSED THROUGH TO OTHERS

Amounts Passed Through by DCCCD – Federal:

The following amounts were passed through to the listed sub-recipients by DCCCD. These amounts were funded by the Small Business Administration for the North Texas Small Business Development Center, CFDA 59.037. (Award 4-603001-Z-0046, 3-603001-Z-0046, 3-603001-Z-0046C and 2-603001-Z-0046C)

Collin College	\$ 232,867
Grayson College	91,085
Kilgore College	207,513
McLennan Community College	134,910
Navarro College	95,047
North Central Texas College	87,412
Northeast Texas Community College	61,970
Paris Junior College	118,877
Tarrant County College	222,962
Trinity Valley Community College	79,913
Tyler Junior College	71,126
UTA Enterprise Excellence	4,279
	\$ 1,407,961

The following amounts were passed through to the listed sub-recipients by DCCCD. 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	\$ 31,300
Navarro College	32,327
North Central Texas College	17,664
Northeast Texas Community College	29,177
Tarrant County College	66,995
Trinity Valley Community College	30,217
Tyler Junior College	8,090
	\$ 215,770

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

Amounts Passed Through by DCCCD – State:

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

Collin College	\$ (9,824)
Grayson College	78,434
Kilgore College	78,087
McLennan Community College	89,090
Navarro College	72,055
North Central Texas College	65,669
Northeast Texas Community College	82,306
Paris Junior College	36,380
Trinity Valley Community College	74,353
Tyler Junior College	67,557
UTA Enterprise Excellence	19,941
	<u>\$ 654,048</u>

The following amounts were passed through to the listed sub-recipients by DCCCD. These amounts were funded by Texas Workforce Commission.

Inspiring Tomorrow's Leaders (0613SSF000)	\$ 43,429
HIS Bridgebuilders (0612SSF000)	118,677
	<u>\$ 162,106</u>
Total	<u>\$ 2,439,885</u>

**DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2014**

5. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Although Federal 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 2014 fiscal year are \$105,586,163.

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	\$ 33,355,353	-	\$ 33,355,353

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 DCCCD 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, 2014**

PART 1 – SUMMARY OF AUDITORS' RESULTS

Financial Statement Section

- | | |
|---|---------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a) Material weaknesses 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 and State Awards Section

- | | |
|---|---------------|
| 1. Internal control over major programs: | |
| a) Material weaknesses 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? | Yes |
| 4. Identification of major programs: | |

<u>Federal CFDA Number</u>	<u>Name of Federal Program</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.031	Higher Education Institutional Aid
17.259 17.278	WIA Cluster
17.267	Incentive Grants WIA Section 503
59.037	Small Business Development Centers
64.027	Post 9/11 Veterans Educational Assistance
93.558	Temporary Assistance for Needy Families

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014**

<u>State Program Number</u>	<u>Name of State Program</u>
NA	Texas Grant
NA	Apprentice Training Program

5. Dollar threshold used to distinguish between type A and type B programs:
- | | |
|------------------|------------|
| Federal programs | \$ 445,020 |
| State programs | \$ 324,076 |
6. Auditee qualified as low-risk auditee under OMB Circular A-133, Section 530?
- Yes

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014**

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*.

No findings were noted.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014**

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

SMALL BUSINESS ADMINISTRATION (SBA)

Small Business Development Centers: CFDA #59.037

Grant Awards: SBAHQ-14-B-0018

College Affected: El Centro (Bill J Priest)

Type of Compliance: Reporting

Finding No. 2014-001:

Criteria: In accordance with the provisions of the grant agreement number SBAHQ-14-B-0018, dated December 12, 2013, the District is required to submit its first semi-annual performance report for the period October 17, 2013 through March 30, 2014 to the grantor agency on April 30, 2014.

Statement of Condition: The District submitted its first semi-annual performance report to the grantor agency on August 19, 2014, three months after the required deadline.

Questioned Costs: None

Perspective Information: A sample of two quarterly financial reports for each of the two grants under the program which were submitted to the grantor agency was selected for our testwork on financial reporting requirements. In addition, we selected one (1) semi-annual performance report for each of the two programs submitted to the grantor agency. The results of our test disclosed an instance of noncompliance with the reporting requirements required under the grant agreement.

Cause: Audit procedures identified the following as reasons for failure to submit the performance report within the timeline allowed under the contract agreement:

- grant personnel involvement in competing project deadlines, resulting in the College's inability to properly resolve conflicting project priorities;
- understaffing in the field centers as well as NTSBDC regional office database position.

Effect: The District did not submit its performance reports in accordance with the timeline contained in the contract agreement.

Recommendation: We recommend that the District establish procedures to ensure that reports are submitted in accordance with the provisions of the contract agreements.

Views of Responsible Officials and Planned Corrective Action: Management accepts the finding and its recommendations. The regional office has instituted a corrective action plan to include and is not limited to increasing internal control and protocols to ensure that reporting timelines are properly maintained and strictly adhered. The internal controls include strict adherence to program dates of required reporting to SBA. Additional staff hired in June 2014 addressed the issue of understaffing. The NTSBDC Associate Director will issue calendar appointments for reporting timelines. The NTSBDC Executive Director will have the appointments on his calendar and provide oversight to

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2014**

ensure the program narrative is submitted on time. To ensure all staff members are aware of the reporting deadlines, the Associate Director will include this as a topic on the staff meeting agendas.

DALLAS COUNTY COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED AUGUST 31, 2014

Prior Year Findings

There were no audit findings included in the August 31, 2013 Schedule of Findings and Questioned Costs.



**Dallas County
Community Colleges**

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