

Duncanville Independent School District

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013*



710 S. Cedar Ridge Drive
Duncanville, Texas 75137
www.duncanvilleisd.org

Duncanville Independent School District

Duncanville, Texas



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013

Prepared by:

Ronald Kuehler, Chief Financial and Operations Officer

Stefani Pudgurney, Director of Accounting

**Duncanville Independent School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2013
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INTRODUCTORY SECTION



Duncanville Independent School District
710 S. Cedar Ridge Drive
Duncanville, Texas 75137

June 30, 2013

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

To the Citizens and Board of Trustees of the Duncanville Independent School District:

The CAFR of the Duncanville Independent School District (the District) for the fiscal year ended June 30, 2013, is hereby submitted. The report includes the unqualified opinion of our independent auditors, Hankins, Eastup, Deaton, Tonn and Seay, P.C. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respect; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report includes all funds of the District. The CAFR for the year end June 30, 2013, is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. The CAFR also adheres to guidelines recommended by the Government Finance Officers Association of the United State and Canada (GFOA) and the Association of School Business Officials International (ASBO).

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A is intended to give the reader an easy-to-understand overview of the school district's financial position and results of operations for the year. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

The remainder of this transmittal highlights the governance structure, the mission, the accomplishments and initiatives, the economic conditions and outlook, and the financial activities of the District.

Copies of this report will be provided to the city library, Moody's Investment Service, Fitch Investor Service, Standard and Poor's and any other interested parties.

PROFILE OF THE DISTRICT

As its mission states, Duncanville Independent School District provides each individual student with the necessary skills to achieve lifelong success and contribute to a global society.

District Core Beliefs

Purposeful Engagement	Is the most effective long-term way to learn and is our primary responsibility.
Quality Teachers	Are the single most important influence on the quality of learning.
Collaboration & Continuous Improvement	We are a learning organization with a culture of continuous improvement and collaboration.
Valuing Each Individual	Each person is unique and of infinite value; therefore, we embrace and celebrate diversity.
Schools Impacting Community	Quality schools encourage and sustain quality of life, freedom, democracy, and economic growth

General Education

The District provides a fully comprehensive instructional program in grades K-12 with a pre-kindergarten program. The District is committed to quality schools that encourage and sustain quality of life, freedom, democracy, and economic growth. In addition to the regular curriculum, the District provides a comprehensive Career and Technology Education (CTE) program in several areas:

- Agriculture, Food and Natural Resources
- Architecture and Construction
- Arts, A/V Technology and Communications
- Business Management and Administration
- Education and Training
- Finance
- Health Science
- Hospitality and Tourism
- Human Services
- Information Technology
- Marketing
- Manufacturing
- Science, Technology, Engineering and Mathematics
- Transportation, Distribution and Logistics

All students can succeed in a lifetime of success and excellence by exploring career options and make wise decisions about how best to follow a field of interest. The students participate in field trips, earn dual credit for college, receive certification in certain areas, and are placed in internships, clinical rotations, and co-operative education training placements in businesses related to their career interest. Students apply during their 9th grade year and are selected according to the criteria of grades, attendance records, essays and teacher recommendations. Approximately twenty-seven percent of students in grades 10-12 are enrolled in one or more CTE courses. Starting with the 2012-2013 school year, the 8th grade students will be able to apply for CTE for their 9th grade year.

The District has other programs such as Gifted & Talented Education (GATE) Program which is designed to meet the diverse and unique needs of the gifted population. The GATE curriculum is designed to be a springboard to learning through interdisciplinary themes and higher-level thinking skills that will incorporate the four core areas of language arts, mathematics, social studies, and science. Gifted and Talented students will be offered learning opportunities designed to enrich and stimulate thinking skills, maximize intellectual and artistic growth, promote creativity, and expand leadership abilities to prepare the student for lifelong success. GATE is a K-12 program in the District.

The District offers Bilingual Education for Limited English Proficiency (LEP) students whose native language is Spanish in grades PK through 6th. The goal of our bilingual education program is to enable with limited English proficiency to become competent in comprehension, speaking, reading, and composition of the English language through the development of literacy and academic skills in the primary language and English. The district also offers a Transitional/Early exit program model. Students are instructed in their primary language to establish a strong foundation that will lead to successful transition into English. The child's language of instruction in English gradually increases as he/she gains proficiency according to the state's English Language Proficiency Standards. This program also offers English as a Second Language (ESL) to LEP students who speak other languages in grades PK through 6th as well as for all LEP students in grades 7th through 12th. The goal of our ESL language program shall be to enable limited English proficient students to become competent in the comprehension, speaking, reading, and composition of the English language through the integrated use of second language methods.

The District provides Special Education Program, a comprehensive educational program with complete educational opportunities essential to the full intellectual and social development of students with disabilities between the ages of 3 and 21. The needs of such students require resources and assistance beyond those available within the regular classroom. The District believes in educating students in the least restrictive environment. A full continuum of instructional and related services is available to eligible students, with initial consideration given to provision of services in the general education classroom to the greatest extent possible. The emphasis will be on flexibility, with an individually tailored education to be provided on campus and/or within a centralized program to address communication, cognitive, developmental, socio/emotional, physical, and/or medical challenges. The District's goal is to assist students in developing skills that will enable them to participate successfully in society by improving outcomes, both in learning and social situations.

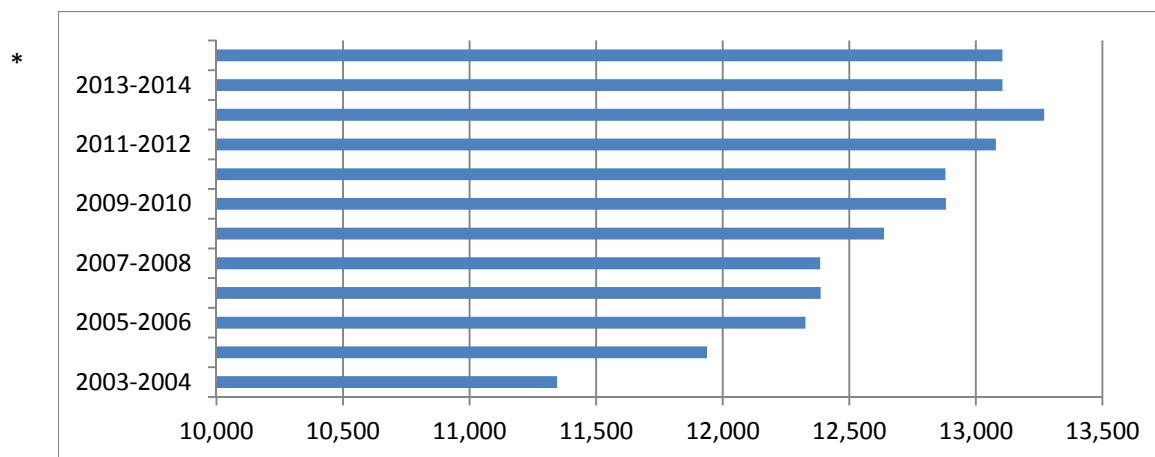
DESCRIPTION OF THE ENTITY

The Duncanville Independent School District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees, elected at large to staggered three-year terms by the District's residents, autonomously governs the District. The Board is the level of government which has oversight responsibility and control over all activities related to public school education within the District. Dallas County Tax Office and Dallas County Appraisal District are used to place a value on the property and collect the District's portion of taxes. The District receives funding from local, state and federal governments sources and must comply with all the requirements of these funding sources entities.

There are has two charter schools, A.W. Brown Charter School and Harmony Nature School in the District that their primary source of funding comes through tuition and the Foundation School Program (FSP) which is based on the number and types of students attending school (what the agency calls average daily attendance [ADA]). Schools that choose to provide transportation to students receive additional state funds. Charter schools are not entitled to participate in the Instructional Facilities Allotment program or the Existing Debt Allotment program.

The Texas Education Agency and Southern Association of Colleges and Schools provide the District's K-12 education accreditation. The District is home to approximately 60,000 residents within an area of 29.4 square miles and serves four communities, the entire city of Duncanville and portions of Dallas, Cedar Hill, and Desoto. Enrollment in the District's eighteen campuses, these include nine elementary, three intermediate and three middle schools, one high school, and two alternative campuses, was 13,105 for the 2013-2014 fiscal year, of which 31% were enrolled at the high school level, 15% at the middle school level and 53% at the elementary level. The projected K-12 enrollment for 2014-2015 is 13,105.

Student Enrollment
(* estimated based on district information)



The District has an extensive Internet website with individual home pages for all departments and campuses. At <http://www.duncanvilleisd.org/> families can locate a wealth of information, including a School Finder package that identifies the schools which serve their addresses.

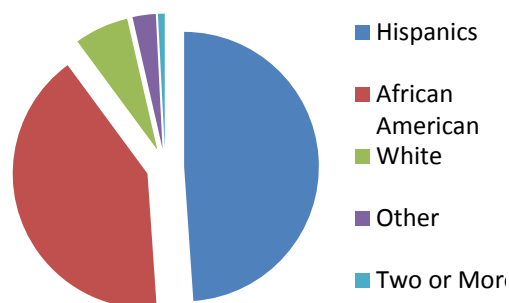
The class of 1936 was the first class to graduate from a fully-accredited school in Duncanville. Since the first class left Duncanville ISD as graduates, the community has evolved and changed in the past 76 years. Since the first building in 1936 we have continue to build school buildings up to the last construction project in 2005. Currently, a culturally and ethnically diverse population offers the benefit of a "real world setting" to the patrons of the District. By embracing change and progress, Duncanville schools represent the ideal environment for families who place education as a top priority in their lives and the lives of their children.

The economy is the cause of the slowdown in the enrollment of the Duncanville District, the home building industry in particular. The 2012-2013 snapshot enrollment of 13,270 represents a 191-student increase from the final enrollment of 2011-2012, a 1.02% gain. Possibly this is continuing to be on an upswing from the gain of only 1-student from the 2009-2010 year.

Statistics

Student Demographics

Hispanics – 48.9%
 African American – 41.0%
 White – 6.5%
 Other – 2.80%
 Two or more - .80%
 Economically Disadvantaged – 72.70%
 Limited English Proficient – 14.80%
 Students w/Disciplinary Placements – 4.40%
 At Risk – 54.20%



Staff Demographics

Teachers – 46.0%
 Professional Support – 8.1%
 School Leadership – 3%
 Central Administration – 1.4%
 Educational Staff – 8.0%
 Auxiliary Staff – 33.40%

State of Texas Assessments of Academic Readiness

The State of Texas Assessments of Academic Readiness (STAAR) assessment replaced the Texas Assessment of Knowledge and Skills (TAKS), beginning in the 2011-2012 school year. Students in the graduating Class of 2015, who are currently in seventh grade, will be the first students who must meet the end-of-course testing requirements, as well as pass their classes, in order to earn a diploma.

STAAR will be used for the twelve (12) end-of-course assessments mandated by SB 1031 in 2007 and the new grade 3-8 assessments mandated by HB 3 in the 2009 legislative session. The new tests are significantly more rigorous than previous tests and will measure a child's performance as well as academic growth.

All District Grades Tested	Reading		Math		Social Studies		Science	
	2012	2013	2012	2013	2012	2013	2012	2013
All Students	92%	90%	79%	78%	91%	94%	72%	74%
African Amer.	75%	74%	63%	64%	75%	68%	73%	71%
Hispanic	79%	77%	70%	72%	74%	71%	73%	73%
White	86%	84%	81%	82%	89%	84%	87%	88%
Econ Disadv.	75%	73%	65%	67%	68%	73%	71%	70%

ECONOMIC CONDITION AND OUTLOOK

Introduction

Nestled in the wooded rolling hills of southwest Dallas County, among the most attractive scenery North Texas has to offer, is the city of Duncanville in Dallas County, Texas (USA). Duncanville is a suburb of Dallas and is part of the Best Southwest area, which includes Duncanville, Cedar Hill, Desoto, and Lancaster. The 2013 population of Duncanville is 38,524 with 8% unemployment rate. The job growth is 1.20% with future job growth over the next ten years is predicted to be 34.40%. The median home value in Duncanville is \$93,000. Home appreciation is 5.5% over the last year. The median age of Duncanville real estate is 35 year. Renters make up 28.33% of the Duncanville population. 2.96% of houses and apartments in Duncanville are unoccupied. Overall cost of living in Duncanville is 87% compared to the United States average. Economic development activities in Duncanville over the last 5-7 years indicate that our community remains on a slow rise. New businesses have starting coming to the area.

Local Economy/Access

Duncanville provides businesses with a mature transportation infrastructure and convenient access to major freeways, railways and airports. Duncanville is literally minutes from Love Field (Southwest Airlines main hub), and DFW International Airport (American Airlines headquarters and one of the largest airports in the nation) is only twenty minutes away. The city sits just west of I-35, a primary north & south highway in the center of Dallas county, while Interstate 20 crosses the north side of the city and Highway 67 runs through the east side. By providing companies with multiple means of access, Duncanville offers convenient and cost effective business opportunities at local, regional, national and international levels. The Duncanville Community & Economic Development Corporation (CEDC) continues to successfully recruit and retain dozens of businesses and further beautify this thriving city. In November 2005 the City broke ground on a 28 plus acre mixed use development that will consist of retail space, a financial institution, quality multi-family residential units, walking trails, fountains, and a five acre city park. This project generates annual retail sales of \$23,000,000 and annual sales tax revenues of \$448,000.00 and creating hundreds of jobs.

An example of a long-lasting sense of community spirit is the magical Kidsville playground. Over 5,000 citizens made it a reality by donating 36,000 hours of volunteer time, while Duncanville ISD students collected money for the project and local retailers supplied equipment, tools and materials. Attracting kids of all ages, it is still one of the largest volunteer-built creative wooden playgrounds in the United States, and is a monument to the community spirit of Duncanville.

In the fall of 2005, the City of Duncanville celebrated the opening of the Hilton Garden Inn Hotel and Banquet facility, an endeavor that city leaders worked toward for nearly a decade. The Community & Economic Development Corporation played a vital role in attracting this quality facility. Since opening, the Hilton reports record business and incredible success. Additionally, the City celebrated the opening of Costco in the summer of 2006.

Duncanville is next door to several exciting North Texas attractions. The Cedar Ridge Preserve (formerly Dallas Nature Center) is a 360-acre park that offers seven miles of hiking trails for enjoying scenic views, native trees, wildflowers, butterflies, birds, insects and other wildlife. Joe Pool Lake and Cedar Hill State Park, encompassing 30,000 acres, create a boating and fishing paradise encircled by mountain bike and walking trails. The Penn Farm Agricultural History Center located within the park shows the evolution of buildings constructed by the Penn family as they updated their farm with modern conveniences. Art from other cultures comes to life in the renowned International Museum of Cultures on the campus of the International Linguistics Center. Visitors gain a greater understanding of different ways of life of the culturally diverse peoples living today.

Duncanville is just minutes away from downtown Dallas, the Arts District, the new \$185,000,000 Perot Museum of Nature and Science, Klyde Warren Park over Woodall Rodgers, one of the few parks in the United States that is over a highway, the Meyerson Symphony Center, the American Airlines Arena (home of the Dallas Stars and Dallas Mavericks), AT&T Stadium in Arlington (home of the Dallas Cowboys), and the Ballpark in Arlington (home of the Texas Rangers).

Duncanville ISD has 7 facilities ranging in age from 0 – 25 years old, 13 facilities from 25 – 50 years old and 4 facilities that are 50 or more years old. In addition to educational facilities provided by Duncanville Independent School District, the city of Duncanville also offers many quality childcare centers. There are seventeen institutions of higher education in Dallas County, including Southern Methodist University, University of Texas at Dallas, University of North Texas System Center at Dallas, and the Dallas County Community College District.

FINANCIAL POLICIES

Internal and Budgetary Controls the management of the District follows certain methods and procedures of accounting for revenues and disbursements as required by Texas Education Code. These methods and procedures are outlined by TEA Financial Accountability System Resources Guide. The business and purchasing operations of the District are under the direction of the Chief Financial and Operations Officer.

The District contracts with PrologicTEAMS for computer services, which record all revenues realized and all expenditures made during the fiscal year. The records include a statement showing total receipts from each fund, itemized according to source; total disbursements, itemized according to the nature of expenditures; and the balance on hand in each fund. The records are kept in the business office under the direction of the Chief Financial and Operations Officer.

The annual operating budget is a site-based decision making process. This process is designed to allow schools and central office departments to plan future operations in a manner which best serves the needs of students. Each principal/director works with a total appropriation. Individual allocations will be determined at the campus level and site-based shared decision-making requires input from the faculty.

Change in Fiscal Year

The District changed their fiscal year in 2013 to start July 1st. The change of fiscal year was approved by the Board under consideration of the House Bill (HB) 98 of the 76th Legislature (1999) which approved an option that allows Districts to change the start date for their fiscal year for financial management activities. According to HB 98, school districts may choose a fiscal year that begins on either July 1 or September 1 of each year. Previously, the District operated with a fiscal year that began September 1st through August 31st. With a change in 2013, the District operated on a 10 month budget year, before starting a new fiscal year of July 1st through June 30th.

State Funding Components

- Maintenance and Operations Tax Rate - \$1.04
- Interest and Sinking Tax Rate - \$.378
- High School Allotment – \$275 per grades 9-12 ADA
- Basic Allotment – \$4,765
- Revenue at Compressed Rate per WADA – \$5,097
- Equalized Wealth Level – \$319,500
- A guaranteed yield to \$59.97 per penny of tax effort on the first 6 cents of local option.
- A guaranteed yield to \$31.95 per penny of tax effort on the last 11 cents of local option.
- Student transportation provides additional state funds.

Long-Term Financial Planning

The District has maintained its fund balance to insure that the needed resources are available to provide for current operations and unexpected situations:

- The District has used some of the fund balance to purchase an older building in the City of Duncanville to renovate and combine the occupants of the Administration Building and Duncanville Education Center, and will be called The Education Plaza. Moving the employees from the Education Center to temporary locations until the completion of the Plaza has allowed PACE, one of the District's alternative campuses to move into the Education Center for 2012-2013 school year. This allowed Pace to go from 3,500 square feet to over 22,000 square feet. This was done with minor renovations which saved the District the cost of new construction. The employees in the Administration Building will be moving to the new Education Plaza before the 2013-2014 school year begins, which will free the Administration Building to add space to Merrifield Elementary School in the future.
- For the future, the District is seeking to pay off outstanding financial obligations.

- For the future, the District is seeking to pay off outstanding financial obligations.

Major Initiatives

Capital Projects The community's approval of a \$166 million bond proposal in 2001 brought much-needed changes to the district facilities. In addition to constructing two new elementary schools, through bond funding every existing campus was renovated, including the \$90 million renovation and expansion of Duncanville High School and the redevelopment of a ninth grade campus to a third middle school.

In 1998 a bond was passed for technology improvements. We are still updating today through that bond to keep Duncanville Independent School District one of the state's leaders in technology. The District maintains a fiber optic network to provide connectivity for over 7,000 computers. Our Citizens have always put the education of children first because there is a realization that children are the leaders of tomorrow.

Independent Audit

A financial audit is required annually for each school district, and is to be made on an organization-wide basis, including all fund types and account groups that are the accounting responsibility of the school district. The Board of Trustees selected the accounting firm Hankins, Eastup, Deaton, Tonn and Seay, for the 2012-2013 financial audit.

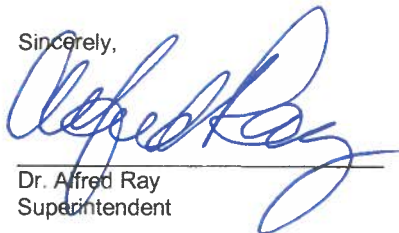
Summary of Achievements

- Senate Bill (SB) 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system called school FIRST (Financial Integrity Rating System of Texas). The District received the highest rating of Superior Achievement. This rating shows that the District's schools are accountable not only for student learning, but also for achieving those results cost effectively and efficiently. This rating is based upon an analysis of staff and student data reported for the 2010-2011 school year and budgetary and actual financial data for the fiscal year ending August 31, 2011. The District has received a Superior Achievement rating for the past nine years.
- According to the No Child Left Behind Act, school districts are required to meet the state's measurable highly qualified requirements. For the twelfth year in a row, the District has 100% of the core academic subjects taught by highly qualified teachers.
- Nine of the District's campuses earned Recognized and eight more earned Academically Acceptable as reported in Texas Education Agency's 2011 Accountability Ratings Report. The District earned an overall Academically Acceptable rating.
- The District received the Best Financial Performance by the Education Resource Group, Inc. and was ranked #1 in the state in the spring of 2011. The ranking demonstrates the district's prudent fiscal management. The District was ranked fourth in the state when the Education Resource Group's report was last released.
- The Texas Comptroller's Office awarded a Third Year Gold Award to the District for the Texas Comptroller Leadership Circle Program 2011, 2012 and 2013. This award is given to local governments across the state of Texas striving to meet a high standard for financial transparency online.
- Received the ASBO Certificate of Excellence in Financial Reporting Award for the fiscal year end of August 31, 2012.
- Received the Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting for the fiscal year end of August 31, 2012.

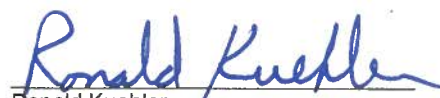
Acknowledgements

The presentation and development of this report would not be possible without the special efforts of Stefani Pudgurney – Director of Accounting, Learning Services, Human Resources and other staff members. We would also like to express our appreciation to the Board of Trustees for their interest and support regarding District financial operations.

Sincerely,



Dr. Alfred Ray
Superintendent



Ronald Kuehler
Chief Financial and Operations Officer

Duncanville Independent School District Board of Trustees



MARSHAL WESLEY
President
Place 5
Term Expires 2014



MARLIES PEREGORY
Vice-President
Place 3
Term Expires 2016



JANICE SAVAGE-MARTIN
Secretary
Place 6
Term Expires 2015



TOM KENNEDY
Place 1
Term Expires 2016



PHIL MCNEELY
Place 2
Term Expires 2016



LOUIS MCELROY
Place 4
Term Expires 2014



CARLA FAHEY
Place 7
Term Expires 2015

*Duncanville Independent School District
Administrators and Consultants*

Administrative Staff



*DR. ALFRED RAY
Superintendent of Schools*

Dr. Larry McHaney.....Deputy Superintendent of Learning Services
Dr. Max Ahmadian.....Assistant Superintendent of Accountability and Campus Effectiveness
Elizabeth Birdwell.....Chief Academic Officer
Tammy Kuykendall.....Chief Communications Officer
Ronald Kuehler.....Chief Financial and Operations Officer
Mike Chrietzberg.....Chief of Staff

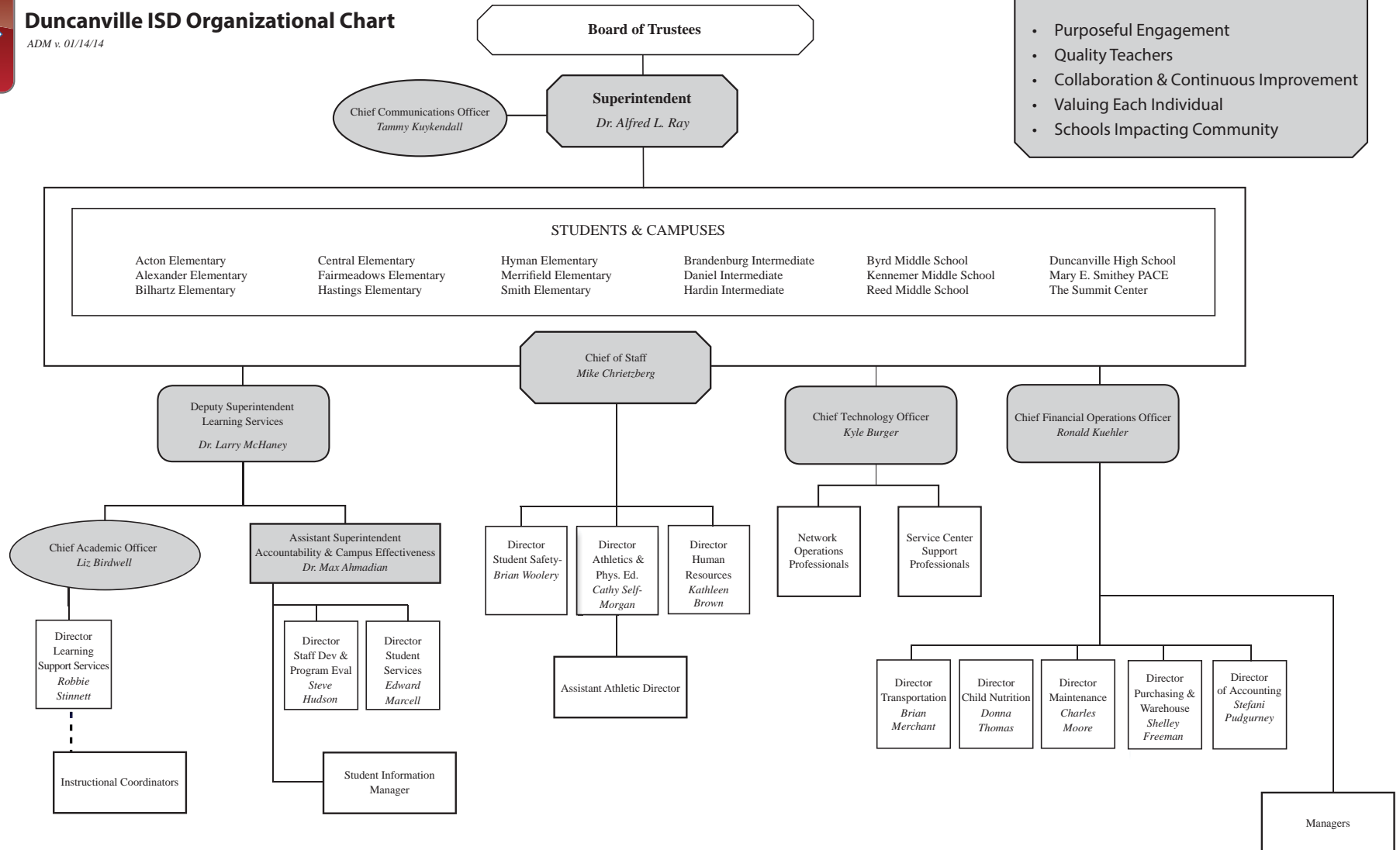
Consultants and Advisors

Hankins, Eastup, Deaton, Tonn & Seay.....Independent Auditor
Strasburger & Price.....Legal Counsel
BOSC, Inc.....Financial Advisor
McCall, Parkhurst & Horton.....Bond Counsel



Duncanville ISD Organizational Chart

ADM v. 01/14/14



District Core Beliefs:

- Purposeful Engagement
- Quality Teachers
- Collaboration & Continuous Improvement
- Valuing Each Individual
- Schools Impacting Community

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Duncanville Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Ron McCulley, CPPB, RSBO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

**Duncanville Independent
School District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

CERTIFICATE OF BOARD

Duncanville Independent School District
Name of School District

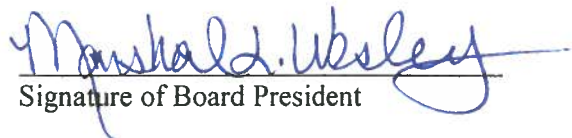
Dallas
County

057-907
Co. - Dist. Number

We, the undersigned, certify that the attached annual financial report on the above named school district was reviewed and (check one) (☒) approved (☐) disapproved for the ten months ended June 30, 2013, at a meeting of the board of school trustee of such school district on the 11th day of November, 2013.



Signature of Board Secretary



Signature of Board President

FINANCIAL SECTION

Independent Auditors' Report

To the Board of Trustees
Duncanville Independent School District
Duncanville, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District (the District), as of and for the ten months ended June 30, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the ten months then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2013 the District adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Positions*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

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 19 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Duncanville Independent School District's basic financial statements. The introductory section, other supplementary information (as described in the accompanying table of contents), required Texas Education Agency schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplementary information (as described in the accompanying table of contents), the required Texas Education Agency schedules, and the schedule of expenditures of federal 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. Such information has 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information (as described in the accompanying table of contents), the required Texas Education Agency schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2013 on our consideration of Duncanville Independent School District's internal control over financial reporting and on our test 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 Duncanville Independent School District's internal control over financial reporting and compliance.

Hankins, Eastup, Deaton, Tonn & Seay
Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 1, 2013

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE TEN MONTHS ENDED JUNE 30, 2013
(UNAUDITED)**

This section of Duncanville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the ten months ended June 30, 2013. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Texas State Legislature enacted legislation in 1999 that gives school districts the option to change their fiscal year-end to June 30. The District elected to act on this option and changed its fiscal year-end to June 30 effective with the fiscal period beginning September 1, 2012. The Annual Financial Report for the ten months ended June 30, 2013 represents data for the District's ten-month transitional fiscal period from September 1, 2012 through June 30, 2013. All financial statements and exhibits included in the Annual Financial Report have been prepared on a ten-month basis. By changing to a June 30 fiscal year-end, the District is able to align its budget, accounting, and reporting year more closely with its educational year. Annually, tax collections for the District's debt service payment due in August will be levied and collected in the fiscal year ended on June 30 prior to the August debt payment. The change in fiscal year is a key factor in the variance explanations throughout this Management's Discussion and Analysis due to the ten-month transitional period.

On a Government-wide Basis:

- The District's total net position was \$29,877,066 at June 30, 2013. A total of \$21,969,549 is unrestricted and may be used to meet the District's ongoing obligations.
- During the ten months ended June 30, 2013, the District's net position increased \$10,720,020.
- The total cost of the District's programs was \$108,752,732 for the ten months ended June 30, 2013.

In accordance with Fund Accounting:

- The District's governmental funds financial statements reported a combined ending fund balance of \$45,485,850. Of this amount, the General Fund includes \$417,037 of nonspendable funds, \$815,000 committed for the District's retirement plan, \$2,730,915 of assigned fund balance, and \$31,452,215 in unassigned fund balance available for spending at the District's discretion. The Special Revenue Funds have a fund balance of \$1,181,010 primarily restricted or committed with a small portion in the nonspendable and assigned categories. Fund balance of \$8,889,673 is restricted for use by the Debt Service and Capital Projects Funds.
- The District's General Fund reported an unassigned fund balance of \$31,452,215 or 36.8% of the total General Fund expenditures for the ten months ended June 30, 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – *management's discussion and analysis* (this section), the *basic financial statements*, and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
- *Governmental fund* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements, *statement of net position* and *statement of activities*, report the District's *net position* and how it has changed. Net position—the difference of the District's assets, and deferred outflows and resources; less liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *governmental activities*. These statements recognize the District's functions, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration as being primarily supported by property taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 19 and 20 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because the focus of the governmental funds is shorter-term than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s short-term financing decisions. In addition, reconciliations are provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to aid in the comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found beginning on page 21 of this report. Page 26 also includes a Budgetary Comparison Statement for the General Fund.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. There are two types of proprietary funds:
 - *Internal service funds* are used to report activities that provide supplies and services for the District’s other programs and activities—such as the District’s Worker’s Compensation Self Insurance Fund.
 - *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District does not maintain any *enterprise funds*.

The basic proprietary fund financial statements can be found beginning on page 27 of this report.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 30 and 31 of this report. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 32 of this report.

Other Information

This report also presents certain *other information* required by the Texas Education Agency that further explains and supports the information in the financial statements. Other information can be found on pages 64-68 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

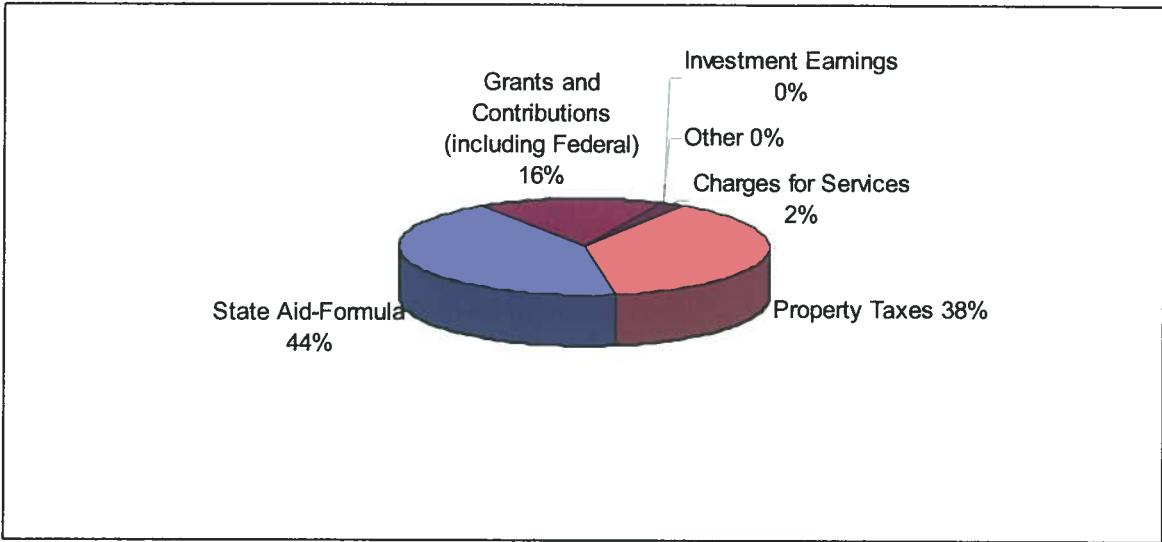
Net position. The District's *combined* net position was \$29,877,066 at June 30, 2013. (See Table A-1).

	Governmental Activities		Percentage Change
	June 30, 2013	August 31, 2012	
Current and Other Assets	60,912,422	44,804,781	36%
Capital and Non-Current Assets	164,824,196	170,338,960	-3%
Total Assets	<u>225,736,618</u>	<u>215,143,741</u>	5%
Deferred Outflows of Resources	<u>7,752,483</u>	<u>5,514,389</u>	41%
Current Liabilities	12,171,632	5,296,068	130%
Long Term Liabilities	191,440,403	194,044,887	-1%
Total Liabilities	<u>203,612,035</u>	<u>199,340,955</u>	2%
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	0%
Net Position:			
Net Investment in Capital Assets	(220,823)	(201,638)	10%
Restricted	8,128,340	4,232,033	92%
Unrestricted	21,969,549	17,286,780	27%
Total Net Position	<u>29,877,066</u>	<u>21,317,175</u>	40%

Investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets is (\$220,823). This amount is negative primarily due to accumulated depreciation on capital assets. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional amount, \$8,128,340 (restricted net position), represents resources that are subject to external limitations on how they may be used. The remaining \$21,969,549 (unrestricted net position) represents resources available to fund future activities of the District.

Change in net position. The District’s total revenues were \$119,472,752. Forty-four percent of the District’s revenue comes from state allocations – formula grants and thirty-eight percent from property taxes. (See Figure A-1) Sixteen percent relates to grants and contributions (including federal funds).

Figure A-1
District Sources of Revenue for Fiscal Year 2013



Governmental Activities. The total cost of all programs and services was \$108,752,732 (See Table A-2); 53% of these costs are for instruction and instructional related services.

Table A-2

	Governmental Activities		Total % Change
	Ten Months ended June 30, 2013	Year ended August 31, 2012	
Revenues			
<u>Program Revenues</u>			
Charges for Services	2,293,915	2,637,750	-13%
Operating Grants and Contributions	19,496,243	23,695,681	-18%
<u>General Revenues</u>			
Property Taxes	45,556,057	44,919,630	1%
State aid - Formula	51,964,070	49,753,085	4%
Grants and Contributions	21,581	3,280	558%
Investment earnings	48,057	55,781	-14%
Other	92,829	560,941	-83%
Total Revenues	119,472,752	121,626,148	-2%
Expenses			
Instruction	57,408,241	60,326,725	-5%
Instructional Resources & Media Services	1,273,818	1,554,623	-18%
Curriculum and Staff Development	2,581,574	3,583,144	-28%
Instructional Leadership	1,756,426	1,892,062	-7%
School Leadership	5,250,425	5,918,084	-11%
Guidance, Counseling and Evaluation Services	3,668,734	4,229,002	-13%
Social Work Services	36,317	34,576	5%
Health Services	1,061,518	1,039,331	2%
Student (Pupil) Transportation	2,934,140	3,397,401	-14%
Food Services	6,731,002	7,681,674	-12%
Extracurricular Activities	2,740,301	2,643,108	4%
General Administration	2,411,842	2,975,747	-19%
Plant Maintenance and Operations	9,577,211	12,146,625	-21%
Security and Monitoring Services	1,082,114	1,240,156	-13%
Data Processing Services	1,860,202	2,435,260	-24%
Community Services	350,162	435,145	-20%
Debt Service - Interest on Long Term Debt	7,293,685	9,784,285	-25%
Debt Service - Bond Issuance Cost and Fees	503,852	183,512	175%
Payments related to Shared Services Arrangements	-	4,250	-100%
Payments to Juvenile Justice Alternative Ed. Prg.	49,020	87,012	-44%
Other Intergovernmental Charges	182,148	208,775	-13%
Total Expenses	108,752,732	121,800,497	-11%
Increase (Decrease) in Net Position	10,720,020	(174,349)	
Beginning Net Position (2013 as restated)	19,157,046	21,491,524	-11%
Ending Net Position	29,877,066	21,317,175	40%

Table A-3 presents the cost of each of the District's largest functions, as well as, each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$108,752,732.
- The amount that our taxpayers paid for these activities through property taxes was \$45,556,057.
- Some of the cost was paid by those who directly benefited from the programs \$2,293,915, or
- By operating grants and contributions \$19,496,243.

Table A-3
Net Cost of Selected District Functions

	Total Cost of Service		Total % Change	Net Cost of Services		Total % Change
	Ten Months Ended June 30, 2013	Year Ended August 31, 2012		Ten Months Ended June 30, 2013	Year Ended August 31, 2012	
Instruction	57,408,241	60,326,725	-4.84%	50,003,440	50,773,466	-1.52%
Facilities Maintenance and Operations	9,577,211	12,146,625	-21.15%	9,231,298	11,176,109	-17.40%
Debt Service	7,797,537	9,967,797	-21.77%	4,789,389	6,467,015	-25.94%
Food Services	6,731,002	7,681,674	-12.38%	(197,741)	650,911	-130.38%
School Leadership	5,250,425	5,918,084	-11.28%	4,995,364	5,579,503	-10.47%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues of the General Fund totaled \$90,834,203, an increase of 0.5% compared to the preceding year's General Fund revenues. Local revenues decreased slightly by 1.7%, state revenues increased 2.8%, and federal revenues in the General Fund decreased by 26%. The target revenue funding system partially offsets a decrease in property tax revenues with an increase in state revenue. In addition, state revenue increased due to an increase in student enrollment.

General Fund Budgetary Highlights

Over the course of the fiscal period, the District amended its budget several times. Even with these adjustments, actual expenditures were \$9,388,763 below final budget amounts. The most significant positive variances resulted from instruction, curriculum and instructional staff development and facilities maintenance and operations. A large portion of the positive variances was due to the change in fiscal year end and the current fiscal period being only 10 months. A portion of the positive variance for instruction is due to payroll costs being less than anticipated. The positive variance for curriculum and instructional staff development and the remaining positive variance for instruction were due to Board goals approved during 2010-2011 that were not completed by June 30, 2013. The positive variance in facilities maintenance and operations is due to utility cost savings.

Additionally, resources available were \$958,968 above the final budgeted amounts. The positive variance is primarily due to federal SHARS funding in excess of budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2013, the District had invested \$290,821,746 in a broad range of capital assets, including land, land improvements, buildings and improvements, furniture and equipment, and construction in progress. (See Table A-4.) This amount represents a net increase (including additions and deductions) of 3,921,436 or 1.4 percent more than last year.

Table A-4
District's Capital Assets

	Governmental Activities		Total %
	June 30,	August 31,	Change
	<u>2013</u>	<u>2012</u>	
Land	5,151,359	5,151,359	0.00%
Land Improvements	8,831,764	8,831,764	0.00%
Buildings and Improvements	260,784,694	256,347,050	1.73%
Furniture and Equipment	16,053,929	16,054,222	0.00%
Construction in Progress	-	515,915	-100.00%
Totals at Historical Cost	290,821,746	286,900,310	1.37%
Total Accumulated Depreciation	(125,997,550)	(118,721,479)	6.13%
Net Capital Assets	<u>164,824,196</u>	<u>168,178,831</u>	-1.99%

More detailed information about the District's capital assets is presented in Note 7 on page 44 of the financial statements.

Long-Term Debt

At June 30, 2013, the District had \$191,440,403 in bonds and notes payable as shown in Table A-5. More detailed information about the District's debt is presented in Notes 10 through 13 on pages 46-48 of the financial statements.

Table A-5
District's Long Term Debt

	Governmental Activities		Total %
	June 30,	August 31,	Change
	<u>2013</u>	<u>2012</u>	
General Obligation Bonds	147,042,100	149,870,651	-1.89%
Accreted Interest	20,457,666	24,106,149	-15.14%
Maintance Tax Note	-	533,765	-100.00%
Bond Premium/Discount	23,940,637	19,534,322	22.56%
Total Long-Term Debt	<u>191,440,403</u>	<u>194,044,887</u>	-1.34%

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows:
Moody's Investor Services "Aa3" and Standard & Poors "AA-"

The District issued two Unlimited Tax Refunding Bond Series during the ten months ended June 30, 2013. Details of these two refunding issues are included in Note 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2014 budget preparation was the same as in the 2013 budget.
- The District's refined average daily attendance was based on a 1% increase to 12,570 for 2014.
- State funding is estimated to increase approximately \$3.6 million in 2014 due to student growth and increased funding levels from the State.

These indicators were taken into account when adopting the general fund budget for 2014. Also, the District changed its fiscal year-end to June 30th from August 31st effective June 30, 2013; therefore, a full-year budget was adopted for fiscal year 2014 compared to the 10-month budget for the fiscal period ended June 30, 2013. Amounts available for appropriation in the general fund budget are \$95.1 million, an increase of 4.7 percent compared to the 2013 actual revenue of \$90.8 million. Expenditures are budgeted at \$97.9 million in 2014, an increase of 14.8 percent, mainly due to the full-year budget and increase in personnel and other costs due to growth in enrollment. General operating fund spending per student is approximately \$7,528 in the 2014 budget.

The District's maintenance and operations tax rate remained \$1.04 per \$100 of taxable value for the 2014 fiscal year. The debt service tax decreased from \$0.39 to \$0.37 per \$100 of taxable value for the 2014 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 41,831,179
1220 Property Taxes Receivable (Delinquent)	2,958,481
1230 Allowance for Uncollectible Taxes	(147,924)
1240 Due from Other Governments	15,636,384
1290 Other Receivables, net	121,596
1300 Inventories	436,987
1410 Prepayments	75,719
Capital Assets:	
1510 Land	5,151,359
1520 Buildings, Net	157,003,358
1530 Furniture and Equipment, Net	2,669,479
1000 Total Assets	<u>225,736,618</u>
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charges for Bond Refunding	7,752,483
1700 Total Outflows of Resources	<u>7,752,483</u>
LIABILITIES	
2110 Accounts Payable	1,690,538
2140 Accrued Interest Payable	937,526
2160 Accrued Wages Payable	9,025,217
2180 Due to Other Governments	6,914
2200 Accrued Expenses	363,646
2300 Unearned Revenue	147,791
Noncurrent Liabilities	
2501 Due Within One Year	9,145,000
2502 Due in More Than One Year	182,295,403
2000 Total Liabilities	<u>203,612,035</u>
NET POSITION	
3200 Net Investment in Capital Assets	(220,823)
3820 Restricted for Federal and State Programs	689,710
3850 Restricted for Debt Service	7,438,630
3900 Unrestricted	21,969,549
3000 Total Net Position	<u>\$ 29,877,066</u>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE TEN MONTHS ENDED JUNE 30, 2013

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 57,408,241	\$ 293,305	\$ 7,111,496	\$ (50,003,440)
12 Instructional Resources and Media Services	1,273,818	23,615	39,141	(1,211,062)
13 Curriculum and Staff Development	2,581,574	848	692,863	(1,887,863)
21 Instructional Leadership	1,756,426	-	249,388	(1,507,038)
23 School Leadership	5,250,425	12,432	242,629	(4,995,364)
31 Guidance, Counseling and Evaluation Services	3,668,734	710	1,149,392	(2,518,632)
32 Social Work Services	36,317	207	1,429	(34,681)
33 Health Services	1,061,518	-	45,214	(1,016,304)
34 Student (Pupil) Transportation	2,934,140	-	833,885	(2,100,255)
35 Food Services	6,731,002	1,264,941	5,663,802	197,741
36 Extracurricular Activities	2,740,301	550,280	69,023	(2,120,998)
41 General Administration	2,411,842	-	79,466	(2,332,376)
51 Facilities Maintenance and Operations	9,577,211	145,266	200,647	(9,231,298)
52 Security and Monitoring Services	1,082,114	237	25,461	(1,056,416)
53 Data Processing Services	1,860,202	-	31,576	(1,828,626)
61 Community Services	350,162	2,074	52,683	(295,405)
72 Debt Service - Interest on Long Term Debt	7,293,685	-	3,008,148	(4,285,537)
73 Debt Service - Bond Issuance Cost and Fees	503,852	-	-	(503,852)
95 Payments to Juvenile Justice Alternative Ed. Prg.	49,020	-	-	(49,020)
99 Other Intergovernmental Charges	182,148	-	-	(182,148)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 108,752,732	\$ 2,293,915	\$ 19,496,243	(86,962,574)

Data Control Codes		
General Revenues:		
Taxes:		
MT	Property Taxes, Levied for General Purposes	33,130,535
DT	Property Taxes, Levied for Debt Service	12,425,522
SF	State Aid - Formula Grants	51,964,070
GC	Grants and Contributions not Restricted	21,581
IE	Investment Earnings	48,057
MI	Miscellaneous Local and Intermediate Revenue	92,829
TR	Total General Revenues	97,682,594
CN	Change in Net Position	10,720,020
NB	Net Position - Beginning, As Restated - See Note 2	19,157,046
NE	Net Position--Ending	\$ 29,877,066

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

EXHIBIT C-1

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 29,868,930	\$ 7,760,283	\$ 2,594,172	\$ 40,223,385
1220 Property Taxes - Delinquent	2,232,680	725,801	-	2,958,481
1230 Allowance for Uncollectible Taxes (Credit)	(111,634)	(36,290)	-	(147,924)
1240 Receivables from Other Governments	14,127,529	-	1,508,855	15,636,384
1260 Due from Other Funds	876,279	-	-	876,279
1290 Other Receivables	100,255	-	14,208	114,463
1300 Inventories	343,103	-	93,884	436,987
1410 Prepayments	73,934	-	1,785	75,719
1000 Total Assets	<u>\$ 47,511,076</u>	<u>\$ 8,449,794</u>	<u>\$ 4,212,904</u>	<u>\$ 60,173,774</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,386,393	\$ 73,638	\$ 199,525	\$ 1,659,556
2160 Accrued Wages Payable	8,441,570	-	583,647	9,025,217
2170 Due to Other Funds	-	-	876,279	876,279
2180 Due to Other Governments	119	-	6,795	6,914
2200 Accrued Expenditures	146,781	-	14,829	161,610
2300 Unearned Revenues	-	-	147,791	147,791
2000 Total Liabilities	<u>9,974,863</u>	<u>73,638</u>	<u>1,828,866</u>	<u>11,877,367</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	2,121,046	689,511	-	2,810,557
2600 Total Deferred Inflows of Resources	<u>2,121,046</u>	<u>689,511</u>	<u>-</u>	<u>2,810,557</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	343,103	-	93,884	436,987
3430 Prepaid Items	73,934	-	1,785	75,719
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	594,041	594,041
3470 Capital Acquisition and Contractual Obligation	-	-	1,203,028	1,203,028
3480 Retirement of Long-Term Debt	-	7,686,645	-	7,686,645
Committed Fund Balance:				
3545 Other Committed Fund Balance	815,000	-	490,049	1,305,049
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	2,730,915	-	1,251	2,732,166
3600 Unassigned Fund Balance	31,452,215	-	-	31,452,215
3000 Total Fund Balances	<u>35,415,167</u>	<u>7,686,645</u>	<u>2,384,038</u>	<u>45,485,850</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 47,511,076</u>	<u>\$ 8,449,794</u>	<u>\$ 4,212,904</u>	<u>\$ 60,173,774</u>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2013

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 45,485,850
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and transportation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,381,909
2 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	290,821,746
3 Accumulated depreciation is not reported in the fund financial statements.	(125,997,550)
4 Bonds payable and notes payable are not reported in the fund financial statements.	(147,042,100)
5 Accreted interest payable on capital appreciation bonds is not reported in the fund financial statements.	(20,457,666)
6 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,810,557
7 Interest expense is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(937,526)
8 Bond premiums are not recognized in the fund financial statements.	(23,940,637)
9 Deferred charges for bond refundings have not been recognized in the fund financial statements.	7,752,483
19 Net Position of Governmental Activities	\$ 29,877,066

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 33,687,016	\$ 12,382,365	\$ 1,806,888	\$ 47,876,269
5800 State Program Revenues	55,794,408	3,007,648	576,629	59,378,685
5900 Federal Program Revenues	1,352,779	-	10,728,850	12,081,629
5020 Total Revenues	<u>90,834,203</u>	<u>15,390,013</u>	<u>13,112,367</u>	<u>119,336,583</u>
EXPENDITURES:				
Current:				
0011 Instruction	47,755,526	-	4,125,289	51,880,815
0012 Instructional Resources and Media Services	1,095,494	-	26,102	1,121,596
0013 Curriculum and Instructional Staff Development	1,969,696	-	607,763	2,577,459
0021 Instructional Leadership	1,427,617	-	199,651	1,627,268
0023 School Leadership	5,136,356	-	46,998	5,183,354
0031 Guidance, Counseling and Evaluation Services	2,605,257	-	1,005,272	3,610,529
0032 Social Work Services	34,260	-	-	34,260
0033 Health Services	1,055,438	-	1,269	1,056,707
0034 Student (Pupil) Transportation	2,476,501	-	5,329	2,481,830
0035 Food Services	111,459	-	6,298,093	6,409,552
0036 Extracurricular Activities	2,376,053	-	308,112	2,684,165
0041 General Administration	2,276,169	-	1,236	2,277,405
0051 Facilities Maintenance and Operations	9,523,935	-	146,915	9,670,850
0052 Security and Monitoring Services	1,084,791	-	14,674	1,099,465
0053 Data Processing Services	1,722,942	-	-	1,722,942
0061 Community Services	291,284	-	43,996	335,280
Debt Service:				
0071 Principal on Long Term Debt	533,763	2,160,485	-	2,694,248
0072 Interest on Long Term Debt	15,927	9,251,262	-	9,267,189
0073 Bond Issuance Cost and Fees	1,885	499,617	2,350	503,852
Capital Outlay:				
0081 Facilities Acquisition and Construction	3,598,630	-	-	3,598,630
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	49,020	-	-	49,020
0099 Other Intergovernmental Charges	182,148	-	-	182,148
6030 Total Expenditures	<u>85,324,151</u>	<u>11,911,364</u>	<u>12,833,049</u>	<u>110,068,564</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,510,052</u>	<u>3,478,649</u>	<u>279,318</u>	<u>9,268,019</u>
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	41,350,000	-	41,350,000
7916 Premium or Discount on Issuance of Bonds	-	4,534,684	-	4,534,684
8949 Other (Uses)	-	(45,377,189)	-	(45,377,189)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>507,495</u>	<u>-</u>	<u>507,495</u>
1200 Net Change in Fund Balances	5,510,052	3,986,144	279,318	9,775,514
0100 Fund Balance - September 1 (Beginning)	<u>29,905,115</u>	<u>3,700,501</u>	<u>2,104,720</u>	<u>35,710,336</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 35,415,167</u>	<u>\$ 7,686,645</u>	<u>\$ 2,384,038</u>	<u>\$ 45,485,850</u>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE TEN MONTHS ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds	\$ 9,775,514
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net effect of this consolidation is to increase net position.	2,715
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	4,319,683
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(7,674,318)
Current year long-term debt principal payments on bonds payable, notes payable and payments of accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	8,744,266
Current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(2,418,467)
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	128,369
Revenues from property taxes are not recognized in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.	136,169
Interest expense is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(682,321)
Current year amortization of the deferred charges for bond refundings is not reflected in the fund financial statements, but is shown as a decrease in deferred outflows of resources in the government-wide financial statements.	(673,246)

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE TEN MONTHS ENDED JUNE 30, 2013

Current year issuances of bonds are shown as other resources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.	(41,350,000)
The current year payment to the escrow agent for refunded debt is an other financing use in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements. The payment of \$45,377,189 includes the payment to refund bonds of \$44,946,340 plus accrued interest of \$430,849.	44,946,340
The premiums on the current year issuances of bonds are recorded as other financing sources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.	(4,534,684)
Change in Net Position of Governmental Activities	<u><u>\$ 10,720,020</u></u>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 33,408,457	\$ 33,433,571	\$ 33,687,016	\$ 253,445
5800 State Program Revenues	56,176,664	56,176,664	55,794,408	(382,256)
5900 Federal Program Revenues	265,000	265,000	1,352,779	1,087,779
5020 Total Revenues	89,850,121	89,875,235	90,834,203	958,968
EXPENDITURES:				
Current:				
0011 Instruction	49,179,055	50,410,473	47,755,526	2,654,947
0012 Instructional Resources and Media Services	1,412,268	1,404,478	1,095,494	308,984
0013 Curriculum and Instructional Staff Development	3,108,535	3,325,393	1,969,696	1,355,697
0021 Instructional Leadership	1,709,986	1,747,721	1,427,617	320,104
0023 School Leadership	5,311,268	5,337,085	5,136,356	200,729
0031 Guidance, Counseling and Evaluation Services	2,927,166	2,899,207	2,605,257	293,950
0032 Social Work Services	37,026	40,326	34,260	6,066
0033 Health Services	1,035,156	1,119,754	1,055,438	64,316
0034 Student (Pupil) Transportation	2,665,872	2,672,360	2,476,501	195,859
0035 Food Services	118,036	118,036	111,459	6,577
0036 Extracurricular Activities	2,789,807	2,863,268	2,376,053	487,215
0041 General Administration	2,622,445	2,720,046	2,276,169	443,877
0051 Facilities Maintenance and Operations	10,800,616	11,017,678	9,523,935	1,493,743
0052 Security and Monitoring Services	1,061,778	1,324,441	1,084,791	239,650
0053 Data Processing Services	1,808,493	2,340,372	1,722,942	617,430
0061 Community Services	247,033	308,648	291,284	17,364
Debt Service:				
0071 Principal on Long Term Debt	259,661	667,781	533,763	134,018
0072 Interest on Long Term Debt	29,400	24,428	15,927	8,501
0073 Bond Issuance Cost and Fees	10,000	9,189	1,885	7,304
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	4,051,230	3,598,630	452,600
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed.	119,000	119,000	49,020	69,980
0099 Other Intergovernmental Charges	192,000	192,000	182,148	9,852
6030 Total Expenditures	87,444,601	94,712,914	85,324,151	9,388,763
1200 Net Change in Fund Balances	2,405,520	(4,837,679)	5,510,052	10,347,731
0100 Fund Balance - September 1 (Beginning)	-	29,905,115	29,905,115	-
3000 Fund Balance - June 30 (Ending)	\$ 2,405,520	\$ 25,067,436	\$ 35,415,167	\$ 10,347,731

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

EXHIBIT D-1

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,607,794
Other Receivables	7,133
	<hr/>
Total Assets	1,614,927
	<hr/>
LIABILITIES	
Current Liabilities:	
Accounts Payable	30,982
Accrued Wages Payable	350
Accrued Expenses	201,686
	<hr/>
Total Liabilities	233,018
	<hr/>
NET POSITION	
Unrestricted Net Position	\$ 1,381,909
	<hr/>
Total Net Position	\$ 1,381,909
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 766,537
Total Operating Revenues	<u>766,537</u>
OPERATING EXPENSES:	
Payroll Costs	92,474
Professional and Contracted Services	27,470
Supplies and Materials	167,169
Other Operating Costs	477,239
Total Operating Expenses	<u>764,352</u>
Operating Income	<u>2,185</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>530</u>
Total Nonoperating Revenues (Expenses)	<u>530</u>
Change in Net Position	2,715
Total Net Position - September 1 (Beginning)	<u>1,379,194</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 1,381,909</u></u>

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from District	\$ 503,421
Internal Activity - Receipts from Other funds	263,485
Cash Payments to Employees for Services	(92,956)
Cash Payments for Insurance Claims	(570,824)
Cash Payments for Suppliers	(182,559)
Net Cash Used for Operating Activities	(79,433)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	530
Net Decrease in Cash and Cash Equivalents	(78,903)
Cash and Cash Equivalents at Beginning of the Period	1,686,697
Cash and Cash Equivalents at End of the Period	\$ 1,607,794
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income:	\$ 2,185
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Other Receivables	40,006
Increase (decrease) in Accounts Payable	(44,770)
Increase (decrease) in Accrued Wages Payable	(482)
Increase (decrease) in Accrued Expenses	(76,372)
Net Cash Used for Operating Activities	\$ (79,433)

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

EXHIBIT E-1

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 55,213	\$ 119,290
Total Assets	<u>55,213</u>	<u>\$ 119,290</u>
LIABILITIES		
Accounts Payable	80	\$ 119,290
Total Liabilities	<u>80</u>	<u>\$ 119,290</u>
NET POSITION		
Unrestricted Net Position	55,133	
Total Net Position	<u>\$ 55,133</u>	

The notes to the financial statements are an integral part of this statement.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

	Private Purpose Trust Funds
ADDITIONS:	
Local and Intermediate Sources	\$ 551
Total Additions	<u>551</u>
DEDUCTIONS:	
Other Operating Costs	<u>2,000</u>
Total Deductions	<u>2,000</u>
Change in Net Position	(1,449)
 Total Net Position - September 1 (Beginning)	 <u>56,582</u>
 Total Net Position - June 30 (Ending)	 <u><u>\$ 55,133</u></u>

The notes to the financial statements are an integral part of this statement.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Duncanville Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds. The following is a summary of the more significant accounting policies of the District.

Change in Fiscal Year - The Texas State Legislature enacted legislation in 1999 that gives school districts the option to change their fiscal year-end to June 30. The District elected to act on this option and changed its fiscal year-end to June 30 effective with the fiscal period beginning September 1, 2012. The Annual Financial Report for the ten months ended June 30, 2013 represents data for the District's ten-month-transitional fiscal period from September 1, 2012 through June 30, 2013. All financial statements and exhibits included in the Annual Financial Report have been prepared on a ten-month basis.

Reporting Entity

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity and the District is not included in any other governmental reporting entity.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Duncanville Independent School District non-fiduciary activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Government-Wide and Fund Financial Statements - continued

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amounts.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation- continued

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the fund Statement of Net Position. Net position is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

Fund Accounting

The District reports the following major governmental funds:

1. **General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Fund** – The debt service fund is utilized to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.

Additionally, the District reports the following nonmajor fund type(s):

Governmental Funds

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. **Capital Projects Fund** – The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of General Obligation Bonds and interest earned on such monies and local sources designated for such purpose.

Proprietary Funds

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are for transportation, a print shop, and the District's Worker's Compensation Self-Insurance Fund.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Fiduciary Funds

Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Funds are scholarship funds that are awarded to current and former students for post-secondary education purposes.

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Cash and Cash Equivalents

For the purposes of the statement of cash flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments

In accordance with GASB Statement No. 31, the District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Inventories of Supplies and Materials

Supplies and materials to be utilized in governmental funds are recorded as expenditures under the consumption method. Under the consumption method, cost is recorded as an expenditure in the period supplies and materials are utilized. Supplies and materials purchased for the subsequent year are recorded by specific identification. All inventories are capitalized at cost using the first-in, first-out valuation method.

Property Taxes

Property taxes are levied by October 1, on the assessed value listed as of January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Property Taxes- continued

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	7-30
Vehicles	5-10
Office equipment	5-20
Computer equipment	5

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent long-term debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation's adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is available for the general use of the District.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation until expended or accrued as a liability of the fund, is employed as an integral part of the accounting system. There were no material encumbrances outstanding as of year-end.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2013 will change.

NOTE 2. ADOPTION OF NEW ACCOUNTING STANDARDS

Beginning in 2013, the District implemented GASB Statement Numbers 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and 65, *Items Previously Reported as Assets and Liabilities*. These two statements:

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 2. ADOPTION OF NEW ACCOUNTING STANDARDS- continued

- Defined transactions that result in the consumption of net assets in one period that are applicable to a future period as “deferred outflows of resources.”
- Defined transactions that result in the acquisition of net assets in one period that are applicable to a future period as “deferred inflows of resources.”
- Defined the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources as “net position.”
- Required certain items previously reported as assets and liabilities that meet the definition of deferred outflows or inflows of resources to be retroactively reclassified in the Statements of Net Position and Balance Sheets, if practical, for all prior periods presented.

The effects of these two changes in accounting principle on the District’s 2013 financial statements were

- Governmental fund financial statements
 - Record property taxes uncollected within 60 days of the fiscal year-end, and therefore unavailable, as deferred inflows of resources in the governmental fund financial statements.
- Government-wide financial statements
 - Reclassify bond issuance costs previously reported as assets to expenses of the period in which they were incurred, resulting in an adjustment to beginning net position.
 - For refunded debt, record the difference between the reacquisition price and the net carrying amount of the refunded debt as a deferred resource outflow or inflow, as appropriate, and amortize the balance as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Accordingly, all unamortized deferred losses on refunding transactions as of June 30, 2013 were reclassified as deferred outflows of resources.

Beginning Net Position (previously reported as Net Assets)	\$21,317,175
Reclassification of bond issuance costs	<u>(2,160,129)</u>
Beginning Net Position As Restated	<u>\$19,157,046</u>

NOTE 3. FUND BALANCES

The District has implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 3. FUND BALANCES- continued

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories as being nonspendable as these items are not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects resources are restricted for future capital outlay. Federal and State grant resources are restricted because their use is restricted pursuant to the grant requirements.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has committed resources as of June 30, 2013 for the District's retirement incentive plan and for campus activities.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned fund balance of the General Fund as of June 30, 2013 for the District's 2014 fiscal year deficit budget as detailed below.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance of the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 21) and are described below:

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 3. FUND BALANCES- continued

General Fund

The General Fund has nonspendable fund balance of \$417,037, consisting of \$343,103 of inventories and \$73,934 of prepaid items. The Board of Trustees has committed \$815,000 of the General Fund fund balance for the District's retirement incentive plan. The 2013-2014 adopted deficit budget of \$2,730,915 is considered assigned fund balance. The General Fund has unassigned fund balance of \$31,452,215 at June 30, 2013.

Debt Service Fund

The Debt Service Fund has restricted funds of \$7,686,645 at June 30, 2013 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

Capital Projects Fund

The Capital Projects Fund has restricted funds of \$1,203,028 at June 30, 2013 consisting primarily of remaining bond issuance proceeds that are restricted for construction and other capital outlay expenditures.

Other Funds

The National Breakfast and Lunch Program (a special revenue fund) has nonspendable fund balance of \$95,669 consisting of \$93,884 of inventories and \$1,785 of prepaid items. The fund balance of \$542,177 of the Campus Activity Funds (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The following special revenue fund fund balance is restricted by Federal or State grant restrictions:

National Breakfast and Lunch Program	\$589,618
Advanced Placement Incentives	4,120
State Textbook Fund	<u>303</u>
Total	<u>\$594,041</u>

The \$1,251 fund balance of the Education Foundation Grants Fund (a special revenue fund) is assigned to be expended on those grants.

NOTE 4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The Board of Trustees adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Food Service Fund (which is included in the Special Revenue Funds). The District is not legally required to adopt a budget for the Title XIV ARRA State Stabilization Fund or the ARRA Education Jobs Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget Statement appears as Exhibit C-5 and the other two reports are reflected as other supplementary information.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY- continued

Budgetary Data- continued

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by the approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. The following amendments were significant.
 - a. Instruction budget was increased by \$1,231,418.
 - b. Data Processing Services budget was increased by \$531,879.
 - c. Facilities Acquisition and Construction budget was increased by \$4,051,230.
4. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency. The budget should not be exceeded in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

NOTE 5. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust, with the District's agent bank, approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At June 30, 2013, the carrying amount of the District's deposits (checking accounts and interest-bearing demand accounts) was \$(1,249,674) and the bank balance was \$891,520. The District's cash deposits at June 30, 2013 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 5. DEPOSITS AND INVESTMENTS- continued

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2013, the District's cash deposits totaled \$891,520. This entire amount was either collateralized with securities held by the District's agent or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk.
- b. **Custodial Credit Risk - Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2013, the District held investments in four public funds investment pools. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.
- c. **Credit Risk:** This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for Lone Star Investment Pool at year-end was AAAm (Standard & Poor's). The credit quality rating for TexPool Investment Pool at year-end was AAAm (Standard & Poor's). The credit quality rating for LOGIC at year-end was AAAm (Standard & Poor's). The credit quality rating for MBIA Texas CLASS at year-end was AAAm (Standard & Poor's).
- d. **Interest Rate Risk:** This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the District's investment in external investment pools is less than 90 days.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 5. DEPOSITS AND INVESTMENTS- continued

- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2013, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools and U.S. Government Securities are excluded from the 5 percent disclosure requirement.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's investments at June 30, 2013, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Lone Star Investment Pool	\$18,507,929	\$18,507,929
LOGIC Investment Pool	1,125,324	1,125,324
MBIA Texas CLASS Investment Pool	1,616,045	1,616,045
TexPool Investment Pool	<u>21,977,466</u>	<u>21,977,466</u>
	<u>\$43,226,764</u>	<u>\$43,226,764</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 6. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2013 represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2013.

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund:		
Non-Major Special Revenue Funds:		
IDEA-B, Preschool	\$ 9,207	\$ -
ESEA I, Part A	338,106	-
IDEA-B, Formula	412,093	-
Career & Technical	38,712	-
Title III, Part A	16,181	-
ESEA Title II, Part A	52,073	-
Student Success Initiative	<u>9,907</u>	<u>-</u>
	<u>876,279</u>	<u>-</u>
Total Major Governmental Funds	<u>876,279</u>	<u>-</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
General Fund	<u>-</u>	<u>876,279</u>
Total Nonmajor Governmental Funds	<u>-</u>	<u>876,279</u>
Total	<u>\$ 876,279</u>	<u>\$ 876,279</u>

NOTE 7 CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the ten months ended June 30, 2013, was as follows:

	Balance September 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 5,151,359	\$ -	\$ -	\$ 5,151,359
Construction in Progress	<u>515,915</u>	<u>-</u>	<u>515,915</u>	<u>-</u>
Total Capital assets not being depreciated	<u>5,667,274</u>	<u>-</u>	<u>515,915</u>	<u>5,151,359</u>
Capital assets, being depreciated				
Land Improvements	8,831,764	-	-	8,831,764
Buildings	256,347,050	4,437,644	-	260,784,694
Furniture and Equipment	<u>16,054,222</u>	<u>397,954</u>	<u>398,247</u>	<u>16,053,929</u>
Total capital assets being depreciated	<u>281,233,036</u>	<u>4,835,598</u>	<u>398,247</u>	<u>285,670,387</u>
Less accumulated depreciation for:				
Land Improvements	(5,098,406)	(378,764)	-	(5,477,170)
Buildings	(101,452,798)	(5,683,132)	-	(107,135,930)
Furniture and Equipment	<u>(12,170,275)</u>	<u>(1,612,422)</u>	<u>(398,247)</u>	<u>(13,384,450)</u>
Total accumulated depreciation	<u>(118,721,479)</u>	<u>(7,674,318)</u>	<u>(398,247)</u>	<u>(125,997,550)</u>
Total capital assets, being depreciated, net	<u>162,511,557</u>	<u>(2,838,720)</u>	<u>-</u>	<u>159,672,837</u>
Governmental activities capital assets, net	<u>\$168,178,831</u>	<u>\$ (2,838,720)</u>	<u>\$ 515,915</u>	<u>\$164,824,196</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 7 CAPITAL ASSET ACTIVITY- continued

Depreciation expense was charged to governmental functions as follows:

Instruction	\$5,747,919
Instruction resources and media services	152,222
Curriculum and staff development	4,115
Instructional leadership	129,158
School leadership	67,071
Guidance, counseling and evaluation services	58,205
Social work services	2,057
Health services	4,811
Student (pupil) transportation	464,102
Food services	321,450
Cocurricular/Extracurricular activities	56,136
General administration	134,437
Plant maintenance and operations	234,898
Security and monitoring services	15,766
Data Processing	267,089
Community Services	<u>14,882</u>
Total depreciation expense	<u>\$7,674,318</u>

NOTE 8. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2013, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$14,029,991	\$ 97,538	\$14,127,529
Special Revenue	64,972	1,443,883	1,508,855
Debt Service	-	-	-
Total	<u>\$14,094,963</u>	<u>\$1,541,421</u>	<u>\$15,636,384</u>

NOTE 9. UNEARNED REVENUE

Unearned revenue at June 30, 2013 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
State Textbook Fund	\$ -	\$121,573	\$ -	\$121,573
Federal Food Commodities	-	26,218	-	26,218
Total	<u>\$ -</u>	<u>\$147,791</u>	<u>\$ -</u>	<u>\$147,791</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 10. BONDS PAYABLE

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings.

A summary of bonds payable for the ten months ended June 30, 2013 is as follows:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Amounts Outstanding 9/01/12</u>	<u>Issued</u>	<u>Retired</u>	<u>Amounts Outstanding 6/30/13</u>	<u>Amounts Due Within One Year</u>
Unlimited tax school building and refunding bonds – Series 2001B	3.90-6.10%	\$126,774,891	\$ 6,398,646	\$ -	\$ 1,517,642	\$ 4,881,004	\$1,181,864
Unlimited tax school building and refunding bonds – Series 2003	2.00-4.70%	36,965,000	8,235,000	-	8,235,000	-	-
Unlimited tax refunding bonds – Series 2005	3.00-5.00%	47,166,096	46,761,096	-	33,865,000	12,896,096	-
Unlimited tax refunding bonds – Series 2006	4.00-5.00%	71,105,909	70,330,909	-	475,909	69,855,000	500,000
Unlimited tax refunding bonds – Series 2011	2.00-3.00%	9,125,000	8,920,000	-	85,000	8,835,000	85,000
Unlimited tax refunding bonds – Series 2012	4.00%	9,225,000	9,225,000	-	-	9,225,000	-
Unlimited tax refunding bonds – Series 2013A	2.00-3.50%	7,985,000	-	7,985,000	-	7,985,000	455,000
Unlimited tax refunding bonds – Series 2013B	1.00-4.00%	33,365,000	-	<u>33,365,000</u>	-	<u>33,365,000</u>	<u>435,000</u>
Total Bonded Debt Payable			<u>\$149,870,651</u>	<u>\$41,350,000</u>	<u>\$44,178,551</u>	<u>\$147,042,100</u>	<u>\$2,656,864</u>

Debt service requirements are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 2,656,864	\$ 11,828,866	\$ 14,485,730
2015	4,654,139	9,808,586	14,462,725
2016	3,335,000	11,318,625	14,653,625
2017	3,445,000	11,397,925	14,842,925
2018	2,980,000	11,316,675	14,296,675
2019-2023	18,711,096	49,516,748	68,227,844
2024-2028	46,465,000	20,443,088	66,908,088
2029-2033	64,795,001	8,484,055	73,279,056
2034-2038	-	-	-
Thereafter	-	-	-
	<u>\$147,042,100</u>	<u>\$134,114,568</u>	<u>\$281,156,668</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 10. BONDS PAYABLE- continued

The District has four bond series that include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2014 through 2022. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions.

NOTE 11. NOTES PAYABLE

The District issued \$1,200,000 of Maintenance Tax Notes in November 2006 to fund a renovation project for a newly acquired building. The notes had an interest rate of 4.139%.

The notes were repaid in full during 2013.

NOTE 12. DEBT ISSUANCES AND DEFEASED DEBT

In April 2013, the District issued \$7,985,000 (par value) in Unlimited Tax Refunding Bonds to advance refund \$8,153,066 (par value) of outstanding bonds. The net proceeds of \$8,347,696 (\$7,985,000 par amount of the bonds plus \$413,347 of premium paid on the bonds less \$50,651 of underwriting fees and other issuance costs) were used to purchase U.S. and State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The refunding was undertaken to reduce the District's total debt service payments by \$2,062,386 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,570,454.

In April 2013, the District issued \$33,365,000 (par value) in Unlimited Tax Refunding Bonds to advance refund \$33,865,000 (par value) of outstanding bonds. The net proceeds of \$37,263,398 (\$33,365,000 par amount of the bonds plus \$4,121,337 of premium paid on the bonds less \$222,939 of underwriting fees and other issuance costs) were used to purchase U.S. and State and Local Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds.

The refunding was undertaken to reduce the District's total debt service payments by \$4,379,971 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,585,733.

As of June 30, 2013, \$33,865,000 of defeased bonds remains outstanding due to the 2013 refundings.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 12. DEBT ISSUANCES AND DEFEASED DEBT- continued

The District's deferred charges on bond refundings are as follows:

Balance – August 31, 2012	\$5,514,389
Current period deferred charge on bond refundings	2,911,340
Current period amortization	<u>(673,246)</u>
Balance – June 30, 2013	<u>\$7,752,483</u>

NOTE 13. CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the ten months ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds, Notes Payable, and Capital Leases:					
General Obligation Bonds	\$149,870,651	\$41,350,000	\$44,178,551	\$147,042,100	\$2,656,864
Accreted Interest	24,106,149	2,418,467	6,066,950	20,457,666	6,395,159
Maintenance Tax Note	533,763	-	533,763	-	-
Bond Premium/Discount	<u>19,534,322</u>	<u>4,534,684</u>	<u>128,369</u>	<u>23,940,637</u>	<u>92,977</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$194,044,885</u>	<u>\$48,303,151</u>	<u>\$50,907,633</u>	<u>\$191,440,403</u>	<u>\$9,145,000</u>

NOTE 14. DEFINED BENEFIT PENSION PLAN

Plan Description – The Duncanville Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 14. DEFINED BENEFIT PENSION PLAN - continued

Funding Policy – State law provides for a state contribution rate of 6.4% effective September 1, 2011 and a member contribution rate of 6.4%. The state contribution rate was 6.0% for fiscal year 2012 and 6.644% for fiscal year 2011. In certain instances the reporting district is required to make all or a portion of the state's contribution. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the members' annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceed 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. The District's employees' contributions to the System, for the periods ended June 30, 2013 and August 31, 2012 and 2011 were \$3,661,295, \$4,319,714 and \$4,353,770 respectively, equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the periods ended June 30, 2013 and August 31, 2012 and 2011 were \$990,723, \$1,082,906 and \$1,170,379, respectively, equal to the required contributions for each year. The amounts contributed by the State for the periods ended June 30, 2013 and August 31, 2012 and 2011 were \$2,649,465, \$2,966,825 and \$3,249,548, respectively, and are reflected in the financial statements in the General Fund by respective function, in accordance with Governmental Accounting Standards Board Statement No. 24.

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. Duncanville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees authority to establish and amend the basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013**

NOTE 15. SCHOOL DISTRICT RETIREE HEALTH PLAN - continued

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 0.5% and 0.65% of public school payroll, respectively effective September 1, 2012, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2012 and 2011. The State of Texas contributed 1.0% prior to September 1, 2012. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the ten months ended June 30, 2013 and the years ended August 31, 2012 and 2011, the State's contributions to TRS-Care were \$286,077, \$626,529, and \$633,664, respectively, the active member contributions were \$371,762, \$438,721, and \$442,178, respectively, and the school district's contribution were \$330,474, \$419,656, and \$374,156, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the ten months ended June 30, 2013, the contribution made on behalf of the District was \$263,438.

NOTE 16. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There were no significant reductions in coverage in the past fiscal year, and there were not settlements exceeding insurance coverage for each of the past three fiscal years.

The District maintains a self insured worker's compensation plan. For this plan, stop-loss coverage was in effect for individual claims exceeding \$400,000 with an aggregate limit of \$2,000,000.

Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year. Self insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to June 30 and subsequently approved by the administrator of the plan are recorded as a liability.

The District accrues a liability for incurred but not reported claims if considered material.

	Ten Months Ended <u>June 30 2013</u>	Year Ended <u>August 31 2012</u>
Claims payable, beginning of year	\$ 278,058	\$ 290,163
Claims incurred and changes in estimates	494,452	608,869
Claims payments	<u>(570,824)</u>	<u>(620,974)</u>
Claims payable, end of year	<u>\$ 201,686</u>	<u>\$ 278,058</u>

COMBINING AND OTHER STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

ESEA, Title I, Part A - Improving Basic Programs – Provide opportunities for children served to acquire knowledge and skills to meet the challenging State performance standards developed for all children.

IDEA – Part B, Formula – Funds granted to operate educational programs for children with disabilities.

IDEA – Part B, Preschool – Funds granted for preschool children with disabilities.

National School Breakfast and Lunch Program – This fund classification is to be used for programs using federal reimbursement revenues originating from the United States Department of Agriculture (USDA).

Career and Technical – Basic Grant - Funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment.

ESEA Title II, Part A – Teacher and Principal Training and Recruiting – To provide financial assistance to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.

Title III, Part A – English Language Acquisition and Language Enhancement - Funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

ARRA of 2009, Title XIV, State Fiscal Stabilization Fund - Funds granted to improve basic programs or for the modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.

IDEA – Part B, Preschool – ARRA (Stimulus) - This fund classification is to be used to account, on a project basis, for funds for preschool children with disabilities.

ESEA Title I, Part A - Improving Basic Programs – ARRA (Stimulus) - Funds allocated to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

Education Jobs Fund - Funds granted to retain, recall, or rehire school-level employees, and to hire new school-level employees, in order to provide early childhood, elementary, or secondary educational and related services.

Summer School LEP – Funds provided for summer school programs for students with limited English proficiency.

Visually Impaired SSVI – Funds provided to improve achievement of students who have a visual impairment and to ensure that comprehensive services are available to those students.

Advanced Placement Incentives – Funds provided to support professional development of teachers teaching advanced classes.

State Textbook Fund – State funds awarded to school districts under the textbook allotment.

District Awards Teacher Excellence (DATE) Grant – Funds provided to allow districts to create or continue a system of awards for educators who demonstrate success in improving student achievement.

Read to Succeed - Funds provided by State to fund library books or reading materials.

Campus Activity Funds – To account for transactions related to a campus or principal's activity fund.

Education Foundation Grants - Grant funding provided by the District's Education Foundation to teachers and campuses to provide additional enriched learning activities for students.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

Local STEM Grant – Funds provided through Texas High School Project Fund of Communities Foundation to provide enriched learning activities to students in the Science, Technology, Engineering, and Math fields.

OTHER NONMAJOR GOVERNMENTAL FUND

Capital Projects Fund – To account for projects financed by the proceeds from bond issues, or for capital projects otherwise mandated to be accounted for in this fund.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	546,225	648,645	15,341
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepayments	-	-	-
1000	Total Assets	<u>\$ 546,225</u>	<u>\$ 648,645</u>	<u>\$ 15,341</u>
LIABILITIES				
2110	Accounts Payable	\$ 6,029	\$ 3,635	\$ -
2160	Accrued Wages Payable	202,090	232,917	6,134
2170	Due to Other Funds	338,106	412,093	9,207
2180	Due to Other Governments	-	-	-
2200	Accrued Expenditures	-	-	-
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	<u>546,225</u>	<u>648,645</u>	<u>15,341</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	-	-	-
3430	Prepaid Items	-	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-
Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-
Assigned Fund Balance:				
3590	Other Assigned Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 546,225</u>	<u>\$ 648,645</u>	<u>\$ 15,341</u>

EXHIBIT H-1 (Cont'd)

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP	385 Visually Impaired SSVI	397 Advanced Placement Incentives	404 Student Success Initiative
\$ 627,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120	\$ -
45,001	54,599	112,450	21,622	-	-	-	64,972
2,875	-	-	-	-	-	-	-
93,884	-	-	-	-	-	-	-
1,785	-	-	-	-	-	-	-
<u>\$ 770,893</u>	<u>\$ 54,599</u>	<u>\$ 112,450</u>	<u>\$ 21,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 64,972</u>
\$ 34,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,236	9,092	60,377	5,441	-	-	-	55,065
-	38,712	52,073	16,181	-	-	-	9,907
-	6,795	-	-	-	-	-	-
14,829	-	-	-	-	-	-	-
26,218	-	-	-	-	-	-	-
<u>85,606</u>	<u>54,599</u>	<u>112,450</u>	<u>21,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,972</u>
93,884	-	-	-	-	-	-	-
1,785	-	-	-	-	-	-	-
589,618	-	-	-	-	-	4,120	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>685,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120</u>	<u>-</u>
<u>\$ 770,893</u>	<u>\$ 54,599</u>	<u>\$ 112,450</u>	<u>\$ 21,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 64,972</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

Data Control Codes		410 State Textbook Fund	461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Special Revenue Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ 121,876	\$ 508,145	\$ 1,251	\$ 1,262,740
1240	Receivables from Other Governments	-	-	-	1,508,855
1290	Other Receivables	-	11,333	-	14,208
1300	Inventories	-	-	-	93,884
1410	Prepayments	-	-	-	1,785
1000	Total Assets	<u>\$ 121,876</u>	<u>\$ 519,478</u>	<u>\$ 1,251</u>	<u>\$ 2,881,472</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 27,134	\$ -	\$ 71,121
2160	Accrued Wages Payable	-	2,295	-	583,647
2170	Due to Other Funds	-	-	-	876,279
2180	Due to Other Governments	-	-	-	6,795
2200	Accrued Expenditures	-	-	-	14,829
2300	Unearned Revenues	121,573	-	-	147,791
2000	Total Liabilities	<u>121,573</u>	<u>29,429</u>	<u>-</u>	<u>1,700,462</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	93,884
3430	Prepaid Items	-	-	-	1,785
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	303	-	-	594,041
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
Committed Fund Balance:					
3345	Other Committed Fund Balance	-	490,049	-	490,049
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	1,251	1,251
3000	Total Fund Balances	<u>303</u>	<u>490,049</u>	<u>1,251</u>	<u>1,181,010</u>
4000	Total Liabilities and Fund Balances	<u>\$ 121,876</u>	<u>\$ 519,478</u>	<u>\$ 1,251</u>	<u>\$ 2,881,472</u>

699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,331,432	\$ 2,594,172
-	1,508,855
-	14,208
-	93,884
-	1,785
<u>\$ 1,331,432</u>	<u>\$ 4,212,904</u>
 \$ 128,404	 \$ 199,525
-	583,647
-	876,279
-	6,795
-	14,829
-	147,791
<u>128,404</u>	<u>1,828,866</u>
 -	 93,884
-	1,785
-	594,041
1,203,028	1,203,028
-	490,049
-	1,251
<u>1,203,028</u>	<u>2,384,038</u>
<u>\$ 1,331,432</u>	<u>\$ 4,212,904</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	2,402,239	2,282,284	40,990
5020	Total Revenues	2,402,239	2,282,284	40,990
EXPENDITURES:				
Current:				
0011	Instruction	2,033,802	1,015,232	40,990
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	210,890	176,910	-
0021	Instructional Leadership	99,406	92,103	-
0023	School Leadership	21,622	-	-
0031	Guidance, Counseling and Evaluation Services	3,315	997,563	-
0033	Health Services	960	80	-
0034	Student (Pupil) Transportation	5,329	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	941	-	-
0051	Facilities Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0061	Community Services	25,974	396	-
Debt Service:				
0073	Bond Issuance Cost and Fees	-	-	-
6030	Total Expenditures	2,402,239	2,282,284	40,990
1200	Net Change in Fund Balance	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -

EXHIBIT H-2 (Cont'd)

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP	385 Visually Impaired SSVI	397 Advanced Placement Incentives	404 Student Success Initiative
\$ 1,301,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
159,651	-	-	-	-	2,070	-	64,972
5,504,151	149,251	212,085	133,389	4,461	-	-	-
6,965,088	149,251	212,085	133,389	4,461	2,070	-	64,972
-	146,650	45,167	49,372	3,861	-	-	64,972
-	-	-	-	-	-	-	-
-	2,601	151,235	64,589	600	-	-	-
-	-	4,640	3,502	-	-	-	-
-	-	11,043	592	-	-	-	-
-	-	-	-	-	2,070	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,298,093	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
109,081	-	-	-	-	-	-	-
14,412	-	-	-	-	-	-	-
-	-	-	15,334	-	-	-	-
-	-	-	-	-	-	-	-
6,421,586	149,251	212,085	133,389	4,461	2,070	-	64,972
543,502	-	-	-	-	-	-	-
141,785	-	-	-	-	-	4,120	-
\$ 685,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120	\$ -

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes		410 State Textbook Fund	461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Special Revenue Funds
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 303	\$ 494,876	\$ 8,510	\$ 1,804,975
5800	State Program Revenues	349,936	-	-	576,629
5900	Federal Program Revenues	-	-	-	10,728,850
5020	Total Revenues	<u>350,239</u>	<u>494,876</u>	<u>8,510</u>	<u>13,110,454</u>
EXPENDITURES:					
Current:					
0011	Instruction	349,641	179,622	5,797	3,935,106
0012	Instructional Resources and Media Services	-	26,102	-	26,102
0013	Curriculum and Instructional Staff Development	-	938	-	607,763
0021	Instructional Leadership	-	-	-	199,651
0023	School Leadership	-	13,741	-	46,998
0031	Guidance, Counseling and Evaluation Services	-	785	1,539	1,005,272
0033	Health Services	-	229	-	1,269
0034	Student (Pupil) Transportation	-	-	-	5,329
0035	Food Services	-	-	-	6,298,093
0036	Extracurricular Activities	-	308,112	-	308,112
0041	General Administration	295	-	-	1,236
0051	Facilities Maintenance and Operations	-	14,921	-	124,002
0052	Security and Monitoring Services	-	262	-	14,674
0061	Community Services	-	2,292	-	43,996
Debt Service:					
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	<u>349,936</u>	<u>547,004</u>	<u>7,336</u>	<u>12,617,603</u>
1200	Net Change in Fund Balance	303	(52,128)	1,174	492,851
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>542,177</u>	<u>77</u>	<u>688,159</u>
3000	Fund Balance - June 30 (Ending)	<u>\$ 303</u>	<u>\$ 490,049</u>	<u>\$ 1,251</u>	<u>\$ 1,181,010</u>

699 Capital Projects Fund		Total Nonmajor Governmental Funds	
\$	1,913	\$	1,806,888
	-		576,629
	-		10,728,850
	1,913		13,112,367
	190,183		4,125,289
	-		26,102
	-		607,763
	-		199,651
	-		46,998
	-		1,005,272
	-		1,269
	-		5,329
	-		6,298,093
	-		308,112
	-		1,236
	22,913		146,915
	-		14,674
	-		43,996
	2,350		2,350
	215,446		12,833,049
	(213,533)		279,318
	1,416,561		2,104,720
\$	1,203,028	\$	2,384,038

INTERNAL SERVICE FUNDS

Transportation Internal Service Fund and Worker's Compensation Self Insurance Fund - Revenues
and expenses related to services provided to organizations inside the District on a cost reimbursement basis.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2013

	751	753	Total
	Transport.	Insurance	Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 81,390	\$ 1,526,404	\$ 1,607,794
Other Receivables	1,491	5,642	7,133
	<u>82,881</u>	<u>1,532,046</u>	<u>1,614,927</u>
Total Assets			
LIABILITIES			
Current Liabilities:			
Accounts Payable	13,740	17,242	30,982
Accrued Wages Payable	350	-	350
Accrued Expenses	-	201,686	201,686
	<u>14,090</u>	<u>218,928</u>	<u>233,018</u>
Total Liabilities			
NET POSITION			
Unrestricted Net Position	68,791	1,313,118	1,381,909
Total Net Position	<u>\$ 68,791</u>	<u>\$ 1,313,118</u>	<u>\$ 1,381,909</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE TEN MONTHS ENDED JUNE 30, 2013

	751	753	Total
	Transport.	Insurance	Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 263,116	\$ 503,421	\$ 766,537
Total Operating Revenues	263,116	503,421	766,537
OPERATING EXPENSES:			
Payroll Costs	58,315	34,159	92,474
Professional and Contracted Services	27,470	-	27,470
Supplies and Materials	165,539	1,630	167,169
Other Operating Costs	-	477,239	477,239
Total Operating Expenses	251,324	513,028	764,352
Operating Income (Loss)	11,792	(9,607)	2,185
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	-	530	530
Total Nonoperating Revenues (Expenses)	-	530	530
Change in Net Position	11,792	(9,077)	2,715
Total Net Position - September 1 (Beginning)	56,999	1,322,195	1,379,194
Total Net Position June 30 (Ending)	\$ 68,791	\$ 1,313,118	\$ 1,381,909

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

	751	753	Total Internal Service Funds
	Transport.	Insurance	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from District	\$ -	\$ 503,421	\$ 503,421
Internal Activity - Receipts from Other funds	263,485	-	263,485
Cash Payments to Employees for Services	(58,797)	(34,159)	(92,956)
Cash Payments for Insurance Claims	-	(570,824)	(570,824)
Cash Payments for Suppliers	(180,929)	(1,630)	(182,559)
Net Cash Provided by (Used for) Operating Activities	<u>23,759</u>	<u>(103,192)</u>	<u>(79,433)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	-	530	530
Net Increase (Decrease) in Cash and Cash Equivalents	23,759	(102,662)	(78,903)
Cash and Cash Equivalents at Beginning of the Period	57,631	1,629,066	1,686,697
Cash and Cash Equivalents at End of the Period	<u>\$ 81,390</u>	<u>\$ 1,526,404</u>	<u>\$ 1,607,794</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss):	\$ 11,792	\$ (9,607)	\$ 2,185
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Other Receivables	369	39,637	40,006
Increase (decrease) in Accounts Payable	12,080	(56,850)	(44,770)
Increase (decrease) in Accrued Wages Payable	(482)	-	(482)
Increase (decrease) in Accrued Expenses	-	(76,372)	(76,372)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 23,759</u>	<u>\$ (103,192)</u>	<u>\$ (79,433)</u>

AGENCY FUND

Student Activity Fund - Used to account for resources held for others in a custodial capacity.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED AUGUST 31, 2012

	BALANCE SEPTEMBER 1 2011			ADDITIONS		DEDUCTIONS		BALANCE AUGUST 31 2012	
STUDENT ACTIVITY ACCOUNT									
Assets:									
Cash and Temporary Investments	\$	124,375	\$	169,245	\$	166,997	\$	126,623	
Total Assets	\$	124,375	\$	169,245	\$	166,997	\$	126,623	
Liabilities:									
Accounts Payable	\$	124,375	\$	357,935	\$	355,687	\$	126,623	
Total Liabilities	\$	124,375	\$	357,935	\$	355,687	\$	126,623	
TOTAL AGENCY FUNDS									
Assets:									
Cash and Temporary Investments	\$	124,375	\$	169,245	\$	166,997	\$	126,623	
Total Assets	\$	124,375	\$	169,245	\$	166,997	\$	126,623	
Liabilities:									
Accounts Payable	\$	124,375	\$	357,935	\$	355,687	\$	126,623	
Total Liabilities	\$	124,375	\$	357,935	\$	355,687	\$	126,623	



Duncanville
Independent School District
2013

REQUIRED TEA SCHEDULES

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
TEN MONTHS ENDED JUNE 30, 2013

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2004 and prior years	\$ 1.326800	\$ 0.280000	\$ 2,061,295,918
2005	1.470000	0.366000	2,858,070,731
2006	1.500000	0.366000	3,009,283,125
2007	1.370000	0.366000	3,222,226,655
2008	1.040000	0.378000	3,458,119,294
2009	1.040000	0.378000	3,532,442,496
2010	1.040000	0.378000	3,350,027,390
2011	1.040000	0.378000	3,238,214,918
2012	1.040000	0.378000	3,197,348,376
2013 (School year under audit)	1.040000	0.390000	3,222,372,129
1000 TOTALS			

EXHIBIT J-1

(10) Beginning Balance 9/1/2012	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2013
\$ 627,669	\$ -	\$ 2,598	\$ 568	\$ (85,098)	\$ 539,405
108,201	-	2,118	527	(22,171)	83,385
133,057	-	2,337	570	(31,413)	98,737
139,031	-	3,408	910	(10,582)	124,131
139,441	-	6,989	2,540	(7,155)	122,757
236,815	-	16,601	6,034	(51,076)	163,104
270,503	-	35,628	12,949	837	222,763
411,415	-	60,771	22,088	(64,746)	263,810
749,013	-	125,795	45,722	(134,845)	442,651
-	45,443,101	32,570,236	12,213,838	238,711	897,738
<u>\$ 2,815,145</u>	<u>\$ 45,443,101</u>	<u>\$ 32,826,481</u>	<u>\$ 12,305,746</u>	<u>\$ (167,538)</u>	<u>\$ 2,958,481</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2014-2015
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 1,670	\$ -	\$ 271,926	\$ 1,512,016	\$ -	\$ -	\$ 1,785,612
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	-	-	-	-
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	-	-	58,671	-	33,166	-	91,837
6212	Audit Services	-	-	-	36,500	-	-	36,500
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	182,148	-	-	-	-	182,148
6214	Lobbying	-	-	-	1,000	-	-	1,000
621X	Other Professional Services	-	-	-	-	-	-	-
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	26,752	-	-	26,752
6240	Contr. Maint. and Repair	-	-	-	-	135,452	-	135,452
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	17,339	-	-	17,339
6290	Miscellaneous Contr.	3,823	-	40	117,742	-	-	121,605
6320	Textbooks and Reading	-	-	200	1,538	-	-	1,738
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	-	-	1,342	35,165	-	-	36,507
6410	Travel, Subsistence, Stipends	10,873	-	7,063	29,687	-	-	47,623
6420	Ins. and Bonding Costs	-	-	-	44,650	-	-	44,650
6430	Election Costs	-	-	-	12,936	-	-	12,936
6490	Miscellaneous Operating	23,139	-	5,452	65,679	-	-	94,270
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	-	-
6000	TOTAL	\$ 39,505	\$ 182,148	\$ 344,694	\$ 1,901,004	\$ 168,618	\$ -	\$ 2,635,969

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 97,941,754

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10) \$ 4,241,763
Total Debt & Lease(6500)	(11) 551,575
Plant Maintenance (Function 51, 6100-6400)	(12) 9,337,774
Food (Function 35, 6341 and 6499)	(13) 2,743,650
Stipends (6413)	(14) -
Column 4 (above) - Total Indirect Cost	1,901,004

SubTotal:

18,775,767

Net Allowed Direct Cost

\$ 79,165,987

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15) \$ 260,784,694
Historical Cost of Building over 50 years old	(16) \$ 4,301,173
Amount of Federal Money in Building Cost (Net of #16)	(17) \$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18) \$ 16,053,929
Historical Cost of Furniture & Equipment over 16 years old	(19) \$ 2,645,366
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20) \$ 3,064,460

(8) NOTE A: \$176,416 in Function 53 expenditures are included in this report on administrative costs.

\$182,148 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 1,300,501	\$ 1,300,501	\$ 1,301,286	\$ 785
5800	State Program Revenues	170,584	170,584	159,651	(10,933)
5900	Federal Program Revenues	5,539,652	5,539,652	5,504,151	(35,501)
5020	Total Revenues	7,010,737	7,010,737	6,965,088	(45,649)
EXPENDITURES:					
0035	Food Services	6,689,836	6,689,836	6,298,093	391,743
0051	Facilities Maintenance and Operations	241,000	241,000	109,081	131,919
0052	Security and Monitoring Services	21,200	21,200	14,412	6,788
6030	Total Expenditures	6,952,036	6,952,036	6,421,586	530,450
1200	Net Change in Fund Balances	58,701	58,701	543,502	484,801
0100	Fund Balance - September 1 (Beginning)	141,785	141,785	141,785	-
3000	Fund Balance - June 30 (Ending)	\$ 200,486	\$ 200,486	\$ 685,287	\$ 484,801

DEBT SERVICE FUND

This fund is utilized to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE TEN MONTHS ENDED JUNE 30, 2013

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 11,580,000	\$ 11,580,000	\$ 12,382,365	\$ 802,365
5800	State Program Revenues	3,026,436	3,026,436	3,007,648	(18,788)
5020	Total Revenues	14,606,436	14,606,436	15,390,013	783,577
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	2,165,000	2,165,000	2,160,485	4,515
0072	Interest on Long Term Debt	9,253,589	9,253,589	9,251,262	2,327
0073	Bond Issuance Cost and Fees	256,436	763,931	499,617	264,314
6030	Total Expenditures	11,675,025	12,182,520	11,911,364	271,156
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	2,931,411	2,423,916	3,478,649	1,054,733
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	41,350,000	41,350,000	-
7916	Premium or Discount on Issuance of Bonds	-	4,534,684	4,534,684	-
8949	Other (Uses)	-	(45,377,189)	(45,377,189)	-
7080	Total Other Financing Sources (Uses)	-	507,495	507,495	-
1200	Net Change in Fund Balances	2,931,411	2,931,411	3,986,144	1,054,733
0100	Fund Balance - September 1 (Beginning)	3,700,501	3,700,501	3,700,501	1
3000	Fund Balance - June 30 (Ending)	\$ 6,631,912	\$ 6,631,912	\$ 7,686,645	\$ 1,054,734

STATISTICAL SECTION

This part of the Duncanville Independent School District's comprehensive annual financial report present detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help understand how the government's financial performance and well-being have changed over time.....	88
Revenue Capacity	
These schedules contain information to help the reader access the government's most significant local revenue source, the property tax.....	103
Debt Capacity	
These schedules present information to help the reader access the affordability of the government's current levels of outstanding debt and government's ability to issue additional debt in the future.....	109
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.....	116
Operating Information	
These schedule contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.....	119

FINANCIAL TRENDS

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting, Unaudited)

	2004	2005	2006
Governmental Activities			
Net Investment in Capital Assets	\$ (2,352,569)	\$ (10,714,836)	\$ (10,409,432)
Restricted for			
Federal and State Programs	\$ -	\$ -	\$ -
Food Service	\$ 103,777	\$ -	\$ -
Debt Service	\$ 1,392,049	\$ 2,669,039	\$ 2,619,310
Unrestricted	\$ 9,073,832	\$ 11,571,292	\$ 10,005,532
Total Primary Government Net Position	\$ 8,217,089	\$ 3,525,495	\$ 2,215,410

Source: Duncanville ISD's Financial Audit, Exhibit A-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assest" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 1

2007	2008	2009	2010	2011	2012	2013
\$ (13,018,343)	\$ (6,435,542)	\$ (5,678,967)	\$ (1,507,272)	\$ 226,763	\$ (201,638)	\$ (220,823)
\$ -	\$ -	\$ -	\$ -	\$ 676,049	\$ 145,905	\$ 689,710
\$ -	\$ 469,271	\$ 755,737	\$ 817,311	\$ -	\$ -	\$ -
\$ 3,319,201	\$ 4,497,666	\$ 4,594,799	\$ 3,578,399	\$ 3,011,414	\$ 4,086,128	\$ 7,438,630
\$ 13,160,504	\$ 6,815,953	\$ 11,785,583	\$ 14,086,137	\$ 17,577,298	\$ 17,286,780	\$ 21,969,549
\$ 3,461,362	\$ 5,347,348	\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175	\$ 29,877,066

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES, PROGRAM REVENUES, AND CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting, Unaudited)

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction	\$ 46,926,376	\$ 50,998,528	\$ 54,183,675	\$ 53,732,109
Instructional Resources and Media Services	\$ 1,567,244	\$ 1,916,234	\$ 1,751,180	\$ 1,629,981
Curriculum and Staff Development	\$ 817,037	\$ 954,175	\$ 987,325	\$ 1,338,054
Instructional Leadership	\$ 2,069,899	\$ 2,012,978	\$ 1,895,334	\$ 1,695,487
School Leadership	\$ 4,824,689	\$ 4,899,531	\$ 5,283,671	\$ 5,516,302
Guidance, Counseling and Evaluation Services	\$ 3,657,260	\$ 3,638,647	\$ 4,117,833	\$ 4,135,105
Social Work Services	\$ -	\$ -	\$ 47,884	\$ 43,470
Health Services	\$ 832,158	\$ 867,746	\$ 977,236	\$ 933,312
Student (Pupil) Transportation	\$ 2,009,004	\$ 2,532,562	\$ 3,227,910	\$ 2,940,952
Food Services	\$ 4,276,154	\$ 4,518,912	\$ 6,019,365	\$ 5,783,361
Cocurricular/Extracurricular Activities	\$ 1,732,962	\$ 2,039,051	\$ 2,165,414	\$ 2,337,282
General Administration	\$ 2,308,244	\$ 2,564,693	\$ 2,918,155	\$ 2,790,804
Facilities Maintenance and Operations	\$ 10,211,244	\$ 9,194,555	\$ 11,439,340	\$ 10,583,230
Security and Monitoring Services	\$ 718,431	\$ 923,566	\$ 1,100,317	\$ 1,167,767
Data Processing Services	\$ 419,975	\$ 1,240,645	\$ 1,375,133	\$ 1,235,464
Community Services	\$ 309,608	\$ 283,221	\$ 302,335	\$ 350,779
Debt Service - Interest on Long Term Debt	\$ 11,342,561	\$ 11,305,315	\$ 8,475,987	\$ 10,516,972
Debt Service - Bond Issuance Cost & Fees	\$ 76,035	\$ 73,550	\$ 198,977	\$ 190,654
Facilities Acquisition and Construction	\$ 1,797,235	\$ 1,723,610	\$ 1,603,326	\$ 175,333
Payments related to Shared Services Arrangements	\$ -	\$ -	\$ 100	\$ 700
Payments to Juvenile Justice Alternative Ed. Prg.	\$ 79,235	\$ 68,544	\$ 122,598	\$ 166,972
Other Intergovernmental Charges	\$ -	\$ -	\$ -	\$ -
Total Primary Government Expenses	\$ 95,975,351	\$ 101,756,063	\$ 108,193,095	\$ 107,264,090
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$ 210,592	\$ 248,425	\$ 246,519	\$ 156,549
Food Services	\$ 1,612,039	\$ 1,499,214	\$ 1,954,275	\$ 1,453,690
Cocurricular/Extracurricular Activities	\$ 232,434	\$ 244,415	\$ 198,517	\$ 194,269
Facilities Maintenance and Operations	\$ 101,882	\$ 90,905	\$ 113,613	\$ 152,220
Other	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	\$ 12,970,558	\$ 14,780,946	\$ 18,901,683	\$ 14,623,441
Total Primary Government Program Revenues	\$ 15,127,505	\$ 16,863,905	\$ 21,414,607	\$ 16,580,169
Net (Expense) Revenue				
Total Primary Government	\$ (80,847,846)	\$ (84,892,158)	\$ (86,778,488)	\$ (90,683,921)

Source: Duncanville ISD's Financial Audit, Exhibit B-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June

30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 2

2008	2009	2010	2011	2012	2013
\$ 55,306,325	\$ 54,939,554	\$ 61,137,934	\$ 60,615,066	\$ 60,326,725	\$ 57,408,241
\$ 1,729,364	\$ 1,712,661	\$ 1,730,071	\$ 1,698,191	\$ 1,554,623	\$ 1,273,818
\$ 1,428,995	\$ 1,108,461	\$ 1,730,449	\$ 3,025,883	\$ 3,583,144	\$ 2,581,574
\$ 1,592,425	\$ 1,583,310	\$ 1,884,776	\$ 1,817,117	\$ 1,892,062	\$ 1,756,426
\$ 5,692,790	\$ 5,589,501	\$ 5,969,904	\$ 6,162,064	\$ 5,918,084	\$ 5,250,425
\$ 4,256,834	\$ 4,312,605	\$ 4,229,542	\$ 4,270,680	\$ 4,229,002	\$ 3,668,734
\$ 43,984	\$ 49,480	\$ 44,004	\$ 48,245	\$ 34,576	\$ 36,317
\$ 995,790	\$ 1,008,103	\$ 1,076,871	\$ 1,130,645	\$ 1,039,331	\$ 1,061,518
\$ 3,002,489	\$ 2,768,674	\$ 2,879,302	\$ 3,051,753	\$ 3,397,401	\$ 2,934,140
\$ 5,304,789	\$ 6,098,221	\$ 6,928,672	\$ 6,909,395	\$ 7,681,674	\$ 6,731,002
\$ 2,713,846	\$ 2,732,975	\$ 2,517,317	\$ 2,689,211	\$ 2,643,108	\$ 2,740,301
\$ 2,560,543	\$ 2,399,481	\$ 2,634,350	\$ 2,724,120	\$ 2,975,747	\$ 2,411,842
\$ 10,913,535	\$ 10,479,529	\$ 11,992,617	\$ 11,708,254	\$ 12,146,625	\$ 9,577,211
\$ 1,077,174	\$ 896,035	\$ 1,032,893	\$ 1,014,305	\$ 1,240,156	\$ 1,082,114
\$ 1,303,677	\$ 1,745,988	\$ 1,919,151	\$ 1,932,502	\$ 2,435,260	\$ 1,860,202
\$ 406,653	\$ 400,728	\$ 285,287	\$ 270,189	\$ 435,145	\$ 350,162
\$ 11,052,583	\$ 10,708,674	\$ 10,439,529	\$ 10,167,214	\$ 9,784,285	\$ 7,293,685
\$ 176,205	\$ 180,154	\$ 172,343	\$ 168,822	\$ 183,512	\$ 503,852
\$ 25,028	\$ 10,050	\$ -	\$ 11,223	\$ -	\$ -
\$ 3,000	\$ 3,600	\$ 3,850	\$ 4,025	\$ 4,250	\$ -
\$ 134,311	\$ 107,915	\$ 160,239	\$ 270,199	\$ 87,012	\$ 49,020
\$ -	\$ 222,688	\$ 226,221	\$ 218,841	\$ 208,775	\$ 182,148
\$ 109,720,340	\$ 109,058,387	\$ 118,995,322	\$ 119,907,944	\$ 121,800,497	\$ 108,752,732
\$ 175,368	\$ 183,345	\$ 150,618	\$ 139,708	\$ 286,832	\$ 293,305
\$ 1,398,946	\$ 1,365,436	\$ 1,307,830	\$ 1,275,465	\$ 1,365,743	\$ 1,264,941
\$ 208,889	\$ 191,253	\$ 155,195	\$ 236,470	\$ 494,445	\$ 550,280
\$ 173,359	\$ 107,643	\$ 107,693	\$ 119,590	\$ 395,259	\$ 145,266
\$ -	\$ -	\$ -	\$ -	\$ 95,471	\$ 40,123
\$ 16,678,585	\$ 16,235,603	\$ 29,133,149	\$ 31,337,634	\$ 23,695,681	\$ 19,496,243
\$ 18,635,147	\$ 18,083,280	\$ 30,854,485	\$ 33,108,867	\$ 26,333,431	\$ 21,790,158
\$ (91,085,193)	\$ (90,975,107)	\$ (88,140,837)	\$ (86,799,077)	\$ (95,467,066)	\$ (86,962,574)

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting, Unaudited)

	2003	2004	2005
Net (Expense)/Revenue			
Total Primary Government Net Expense	\$ (77,699,422)	\$ (80,847,846)	\$ (84,892,158)
General Revenue and Other Changes in Net Assets			
Governmental Activities:			
Taxes			
Property Taxes, Levied for General Purposes	38,559,272	39,580,903	42,112,623
Property Taxes, Levied for Debt Service	7,341,850	10,268,260	10,473,925
State Aid - Unrestricted Formula Grants	21,050,670	24,392,056	25,785,224
Grants and Contributions not Restricted	94,364	129,248	196,914
Investment Earnings	2,235,620	2,017,514	1,149,837
Miscellaneous Local and Intermediate Revenue	93,115	486,321	482,041
Total General Revenues - Primary Government	\$ 69,374,891	\$ 76,874,302	\$ 80,200,564
Changes in Net Assets			
Net Position - Beginning	20,515,164	12,190,633	8,217,089
Prior Period Adjustments	-	-	-
Total Change in Net Position - Primary Government	(8,324,531)	(3,973,544)	(4,691,594)
Net Position - Ending	\$ 12,190,633	\$ 8,217,089	\$ 3,525,495

Source: Duncanville ISD's Financial Audit, Exhibit B-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assest" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

SCHEDULE 3

2006	2007	2008	2009	2010	2011	2012
\$ (86,778,488)	\$ (90,683,921)	\$ (91,085,193)	\$ (90,975,107)	\$ (88,140,837)	\$ (86,799,077)	\$ (95,467,066)
45,107,372	44,656,493	36,117,675	36,059,147	33,908,268	33,047,959	32,940,257
10,998,571	11,923,966	13,102,742	13,113,400	12,409,086	12,046,313	11,979,373
26,824,392	32,669,861	42,914,590	45,654,223	46,071,203	44,903,675	49,753,085
234,616	71,782	569,550	878,335	38,768	61,269	3,280
1,753,512	1,886,109	1,152,862	373,260	82,283	38,948	55,781
549,940	721,662	1,327,942	1,006,546	1,148,652	1,217,862	560,941
\$ 85,468,403	\$ 91,929,873	\$ 95,185,361	\$ 97,084,911	\$ 93,658,260	\$ 91,316,026	\$ 95,292,717
3,525,495	2,215,410	3,461,362	5,347,348	11,457,152	16,974,575	21,491,524
-	-	(2,214,182)	-	-	-	-
(1,310,085)	1,245,952	4,100,168	6,109,804	5,517,423	4,516,949	(174,349)
\$ 2,215,410	\$ 3,461,362	\$ 5,347,348	\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

	2004	2005	2006	2007
General Fund				
Reserved	\$ 883,605	\$ 1,271,284	\$ 586,551	\$ 1,563,859
Unreserved Designated	\$ 1,240,000	\$ 815,000	\$ 815,000	\$ 815,000
Unreserved and Undesignated	\$ 7,160,135	\$ 5,651,925	\$ 4,718,414	\$ 5,948,939
Total General Fund	\$ 9,283,740	\$ 7,738,209	\$ 6,119,965	\$ 8,327,798
All Other Governmental Funds				
Reserved, Reported In				
Special Revenue Fund	\$ 170,669	\$ -	\$ -	\$ -
Debt Service Fund	\$ 1,392,049	\$ 2,303,243	\$ 2,327,846	\$ 2,786,680
Capital Projects Fund	\$ -	\$ 862,760	\$ 344,053	\$ 627,113
Unreserved Designated, Reported In				
Capital Projects Fund	\$ 70,268,318	\$ 19,092,518	\$ 9,381,606	\$ 6,767,733
Unreserved and Undesignated, Reported In				
Special Revenue Fund	\$ 433,255	\$ 378,218	\$ 386,876	\$ 405,448
Total All Other Governmental Funds	\$ 72,264,291	\$ 22,636,739	\$ 12,440,381	\$ 10,586,974
Total All Government Funds	\$ 81,548,031	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772

General Fund

Nonspendable
Committed
Assigned
Unassigned
Total General Fund

All Other Governmental Funds

Nonspendable
Restricted for:
 Federal or State Funds
 Capital Acquisition and Contractual Obligations
 Retirement of Long-Term Debt
Committed
Assigned
Total All Other Governmental Funds

Total All Government Funds

Source: Duncanville ISD's Financial Audit, Exhibits C-1, C-3

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."
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SCHEDULE 4

2008	2009	2010
\$ 497,918	\$ 658,162	\$ 1,048,763
\$ 815,000	\$ 815,000	\$ 815,000
\$ 11,290,428	\$ 18,437,503	\$ 22,349,461
\$ 12,603,346	\$ 19,910,665	\$ 24,213,224

\$ 469,271	\$ 755,737	\$ 833,267
\$ 4,022,498	\$ 4,064,320	\$ 3,058,821
\$ 5,903,535	\$ 4,448,230	\$ 3,592,501

\$ -	\$ -	\$ -
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\$ 487,332	\$ 774,638	\$ 484,314
\$ 10,882,636	\$ 10,042,925	\$ 7,968,903

\$ 23,485,982	\$ 29,953,590	\$ 32,182,127
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2011	2012	2013
\$ 342,187	\$ 416,045	\$ 417,037
\$ 815,000	\$ 815,000	\$ 815,000
\$ 7,322,781		\$ 2,730,915
\$ 21,128,139	\$ 28,674,070	\$ 31,452,215
\$ 29,608,107	\$ 29,905,115	\$ 35,415,167

\$ 69,467	\$ 141,785	\$ 95,669
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\$ 606,582	\$ 4,120	\$ 594,041
\$ 2,750,290	\$ 1,416,561	\$ 1,203,028
\$ 2,611,137	\$ 3,700,501	\$ 7,686,645
\$ 459,585	\$ 542,177	\$ 490,049
\$ 10,544	\$ 77	\$ 1,251
\$ 6,507,605	\$ 5,805,221	\$ 10,070,683

\$ 36,115,712	\$ 35,710,336	\$ 45,485,850
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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

	2004	2005	2006	2007
Local Sources:				
Local Maintenance and Debt Service Tax	\$ 49,848,788	\$ 52,195,432	\$ 56,197,164	\$ 56,068,319
Tuition/Fees From Patrons	127,458	138,829	145,250	156,549
Other Revenue From Local Services	2,725,709	1,987,075	2,696,578	2,618,303
Co-curricular Revenues	2,046,120	1,883,933	2,401,867	1,861,429
Total Local Sources	54,748,074	56,205,269	61,440,859	60,704,600
State Sources:				
Per Capita and Foundation	\$ 24,363,778	\$ 25,899,390	\$ 27,301,170	\$ 33,015,242
Other State Program Revenues	7,575,579	7,945,136	8,195,247	7,144,024
Total State Programs	31,939,356	33,844,526	35,496,417	40,159,266
Federal Programs:				
State Distributed Revenues from Federal Source:	\$ 5,314,005	\$ 6,623,555	\$ 10,036,956	\$ 7,134,037
Total Federal Programs:	5,314,005	6,623,555	10,036,956	7,134,037
Total Revenues	\$ 92,001,435	\$ 96,673,350	\$ 106,974,232	\$ 107,997,903

Source: Duncanville ISD records

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."
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SCHEDULE 5

2008	2009	2010	2011	2012	2013
\$ 49,614,634	\$ 49,078,801	\$ 46,709,469	\$ 45,762,920	\$ 45,105,586	\$ 45,419,888
175,368	183,345	150,618	139,708	141,253	130,801
2,570,485	1,884,755	1,016,714	992,677	1,088,309	461,252
2,193,926	2,037,719	1,823,708	1,956,927	1,904,772	1,864,328
54,554,414	53,184,620	49,700,510	48,852,232	48,239,920	47,876,269
\$ 43,288,172	\$ 46,209,961	\$ 46,597,327	\$ 45,585,945	\$ 50,493,207	\$ 52,711,645
7,685,484	6,774,210	7,551,111	8,396,331	9,695,582	6,667,040
50,973,656	52,984,171	54,148,437	53,982,276	60,188,789	59,378,685
\$ 8,619,519	\$ 8,905,655	\$ 21,055,912	\$ 22,259,033	\$ 13,383,395	\$ 12,081,629
8,619,519	8,905,655	21,055,912	22,259,033	13,383,395	12,081,629
\$ 114,147,588	\$ 115,074,446	\$ 124,904,859	\$ 125,093,541	\$ 121,812,104	\$ 119,336,583

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

Expenditures by Function	2004	2005	2006
Current:			
Instruction	\$43,659,724	\$47,217,848	\$50,603,055
Instructional Resources & Media Services	1,557,380	1,834,171	1,607,723
Curriculum & Instructional Staff Development	817,037	954,175	987,325
Instructional Leadership	2,044,033	1,987,252	1,869,706
School Leadership	4,780,573	4,851,125	5,232,415
Guidance, Counseling, & Evaluation Services	3,622,005	3,601,678	4,079,766
Social Work Services	0	0	47,884
Health Services	830,359	863,758	973,259
Student (Pupil) Transportation	2,589,456	2,776,094	4,456,979
Food Services	4,131,462	4,265,965	5,766,474
Cocurricular/Extracurricular Activities	1,693,629	1,999,718	2,126,081
General Administration	2,265,029	2,499,064	2,857,928
Plant Maintenance and Operations	10,201,661	9,159,857	11,400,049
Security and Monitoring Services	779,073	913,215	1,057,050
Data Processing Services	406,743	1,275,657	1,588,135
Community Services	309,608	283,221	302,335
Debt Service:			
Debt Service - Principal on long-term debt	4,797,596	5,146,453	8,165,052
Debt Service - Interest on long-term debt	8,326,999	8,124,446	7,420,720
Debt Service - Bond Issuance Cost and Fees	18,261	15,776	1,467,881
Capital Outlay:			
Facilities Acquisition and Construction	45,899,292	50,008,416	10,116,702
Intergovernmental:			
Payments to Fiscal Agent/Member Districts of SSA	0	0	100
Payments to Juvenile Justice Alternative Ed. Prg.	79,235	68,544	122,598
Other Intergovernmental Charges	0	0	0
Total Expenditures	\$138,809,155	\$147,846,433	\$122,249,217
Debt Service as a Percentage of Non-Capital Expenditures	14.15%	13.58%	15.21%

Source: Duncanville ISD's Financial Audit, Exhibit C-3

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 6

2007	2008	2009	2010	2011	2012	2013
\$48,957,332	\$50,539,163	\$50,012,231	\$57,576,997	\$55,769,281	\$54,409,199	\$51,880,815
1,458,988	1,562,762	1,554,453	1,646,761	1,547,994	1,398,268	1,121,596
1,338,040	1,428,981	1,108,447	1,730,435	3,025,869	3,583,144	2,577,459
1,674,660	1,571,598	1,562,483	1,863,949	1,796,768	1,854,738	1,627,268
5,450,561	5,627,394	5,523,071	5,900,192	6,093,574	5,848,900	5,183,354
4,081,735	4,196,816	4,251,553	4,166,174	4,213,139	4,170,934	3,610,529
43,470	43,984	49,480	44,004	48,245	34,576	34,260
929,318	991,796	1,004,109	1,072,387	1,125,834	1,034,352	1,056,707
3,005,621	2,798,572	2,201,271	2,305,087	2,569,476	2,893,358	2,481,830
5,517,812	5,047,957	5,867,895	6,670,742	6,853,601	7,565,482	6,409,552
2,332,110	2,697,386	2,730,701	2,618,644	2,634,545	2,594,665	2,684,165
2,730,286	2,542,832	2,384,530	2,613,400	2,704,747	2,939,688	2,277,405
10,784,786	11,008,098	10,590,049	15,034,380	13,007,002	13,840,820	9,670,850
1,092,192	1,037,214	881,973	1,032,323	1,013,735	1,260,381	1,099,465
1,141,205	1,232,021	2,162,934	1,693,049	1,901,359	2,264,313	1,722,942
350,779	406,653	385,846	270,405	255,307	420,263	335,280
6,680,455	7,685,247	8,509,932	7,458,989	7,747,639	3,090,752	2,694,248
8,555,030	7,956,364	7,324,059	8,572,077	8,335,057	11,685,344	9,267,189
34,328	19,879	23,828	16,017	12,496	312,864	503,852
3,134,813	1,451,902	143,790	0	11,223	1,205,323	3,598,630
700	3,000	3,600	3,850	4,025	4,250	0
166,972	134,311	107,915	160,239	270,199	87,012	49,020
0	0	222,688	226,221	218,841	208,775	182,148
\$109,461,193	\$109,983,930	\$108,606,838	\$122,676,322	\$121,159,956	\$122,707,401	\$110,068,564
14.36%	14.43%	14.62%	13.08%	13.29%	12.42%	11.71%

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

	2004	2005	2006	2007
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (46,807,720)	\$ (51,173,083)	\$ (15,274,985)	\$ (1,463,290)
Other Finance Sources (Uses)				
Refunding Bonds Issued	\$ -	\$ -	\$ 118,272,005	\$ -
Capital Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ -	\$ -
Transfers In	\$ 5,030	\$ 202,748	\$ 633,722	\$ 820,378
Transfers Out	\$ (5,030)	\$ (202,748)	\$ (633,722)	\$ (820,378)
Premium or Discount on Issuance of Bonds	\$ -	\$ -	\$ 19,684,041	\$ -
Prepaid Interest	\$ -	\$ -	\$ 538,284	\$ -
Capital Leases	\$ -	\$ -	\$ 1,508,512	\$ 617,716
Non-Current Loans	\$ -	\$ -	\$ -	\$ 1,200,000
Other (Uses)	\$ -	\$ -	\$ (136,542,459)	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ 3,460,383	\$ 1,817,716
Net Change in Fund Balances	\$ (46,807,720)	\$ (51,173,083)	\$ (11,814,602)	\$ 354,426
Beginning Fund Balance	\$ 128,355,751	\$ 81,548,031	\$ 30,374,948	\$ 18,560,346
Ending Fund Balance	\$ 81,548,031	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772

Source: Duncanville ISD's Financial Audit, Exhibit C-3

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assest" are now reported as "net position."

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SCHEDULE 7

2008	2009	2010	2011	2012	2013
\$ 4,163,659	\$ 6,467,608	\$ 2,228,537	\$ 3,933,585	\$ (895,297)	\$ 9,268,019
\$ -	\$ -	\$ -	\$ -	\$ 18,350,000	\$ 41,350,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 67,654	\$ -	\$ 70,441	\$ -	\$ 200,000	\$ -
\$ (516)	\$ -	\$ (70,441)	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ 1,542,892	\$ 4,534,684
\$ -	\$ -	\$ -	\$ -	\$ 33,149	\$ -
\$ 340,413	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ (19,636,120)	\$ (45,377,189)
\$ 407,551	\$ -	\$ -	\$ -	\$ 489,921	\$ 507,495
\$ 4,571,210	\$ 6,467,608	\$ 2,228,537	\$ 3,933,585	\$ (405,376)	\$ 9,775,514
\$ 18,914,772	\$ 23,485,982	\$ 29,953,590	\$ 32,182,127	\$ 36,115,712	\$ 35,710,336
\$ 23,485,982	\$ 29,953,590	\$ 32,182,127	\$ 36,115,712	\$ 35,710,336	\$ 45,485,850

REVENUE CAPACITY

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS(Unaudited)
 (AMOUNTS IN THOUSANDS, EXCEPT TAX RATE INFORMATION)

Fiscal Year	Actual Value			Less: Exemptions	Total Taxable Value	Total Direct Tax Rate
	Residential Property	Commerical Property	Personal Property			
2004	1,958,150,500	915,448,040	526,171,723	496,825,916	2,902,944,347	1.8360
2005	2,067,929,040	958,523,100	563,788,550	519,882,187	3,070,358,503	1.8660
2006	2,211,142,420	1,052,214,880	567,403,900	542,000,496	3,288,760,704	1.7360
2007	2,342,044,730	1,144,026,620	596,490,610	561,592,771	3,520,969,189	1.4180
2008	2,357,988,950	1,241,381,770	604,210,110	691,140,617	3,512,440,213	1.4180
2009	2,199,529,290	1,236,225,370	623,610,960	727,998,984	3,331,366,636	1.4180
2010	2,155,860,410	1,212,628,850	567,684,700	709,917,959	3,226,256,001	1.4180
2011	2,136,506,820	1,211,834,170	590,730,190	747,812,958	3,191,258,222	1.4180
2012	2,086,820,320	1,224,056,590	692,974,790	774,647,730	3,229,203,970	1.4300
2013	2,085,530,740	1,266,401,890	771,421,910	792,723,646	3,330,630,894	1.4100

SOURCE: Dallas Central Appraisal District and Dallas County Tax Office

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(per \$100 ASSESSED VALUATION)
LAST TEN FISCAL YEARS
(Unaudited)

	2004	2005	2006	2007	2008
Duncanville ISD:					
Maintenance and Operations	1.4700	1.4700	1.5000	1.3700	1.0400
Interest and Sinking	0.3850	0.3660	0.3660	0.3660	0.3780
Total	1.8550	1.8360	1.8660	1.7360	1.4180
City of Cedar Hill	0.6414	0.6414	0.6414	0.6414	0.6414
City of Dallas	0.6998	0.7200	0.7417	0.7292	0.7479
Dallas County	0.2040	0.2040	0.2139	0.2139	0.2281
Dallas Co. Community College	0.0780	0.0780	0.0816	0.0810	0.0804
Dallas Co. Hospital	0.2540	0.2540	0.2540	0.2540	0.2540
City of Desoto	0.6590	0.6590	0.6850	0.6980	0.5700
City of Duncanville	0.7180	0.7180	0.7180	0.6960	0.6960

SOURCE: Dallas Central Appraisal District, Dallas County Tax Office, and Duncanville ISD records

SCHEDULE 9

2009	2010	2011	2012	2013
1.0400	1.0400	1.0400	1.0400	1.0400
0.3780	0.3780	0.3780	0.3780	0.3700
1.4180	1.4180	1.4180	1.4180	1.4100
0.6414	0.6414	0.6700	0.6859	0.6988
0.7479	0.7479	0.7970	0.7970	0.7970
0.2281	0.2281	0.2431	0.2531	0.2431
0.0894	0.0949	0.0992	0.1018	0.1247
0.2540	0.2740	0.2710	0.2710	0.2760
0.5700	0.7000	0.7351	0.7574	0.7574
0.6960	0.6960	0.7377	0.7377	0.7584

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years and Cumulative Adjustments	Total Collections and Cumulative Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 49,510,840	\$ 48,241,014	97.44%	\$ 1,203,339	\$ 49,444,353	99.87%
2004	\$ 51,900,163	\$ 50,310,992	96.94%	\$ 1,480,970	\$ 51,791,962	99.79%
2005	\$ 54,458,311	\$ 54,274,450	99.66%	\$ 50,804	\$ 54,325,254	99.76%
2006	\$ 54,495,210	\$ 54,097,735	99.27%	\$ 258,444	\$ 54,356,179	99.74%
2007	\$ 47,701,526	\$ 47,470,138	99.51%	\$ 91,947	\$ 47,562,085	99.71%
2008	\$ 48,855,851	\$ 47,460,621	97.14%	\$ 1,158,415	\$ 48,619,036	99.52%
2009	\$ 46,583,082	\$ 45,117,189	96.85%	\$ 1,195,390	\$ 46,312,579	99.42%
2010	\$ 45,079,088	\$ 44,172,447	97.99%	\$ 495,226	\$ 44,667,673	99.09%
2011	\$ 44,625,453	\$ 43,910,289	98.40%	\$ (33,848)	\$ 43,876,441	98.32%
2012	\$ 45,443,101	\$ 44,784,074	98.55%	\$ (238,712)	\$ 44,545,362	98.02%

Source: Duncanville ISD's Financial Audit, Exhibit J-1, and Dallas County Tax Office

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Principal Employer	Rank	2013		Rank	2004		
			Percentage of			Percentage of	
		2012-2013 Taxable Assessed Value	Total Taxable Assessed Value		2003-2004 Taxable Assessed Value	Total Taxable Assessed Value	
Solo Cup Operating Corp	1	\$	73,795,370	2.29%			
White Wave Food Inc.	2	\$	61,931,470	1.92%			
Masco Building Cabinet Group	3		42,209,730	1.31%			
Oncor Electric Delivery	4		34,881,020	1.08%			
Old Dominion Freight	5		19,300,270	0.60%			
Costco Wholesale Coporation	6		17,503,590	0.54%			
Gruma Corp.	7		16,619,660	0.52%			
Istar Financial	8		16,400,000	0.51%			
G&E Apartment REIT Bella Ruscel	9		14,225,960	0.44%			
WRH Mt Vernon Inc.	10		14,057,990	0.44%			
Sweetheart Cup Co Inc.				1	\$	60,091,000	2.18%
Texas Utilities Elec Co.				2	\$	32,046,000	1.16%
Fujikoki Manufacturing				3	\$	27,736,000	1.01%
Southwestern Bell/Cingular				4	\$	20,274,000	0.74%
Americana Foods				5	\$	18,072,000	0.66%
K P R Inc.				6	\$	17,936,000	0.65%
Tree of Life Inc.				7	\$	17,113,000	0.62%
Texwood Industries				8	\$	15,484,000	0.56%
WRH Mt Vernon Inc.				9	\$	13,828,000	0.50%
Frankel Family Trust				10	\$	13,381,000	0.49%
Total		\$	310,925,060	9.65%	\$	235,961,000	8.56%

Total 2013 taxable assessed value equals: \$ 3,222,372,129

Total 2004 taxable assessed value equals: \$ 2,755,467,000

SOURCE: Dallas Central Appraisal District and Duncanville ISD records

DEBT CAPACITY

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt		Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	
		Applicable to Limit	Legal Debt Margin		
2004	\$ 275,546,684	\$ 199,784,750	\$ 75,761,934		73%
2005	\$ 285,807,073	\$ 193,887,105	\$ 91,919,968		68%
2006	\$ 300,928,313	\$ 185,873,807	\$ 115,054,506		62%
2007	\$ 322,222,666	\$ 178,971,737	\$ 143,250,929		56%
2008	\$ 345,811,929	\$ 170,664,054	\$ 175,147,875		49%
2009	\$ 353,244,250	\$ 170,878,403	\$ 182,365,847		48%
2010	\$ 335,002,739	\$ 156,958,764	\$ 178,043,975		47%
2011	\$ 323,821,492	\$ 150,200,860	\$ 173,620,632		46%
2012	\$ 319,734,838	\$ 146,170,150	\$ 173,564,688		46%
2013	\$ 322,237,213	\$ 139,355,455	\$ 182,881,758		43%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 3,222,372,129
Debt Limit Percentage	10%
Legal Debt Limit	<u>\$ 322,237,213</u>
 Total Bonded Debt	 \$ 147,042,100
Less - Reserve for Retirement of Bonded Debt	<u>\$ 7,686,645</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 139,355,455</u>
 Legal Debt Margin	 <u><u>\$ 182,881,758</u></u>

Source: Duncanville ISD records

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2133, the district impletmented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assest" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General				Total Primary Government	Percentage of Disposable		Per	
	Obligation Debt	Other Obligations	Capital Leases	Notes Payables		Personal Income	Per Capita	Student Enrolled	
2004	\$ 201,176,799	\$ 19,057,629	\$ 82,564	\$ -	\$ 220,316,992	n/a	\$ 6,265	\$ 20,789	
2005	\$ 196,190,348	\$ 22,126,794	\$ 42,562	\$ -	\$ 218,359,704	n/a	\$ 6,252	\$ 19,640	
2006	\$ 188,201,653	\$ 25,085,681	\$ 1,374,718	\$ -	\$ 214,662,052	20.32%	\$ 6,103	\$ 18,777	
2007	\$ 181,758,417	\$ 27,138,610	\$ 1,887,156	\$ 1,088,986	\$ 211,873,169	19.22%	\$ 5,873	\$ 18,408	
2008	\$ 174,686,552	\$ 32,405,739	\$ 1,716,327	\$ 986,849	\$ 209,795,467	19.28%	\$ 5,800	\$ 18,098	
2009	\$ 166,814,083	\$ 35,796,444	\$ 1,185,273	\$ 880,440	\$ 204,676,240	19.19%	\$ 5,621	\$ 17,313	
2010	\$ 160,017,585	\$ 37,688,134	\$ 633,640	\$ 769,581	\$ 199,108,940	18.58%	\$ 5,163	\$ 16,612	
2011	\$ 152,811,997	\$ 39,540,190	\$ 207,083	\$ 654,087	\$ 193,213,357	n/a	\$ 5,015	\$ 16,024	
2012	\$ 149,870,651	\$ 38,126,082	\$ -	\$ 533,765	\$ 188,530,498	n/a	\$ 4,894	\$ 15,635	
2013	\$ 147,042,100	\$ 44,398,303	\$ -	\$ -	\$ 191,440,403	n/a	\$ 4,969	\$ 15,382	

Note: See Schedule 16 and 21 for population and enrollment data used
to calculate per capita and per student enrolled information; n/a = not available.

Source: Duncanville ISD records

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.



Duncanville
Independent School District
2013

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
RATIO OF NET BONDED DEBT TO TAXABLE ASSESSED VALUATION AND
NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Estimated Population	Total Taxable Assessed Value	Gross Bonded Debt	Reserve for Retirement of Bonded Debt
2004	35,168	\$ 2,755,466,841	\$ 201,176,799	\$ 1,392,049
2005	34,929	\$ 2,858,070,731	\$ 196,190,348	\$ 2,303,243
2006	35,173	\$ 3,009,283,125	\$ 188,201,653	\$ 2,327,846
2007	36,076	\$ 3,222,226,655	\$ 181,758,417	\$ 2,786,680
2008	36,169	\$ 3,458,119,294	\$ 174,686,552	\$ 4,022,498
2009	36,412	\$ 3,532,442,496	\$ 166,814,083	\$ 4,064,320
2010	38,562	\$ 3,350,027,390	\$ 160,017,585	\$ 3,058,821
2011	38,524	\$ 3,238,214,918	\$ 152,811,997	\$ 2,611,137
2012	38,610	\$ 3,197,348,376	\$ 149,870,651	\$ 3,700,501
2013	38,524	\$ 3,222,372,129	\$ 147,042,100	\$ 7,686,645

Source: Duncanville ISD records; population from Schedule 16.

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net asset" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

		Ratio of Net		
Net	Bonded Debt to		Net Bonded Debt	Taxable Assessed
Bonded Debt	Taxable Assessed Value		Per Capita	Value per Capita
\$ 199,784,750	7.25%		\$ 5,681	\$ 78,352
\$ 193,887,105	6.78%		\$ 5,551	\$ 81,825
\$ 185,873,807	6.18%		\$ 5,285	\$ 85,557
\$ 178,971,737	5.55%		\$ 4,961	\$ 89,318
\$ 170,664,054	4.94%		\$ 4,719	\$ 95,610
\$ 162,749,763	4.61%		\$ 4,470	\$ 97,013
\$ 156,958,764	4.69%		\$ 4,070	\$ 86,874
\$ 150,200,860	4.64%		\$ 3,899	\$ 84,057
\$ 146,170,150	4.57%		\$ 3,786	\$ 82,811
\$ 139,355,455	4.32%		\$ 3,617	\$ 83,646

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2013

(Unaudited)

Governmental Unit	Net Debt Outstanding	As of	Percent Overlapping	Amount Overlapping Net Debt
City of Cedar Hill	\$ 76,640,000	3/1/2013	3.66%	\$ 2,805,024
City of Dallas	\$ 1,513,354,734	3/1/2013	1.47%	\$ 22,246,315
Dallas County	\$ 116,135,000	3/1/2013	2.05%	\$ 2,380,768
Dallas County Schools	\$ 41,980,000	3/1/2013	2.05%	\$ 860,590
Dallas Co. Comm. College District	\$ 355,880,000	3/1/2013	2.05%	\$ 7,295,540
Dallas Co. Hospital District	\$ 705,000,000	3/1/2013	2.05%	\$ 14,452,500
City of DeSoto	\$ 79,450,000	3/1/2013	9.38%	\$ 7,452,410
City of Duncanville	\$ 14,108,608	3/1/2013	100.00%	\$ 14,108,608
Sub-total overlapping bonded debt				<u>\$ 71,601,755</u>
Duncanville Independent School District	\$ 147,042,100	3/1/2013	100.00%	\$ 147,042,100
Total Direct and Overlapping Debt				<u><u>\$ 218,643,855</u></u>
Total Assessed 2013 Taxable Valuation				\$ 3,222,372,129
Total Population				38,524
Ratio of Total Direct and Overlapping Net Debt to 2013 Taxable Assessed Valuation				<u><u>6.79%</u></u>
Per Capita Total Direct and Overlapping Debt				\$ 5,676

Source: All information provided by Texas Municipal Reports except for information regarding District debt, total assessed taxable valuation, and population which were provided by Duncanville ISD.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the residents and businesses of the district.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

DEMOGRAPHIC AND ECONOMIC INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Estimated Population	Disposable Personal Income	Per Capita Personal Income	Unemployment Rate
2004	35,168	n/a	n/a	4.00%
2005	34,929	n/a	n/a	6.00%
2006	35,173	\$ 1,056,434,400	\$ 30,053	5.66%
2007	36,076	\$ 1,102,546,824	\$ 30,562	4.58%
2008	36,169	\$ 1,088,222,310	\$ 30,087	4.30%
2009	36,412	\$ 1,066,765,476	\$ 29,297	7.90%
2010	38,562	\$ 1,071,483,732	\$ 27,813	9.45%
2011	38,524	n/a	\$ 24,532	9.60%
2012	38,610	\$ 953,220,390	\$ 24,053	6.80%
2013	38,524	n/a	n/a	6.50%

Note: n/a = not available

Source: City of Duncanville, Bureau of Economic Analysis, and Texas State Data Center

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

<u>Principal Employer</u>	2013			2003		
	Rank	Number of Employees	Workforce Percentage	Rank	Number of Employees	Workforce Percentage
Duncanville Independent School District	1	1,696	9.57%	2	1,500	8.32%
Quality Cabinets & Doors (Texwood)	2	706	3.98%	1	2,400	13.31%
City of Duncanville	3	290	1.64%	3	252	1.40%
Pioneer Frozen Foods	4	175	0.99%	5	175	0.97%
Costco	5	145	0.82%		0	0.00%
DeFords	6	130	0.73%	6	147	0.82%
Pappadeaux	7	130	0.73%	7	100	0.55%
Brittle-Brittle	8	75	0.42%		0	0.00%
Personalized Communications	9	70	0.39%		0	0.00%
Best Western	10	50	0.28%		0	0.00%
Wal-Mart				4	250	1.39%
Duncanville Ford				8	75	0.42%
ACCO/USA				9	70	0.39%
Advanced Machine Tool/P&W Quality Machine				10	65	0.36%

Total employed 2013 Workforce: 17,724

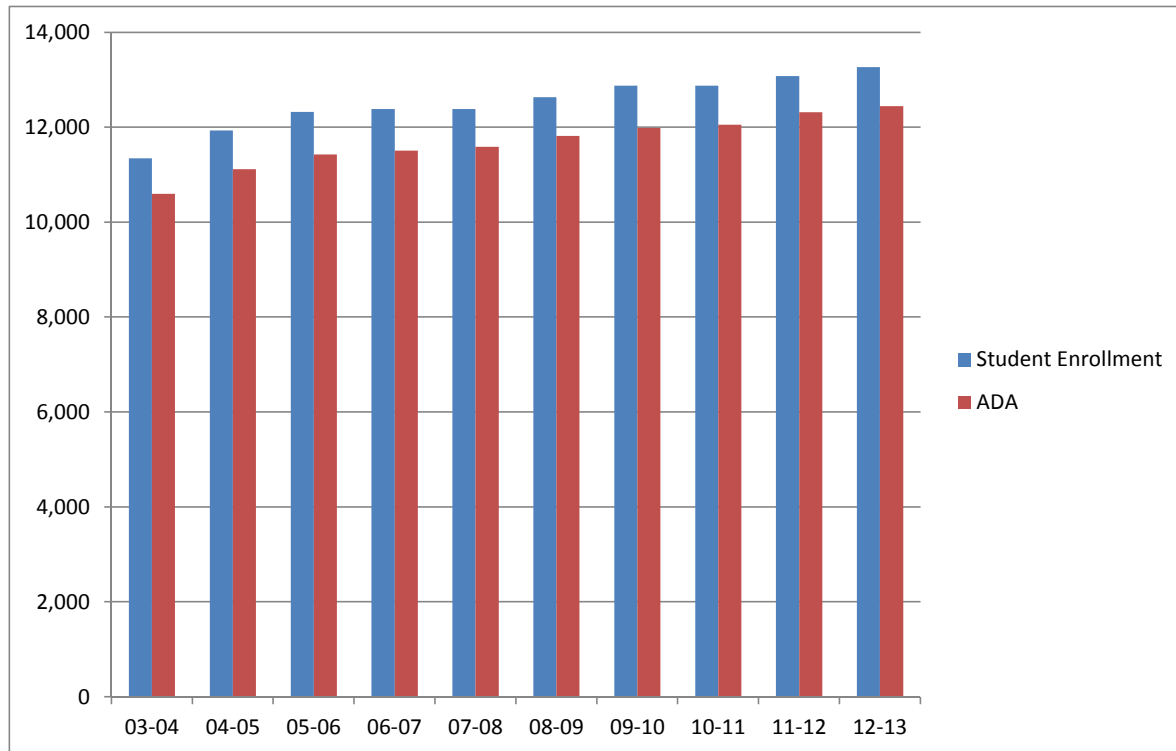
Total employed 2003 Workforce: 18,035

Source: Duncanville Community Economic Development Corporation

OPERATING INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
TOTAL ENROLLMENT AND AVERAGE DAILY ATTENDANCE DATA CHART
LAST TEN FISCAL YEARS
(Unaudited)

	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13
Student Enrollment	11,346	11,938	12,327	12,387	12,385	12,637	12,882	12,880	13,079	13,267
ADA	10,598.45	11,117.61	11,432.15	11,509.59	11,592.45	11,821.53	11,986.13	12,058.32	12,320.44	12,445.81



DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST NINE FISCAL YEARS
(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Teachers									
Elementary Classroom Teachers	389	408	364	378	409	406	396	409	408
Secondary Classroom Teachers	381	373	399	379	349	357	358	354	355
Other Teachers	2	2	2	2					
Total Teachers	772	783	765	759	758	763	754	763	763
Professional Support									
Guidance Counselors	33	35	35	33	34	34	34	32	32
Therapists	12	13	15	11	11	14	12	12	12
Psychologists/Diagnosticians	10	12	14	15	15	16	15	16	16
Other Campus Professional	4	5	5	7	7	23	20	6	3
Other Non-Instructional	20	20	20	23	29	30	38	36	36
Other Support Staff							3		3
Athletic Trainer	3	4	4	4	3	2	2	3	3
Librarians	17	17	17	15	17	18	18	17	17
Nurses/Physicians	13	13	13	13	13	13	13	14	14
Total Professional Support	112	119	123	121	129	150	155	136	136
Administrative Staff									
Admin/Instructional Officers	14	14	11	12			4	14	14
Principals	17	17	17	18	18	18	19	17	17
Assistant Principals	29	32	28	29	28	30	29	31	31
Superintendent	1	1	1	1	1	1	1	1	1
Assistant Superintendent	5	5	4	3	3	3	3	3	3
Managers					1	1	1	1	1
Directors	4	4	2	2	6	5	2	5	5
Total Administrative Staff	70	73	63	65	57	58	59	72	72
Support Staff									
Educational Aides	178	163	156	160	139	133	123	133	133
Auxiliary Staff	434	455	491	477	495	495	536	555	555
Total Support and Auxiliary Staff	612	618	647	637	634	628	659	688	688
Total	1,566	1,593	1,598	1,582	1,578	1,599	1,627	1,659	1,659

Note: Data for 2004 was not available.

Source: Texas Education Agency (Standard Reports) and AEIS reports

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Minimum Salary		Maximum Salary		District Average Salary	Region Average Salary	State Average Salary	
2004	\$	36,500	\$	46,000	\$ 47,827	\$ 42,823	\$	40,478
2005	\$	37,500	\$	48,500	\$ 47,817	\$ 43,363	\$	41,011
2006	\$	38,000	\$	49,410	\$ 47,017	\$ 46,225	\$	41,744
2007	\$	40,500	\$	51,910	\$ 47,819	\$ 47,733	\$	44,897
2008	\$	41,000	\$	52,907	\$ 48,500	\$ 44,969	\$	46,179
2009	\$	44,000	\$	53,392	\$ 48,550	\$ 46,416	\$	47,159
2010	\$	44,000	\$	53,862	\$ 49,956	\$ 46,500	\$	48,263
2011	\$	45,000	\$	54,382	\$ 51,825	\$ 46,612	\$	48,638
2012	\$	45,000	\$	54,382	\$ 48,250	\$ 46,327	\$	48,375
2013	\$	47,000	\$	56,047	\$ 48,892	\$ 47,614	\$	48,638

Source: Duncanville ISD records and TASB reports

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal	Total	Average	Direct	Cost Per	Percent Change
<u>Year</u>	<u>Enrollment</u>	<u>Daily</u> <u>Attendance</u>	<u>Operating</u> <u>Expenditures (1)</u>	<u>Pupil</u>	<u>From Prior Year</u>
2004	11,368	10,598	\$ 79,687,772	\$ 7,519	4.68%
2005	11,953	11,118	\$ 84,482,798	\$ 7,599	1.06%
2006	12,337	11,432	\$ 94,956,164	\$ 8,306	9.31%
2007	12,405	11,510	\$ 90,888,895	\$ 7,897	-4.93%
2008	12,467	11,592	\$ 92,733,227	\$ 8,000	1.31%
2009	12,660	11,822	\$ 92,271,026	\$ 7,805	-2.43%
2010	12,903	11,986	\$ 106,238,929	\$ 8,864	13.56%
2011	12,902	12,058	\$ 104,560,476	\$ 8,671	-2.17%
2012	13,079	12,321	\$ 106,113,081	\$ 8,612	-0.68%
2013	13,238	12,446	\$ 93,773,477	\$ 7,534	-12.52%

Notes:

- (1) Total Governmental Fund expenditures less capital, debt service, and intergovernmental expenditures
- (2) Total Government-Wide expenses less capital, debt service, and intergovernmental expenditures
- (3) 2013 Fiscal Year changed to June 30 from prior year end of August 31 resulting in a 10-month audit year

Source: Duncanville ISD records

SCHEDULE 21

Direct					Percentage of
Operating	Cost Per	Percent Change		Pupil-	Students Receiving
<u>Expenses (2)</u>	<u>Pupil</u>	<u>From Prior Year</u>	<u>Teaching Staff</u>	<u>Teacher</u>	<u>Free or Reduced-</u>
				<u>Ratio</u>	<u>Price Meals</u>
\$ 82,680,285	\$ 7,801	2.40%	730	14.5	49%
\$ 88,585,044	\$ 7,968	2.13%	772	14.4	51%
\$ 97,792,107	\$ 8,554	7.36%	783	14.6	54%
\$ 96,213,459	\$ 8,359	-2.28%	765	15.0	59%
\$ 98,329,213	\$ 8,483	1.48%	759	15.3	64%
\$ 97,825,306	\$ 8,275	-2.45%	758	15.6	68%
\$ 107,993,140	\$ 9,010	8.88%	720	16.6	70%
\$ 109,067,620	\$ 9,045	0.39%	754	16.0	73%
\$ 111,532,663	\$ 9,052	0.08%	763	16.1	75%
\$ 100,724,027	\$ 8,093 (3)	-10.60%	763	16.3	76%

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - CAMPUS
LAST TEN FISCAL YEARS
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Elementary										
# of Locations	12	12	12	12	12	12	12	12	12	12
Square Footage	705,913	705,913	707,449	708,949	710,449	710,449	710,449	710,449	710,449	710,449
Capacity	6,803	6,803	6,847	6,891	6,935	6,935	6,935	6,935	6,935	6,935
Enrollment	5,823	6,236	6,448	6,583	6,656	6,865	6,957	6,951	6,992	7,150
Middle Schools										
# of Locations	2	3	3	3	3	3	3	3	3	3
Square Footage	266,554	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437
Capacity	1,430	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Enrollment	1,917	2,008	2,052	1,969	2,008	2,016	2,007	2,074	2,083	2,000
High School										
# of Locations	2	1	1	1	1	1	1	1	1	1
Square Footage	657,298	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434
Capacity	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Enrollment	3,509	3,598	3,736	3,756	3,696	3,673	3,844	3,765	3,884	3,950
Alternative Education										
PACE										
Square Footage	13,170	13,170	13,170	13,170	13,170	13,170	13,170	13,170	13,170	22,153
Capacity	330	330	330	330	330	330	330	330	330	615
Enrollment	111	103	92	82	99	94	87	99	116	87
Summit/JJAEP										
Square Footage	21,750	21,750	21,750	21,750	45,815	45,815	45,815	45,815	45,815	45,815
Capacity	105	105	105	105	220	220	220	220	220	220
Enrollment	8	8	9	15	8	12	8	13	4	96
Athletic Facilities										
Football fields	2	2	2	2	2	2	2	2	2	2
Running Tracks	4	4	4	4	4	4	4	4	4	4
Baseball/Softball	1	2	2	2	2	2	2	2	2	2
Natatorium	1	1	1	1	1	1	1	1	1	1
Playgrounds	9	9	9	9	9	9	9	9	9	9

Source: Duncanville ISD records

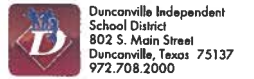
Note: Pace moved to Duncanville Education Center 2012/2013 school year. Old Pace used as storage 2012/2013.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - OTHER BUILDINGS
LAST TEN FISCAL YEARS
(Unaudited)

	Square Footage									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Administration	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100	
Education Plaza										27,031
Technology	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Leased										
Maintenance Facility	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942
Transportation Facility	6,500	6,500	8,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Warehouse/Purchasing	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682
Central Kitchen	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Ag Barn	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207
Storage Buildings										21,270

Source: Duncanville ISD records

Note: Administration and Education Center moved to Education Plaza. Administration Building used as storage 2013.



1. **Acton Elementary**
972.708.2400 Fax 972.708.2424
9240 County View Dallas 75249
2. **Alexander Elementary**
972.708.2500 Fax 972.708.2525
510 Sawwood Duncanville 75137
3. **Bibb Elementary**
972.708.6600 Fax 972.708.6666
6700 Wondl Dallas 75236
4. **Central Elementary**
972.708.2600 Fax 972.708.2626
302 E. Freeman Duncanville 75116
5. **Fairmeadows Elementary**
972.708.2700 Fax 972.708.2727
101 E. Fairmeadows Duncanville 75116
5. **Hastings Elementary**
972.708.2800 Fax 972.708.2828
602 W. Center Duncanville 75116
7. **Hyman Elementary**
972.708.6700 Fax 972.708.6767
8441 Fox Creek Trail Dallas 75249
8. **Merrifield Elementary**
972.708.2900 Fax 972.708.2929
102 E. Vineyard Duncanville 75137
9. **Smith Elementary**
972.708.3000 Fax 972.708.3030
1010 Big Stone Gap Duncanville 75137
10. **Brandenburg Intermediate**
972.708.3100 Fax 972.708.3131
1903 Blueridge Duncanville 75137
11. **Daniel Intermediate**
972.708.3200 Fax 972.708.3232
1007 Springwood Duncanville 75137
12. **Hardin Intermediate**
972.708.3300 Fax 972.708.3333
426 E. Freeman Duncanville 75116
13. **Byrd Middle School**
972.708.3400 Fax 972.708.3434
1040 W. Wheatland Duncanville 75116
14. **Reed Middle School**
972.708.3500 Fax 972.708.3535
530 E. Freeman Duncanville 75116
15. **Kennemer Middle School**
972.708.3600 Fax 972.708.3636
7101 W. Wheatland Dallas 75249
16. **Duncanville High School**
972.708.3700 Fax 972.708.3737
900 W. Camp Wisdom Duncanville 75116
17. **PACE Learning Center**
972.708.2470 Fax 972.708.2474
815 Fairlawn Duncanville 75116
18. **Summit Center**
972.708.2570 Fax 972.708.2585
900 S. Cedar Ridge #300A Duncanville 75137
- ★ 19. **Duncanville ISD Administration**
972.708.2000 Fax 972.708.2020
802 S. Main Street Duncanville 75137
20. **Duncanville Education Center (DEC)**
972.708.2000 Fax 972.708.2095
502 E. Freeman Duncanville 75116
21. **Duncanville ISD Technology Center**
972.708.2300 Fax 972.708.2323
103 E. Wheatland Duncanville 75116
22. **Operations Compound**
Purchasing/Warehouse
307 Crankshaft Duncanville 75116
Purchasing 972.708.2270 Fax 972.708.2176
Warehouse 972.708.2290 Fax 972.708.2279
Maintenance/Custodial
972.708.2260 Fax 972.708.2269
315 Crankshaft Duncanville 75116
Transportation
972.708.2280 Fax 972.708.2289
407 Crankshaft Duncanville 75116
23. **Nutrition Services**
972.708.2328 Fax 972.708.2690
6915 Cedar Ridge Dallas 75236
24. **Panther Stadium**
Athletic Department
972.708.2150 Fax 972.708.2199
900 W. Camp Wisdom Rd. Duncanville 75116
25. **Old Panther Field**
402 E. Freeman Duncanville 75116

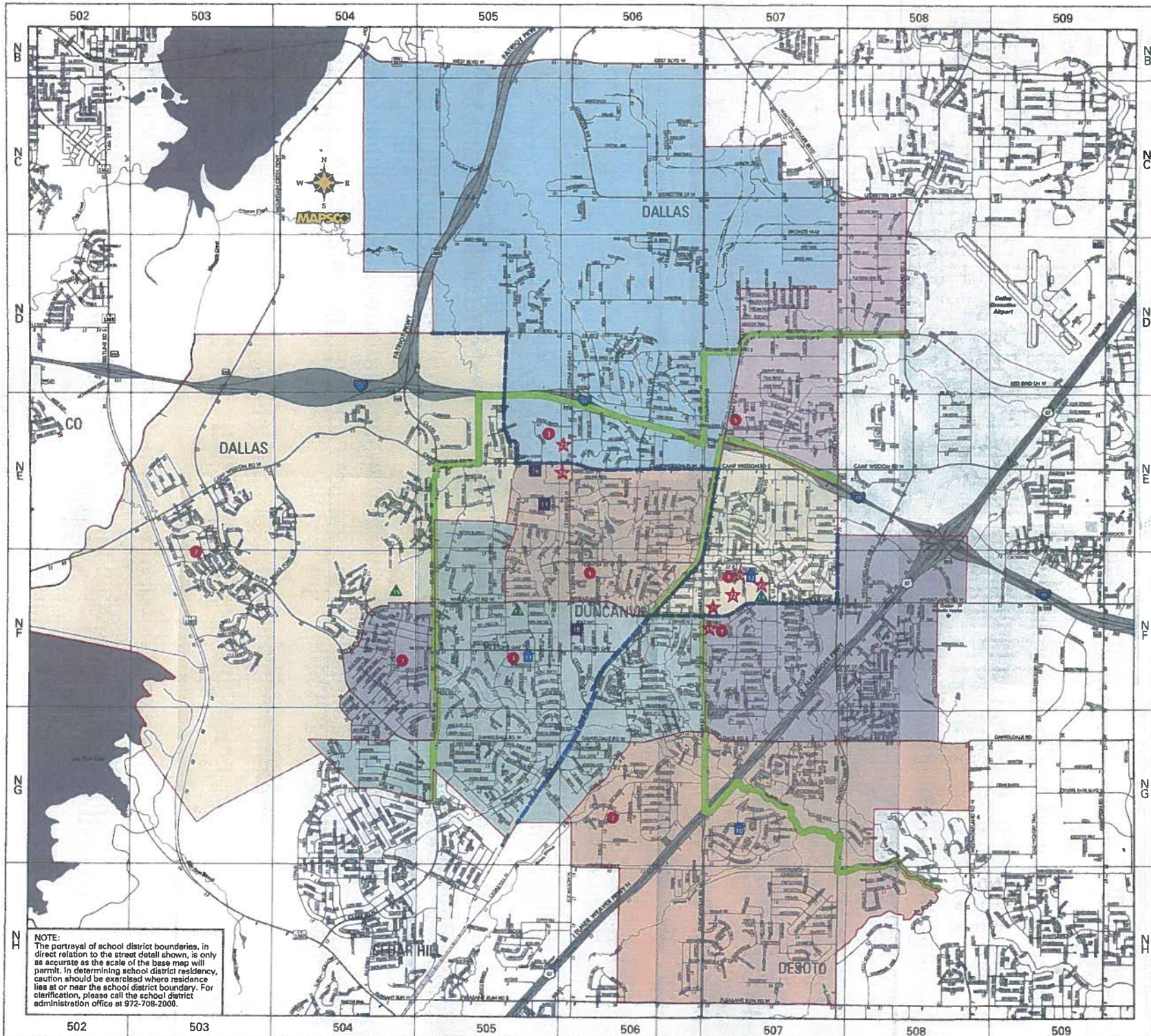
LEGEND

- Elementary Schools
- Intermediate Schools
- ▲ Middle Schools
- Grades 9-12 and Alternative Campuses
- ★ Other Facilities

Scale: 1" = 2393'

MAPSCO

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NOTE:
The portrayal of school district boundaries, in direct relation to the street detail shown, is only as accurate as the scale of the base map will permit. In determining school district residency, caution should be exercised where residence lies at or near the school district boundary. For clarification, please call the school district administration office at 972-708-2000.

FEDERAL AWARDS 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
Duncanville Independent School District
Duncanville, Texas

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 the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District, as of and for the ten months ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Duncanville Independent School District's basic financial statements, and have issued our report dated November 1, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of the 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.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 1, 2013

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
Duncanville Independent School District
Duncanville, Texas

Report on Compliance for Each Major Federal Program

We have audited Duncanville Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Duncanville Independent School District's major federal programs for the ten months ended June 30, 2013. Duncanville Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Duncanville Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Duncanville Independent School 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 program. However, our audit does not provide a legal determination of Duncanville Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Duncanville Independent School 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 programs for the ten months ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Duncanville Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Duncanville Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Duncanville Independent School 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 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 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 over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 1, 2013

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDING AND QUESTIONED COSTS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported under Section .510(a)2-7 of OMB Circular A-133: No
7. Major programs include:

CFDA 84.010A ESEA, Title I, Part A - Improving Basic Programs

Special Education Cluster:
CFDA 84.027 IDEA - Part B, Formula
CFDA 84.173 IDEA - Part B, Preschool
8. Dollar threshold used to distinguish between Type A and Type B programs: \$322,713.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

None

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
JUNE 30, 2013

No prior year findings.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
JUNE 30, 2013

CORRECTIVE ACTION PLAN

None required.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE TEN MONTHS ENDED JUNE 30, 2013

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	12610101057907	\$ 896
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610101057907	2,401,342
Total CFDA Number 84.010A			2,402,238
Total Title I, Part A Cluster			2,402,238
*IDEA - Part B, Formula	84.027	126600010579076600	76
*IDEA - Part B, Formula	84.027	136600010579076600	2,282,208
Total CFDA Number 84.027			2,282,284
*IDEA - Part B, Preschool	84.173	136610010579076610	40,990
Total Special Education Cluster (IDEA)			2,323,274
Career and Technical - Basic Grant	84.048	13420006057907	149,251
Title III, Part A - English Language Acquisition	84.365A	13671001057907	133,389
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	13694501057907	212,085
Summer School LEP	84.369A	69551302	4,461
Total Passed Through State Department of Education			\$ 5,224,698
TOTAL DEPARTMENT OF EDUCATION			\$ 5,224,698
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00167	\$ 28,262
Total Passed Through Texas Dept of Human Services			\$ 28,262
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 28,262
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401301	\$ 1,220,781
*National School Lunch Program - Cash Assistance	10.555	71301301	4,105,644
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301301	177,726
Total CFDA Number 10.555			4,283,370
Total Child Nutrition Cluster			5,504,151
Total Passed Through the State Department of Agriculture			\$ 5,504,151
TOTAL DEPARTMENT OF AGRICULTURE			\$ 5,504,151
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 10,757,111

*Clustered Programs



Duncanville
Independent School District
2013

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
TEN MONTHS ENDED JUNE 30, 2013

1. The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current position.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2013, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies.

