



Duncanville Independent School District

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014*

710 S. Cedar Ridge Drive
Duncanville, Texas 75137

www.duncanvilleisd.org

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Duncanville Independent School District

Duncanville, Texas



*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014*

Prepared by:

Ronald Kuehler, Chief Financial and Operations Officer

Stefani Pudgurney, Director of Accounting



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

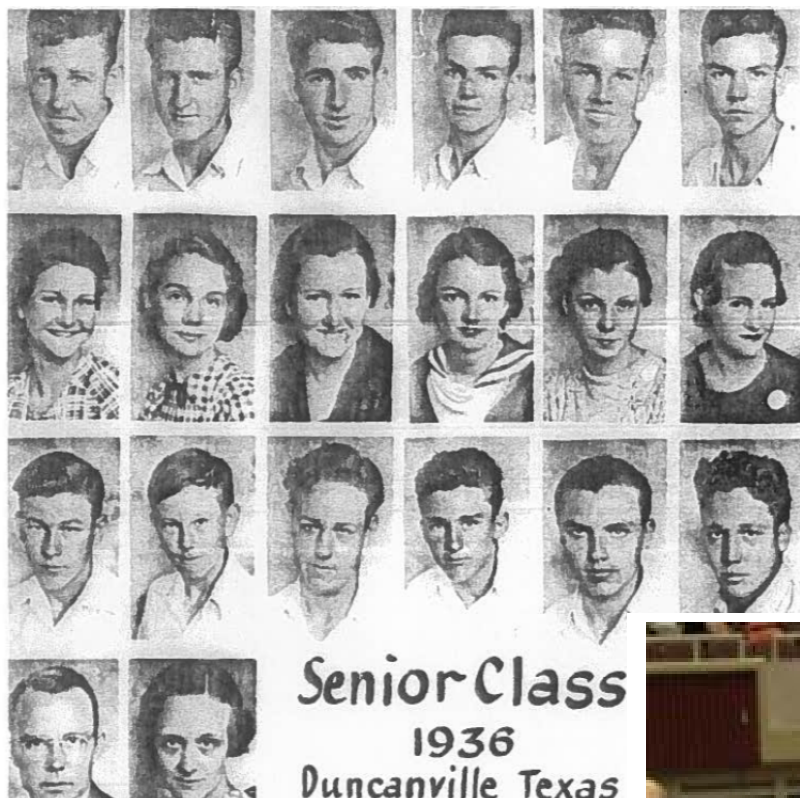
The mission of Duncanville Independent School District is to provide each student with the necessary skills to achieve lifelong success and contribute to a global society.

**Duncanville Independent School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014
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Introductory Section



HONORING THE PAST



CELEBRATING THE FUTURE





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

December 15, 2014

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, 2014, 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, 2014, 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 Independent Auditors Report.

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.

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 7th grade year for one of two classes that are offered at the 8th grade level. Data Entry and High School Career Prep “Money Matters” is the classes that are offered the 8th grade year. The students are selected according to the criteria of grades, attendance records, essays and teacher recommendations. Approximately thirty one percent of students in grades 8-12 are enrolled in one or more CTE courses.

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 students 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 their 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 is 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.

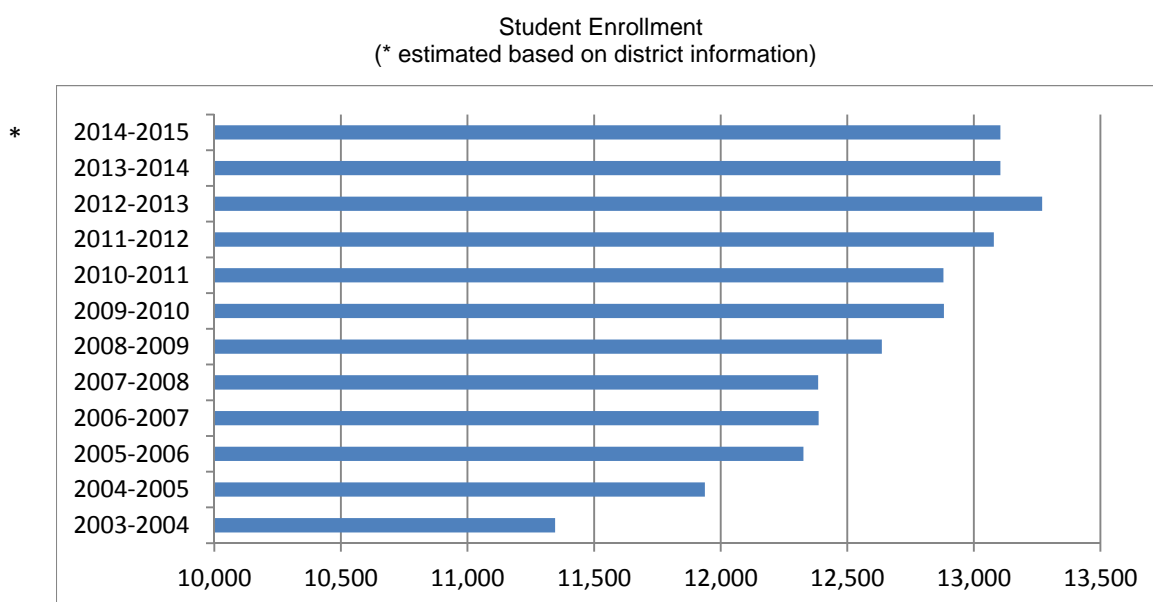
DESCRIPTION OF THE ENTITY

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 Appraisal District is used to place a value on the property and Dallas County Tax Office is used to 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.



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 Edulog bus transportation package that identifies the schools which serve their addresses.

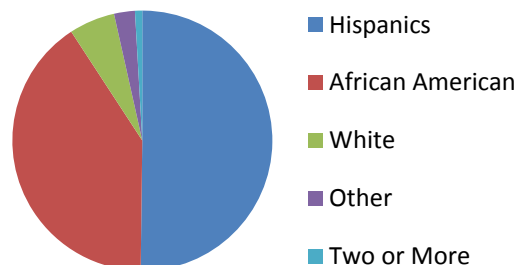
The class of 1936 was the first class to graduate from a fully-accredited school in Duncanville. Since the first class left Duncanville ISD as graduates, the community has evolved and changed in the past 76 years. Since the first building in 1936 we have continue to build school buildings up to the last 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. We had a decrease in enrollment for the 2013-2014 school year to 13,105 which resulted in a 1.24% decrease.

Statistics

Student Demographics

Hispanics – 50.2%
 African American – 40.6%
 White – 5.7%
 Other – 2.6%
 Two or more - .9%
 Economically Disadvantaged – 74.71%
 Limited English Proficient – 14.29%
 Students w/Disciplinary Placements – 1.25%
 At Risk – 64.92%



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		Writing	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
All Students	76%	70%	69%	65%	71%	74%	73%	67%	56%	67%
African Amer.	74%	66%	64%	58%	68%	73%	71%	63%	52%	66%
Hispanic	77%	72%	72%	69%	71%	74%	73%	68%	57%	68%
White	84%	82%	82%	76%	84%	85%	88%	84%	75%	72%
Econ Disadv.	73%	68%	67%	63%	68%	71%	70%	64%	54%	64%

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 years. 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 started 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-35E, 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).

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.

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 moved to the new Education Plaza before the 2013-2014 school year, which frees the Administration Building to add space to Merrifield Elementary School in the future.

- The Technology Department moved in June before the 2014-2015 school year into the renovated section of our Summit School for alternative education. The section is called the IDEA(Innovation/Developing/Engaging/Academics) Hub. This renovation and move allows the District to save money on a lease of a building we had with the City of Duncanville.
- 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 2013-2014 financial audit.

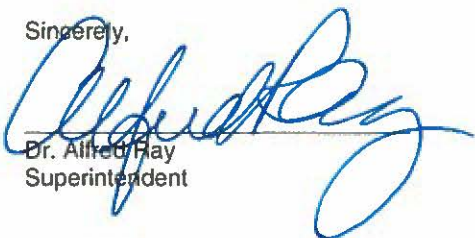
Summary of Achievements

- 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 2011-2012 school year and budgetary and actual financial data for the fiscal year ending August 31, 2012. The District has received a Superior Achievement rating for the past ten years.
- According to the No Child Left Behind Act, school districts are required to meet the state's measurable highly qualified requirements. For the thirteenth year in a row, the District has 100% of the core academic subjects taught by highly qualified teachers.
- Ten of the District's campuses Met TEA School Accountability Standards and seven received Improvement Required for TEA School Accountability Standards.
- The District Met the TEA School Accountability Standards from the Summary Report 2014.
- The Texas Comptroller's Office awarded a Fourth Year Platinum Award to the District for the Texas Comptroller Leadership Circle Program 2011, 2012, 2013 and 2014. 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 a second time for the fiscal year end of June 30, 2013.
- Received the Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting for a second time for the fiscal year end of June 30, 2013.

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



MARLIES PEREGORY
President
Place 3
Term Expires 2016



PHIL MCNEELY
Vice-President
Place 2
Term Expires 2016



CARLA FAHEY
Secretary
Place 7
Term Expires 2015



ELIJAH GRANGER
Place 5
Term Expires 2017



TOM KENNEDY
Place 1
Term Expires 2016



RENE MCNEELY
Place 4
Term Expires 2017



JANICE SAVAGE-MARTIN
Place 6
Term Expires 2015

*Duncanville Independent School District
Administrators and Consultants*

Administrative Staff

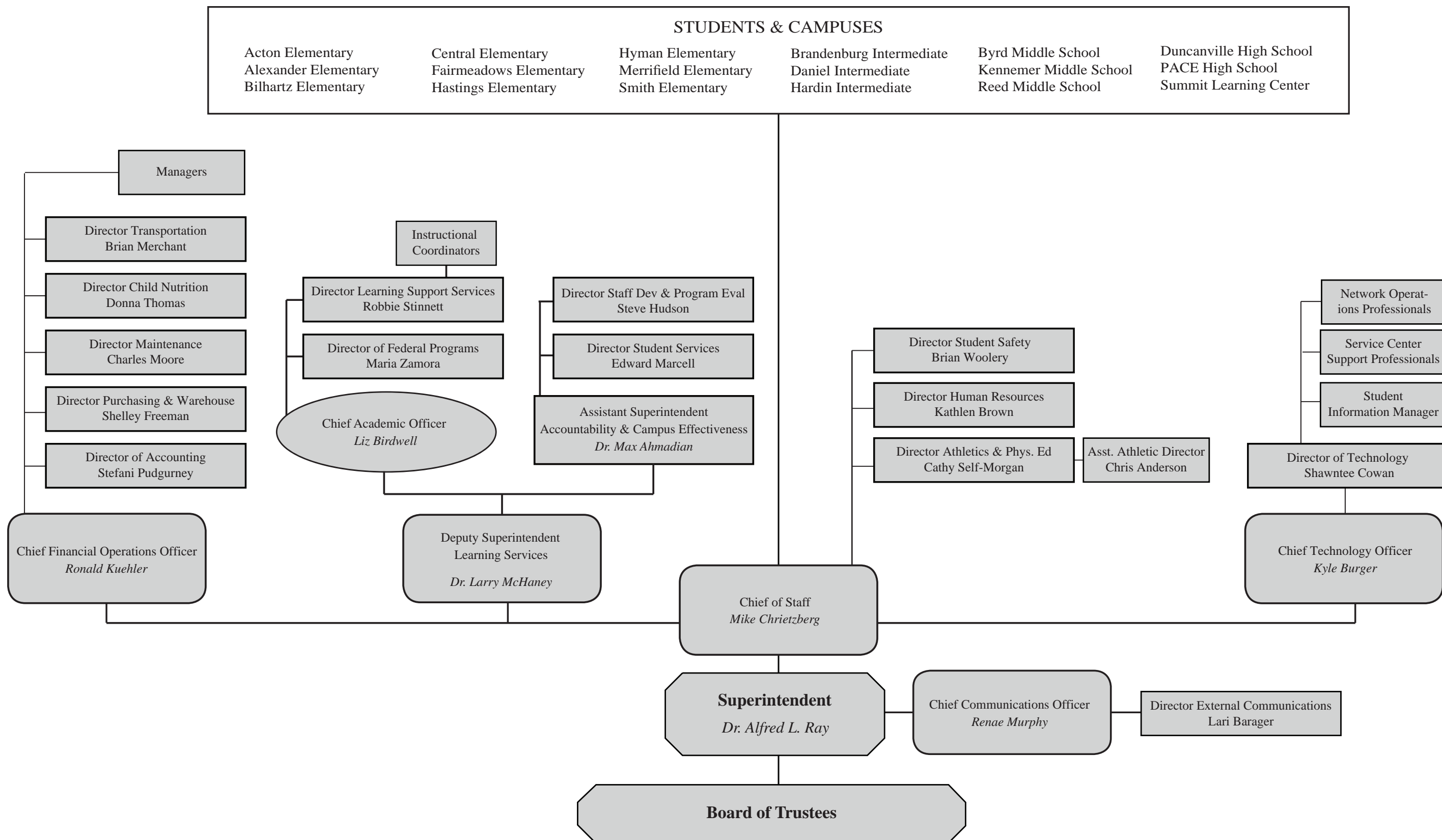


*DR. ALFRED RAY
Superintendent of Schools*

Mike Chrietberg.....	Chief of Staff
Dr. Larry McHaney.....	Deputy Superintendent of Learning Services
Dr. Max Ahmadian.....	Assistant Superintendent of Accountability and Campus Effectiveness
Elizabeth Birdwell.....	Chief Academic Officer
Renae Murphy.....	Chief Communications Officer
Ronald Kuehler.....	Chief Financial and Operations Officer
Kyle Berger.....	Chief of Technology
Kathleen Brown.....	Director of Human Resources

Consultants and Advisors

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





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

June 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

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 June 30, 2013*

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



Terrie S. Simmons, RSBA, CSBO
President

John D. Musso, CAE, RSBA
Executive Director

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 year ended June 30, 2014, at a meeting of the board of school trustee of such school district on the 10th day of November, 2014.

Carla Fahey
Signature of Board Secretary

Markus L. Purgoy
Signature of Board President

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Financial Section



*Past Construction
On DHS*



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, 2014, 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, 2014, 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.

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 5, 2014 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 5, 2014

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014
(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 year ended June 30, 2014. 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. 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 for the ten months ended June 30, 2013.

On a Government-wide Basis:

- The District's total net position was \$39,709,440 at June 30, 2014. A total of \$26,549,947 is unrestricted and may be used to meet the District's ongoing obligations.
- During the year ended June 30, 2014, the District's net position increased \$9,832,374.
- The total cost of the District's programs was \$122,626,996 for the year ended June 30, 2014.

In accordance with Fund Accounting:

- The District's governmental funds financial statements reported a combined ending fund balance of \$49,697,030. Of this amount, the General Fund includes \$383,474 of nonspendable funds, \$815,000 committed for the District's retirement plan, and \$37,971,424 in unassigned fund balance available for spending at the District's discretion. The Special Revenue Funds have a fund balance of \$1,116,516 primarily restricted or committed with a small portion in the nonspendable and assigned categories. Fund balance of \$9,410,616 is restricted for use by the Debt Service and Capital Projects Funds.
- The District's General Fund reported an unassigned fund balance of \$37,971,424 or 38.8% of the total General Fund expenditures for the year ended June 30, 2014.

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 25 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 26 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 29 and 30 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 31 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 64-67 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* net position was \$39,709,440 at June 30, 2014. (See Table A-1).

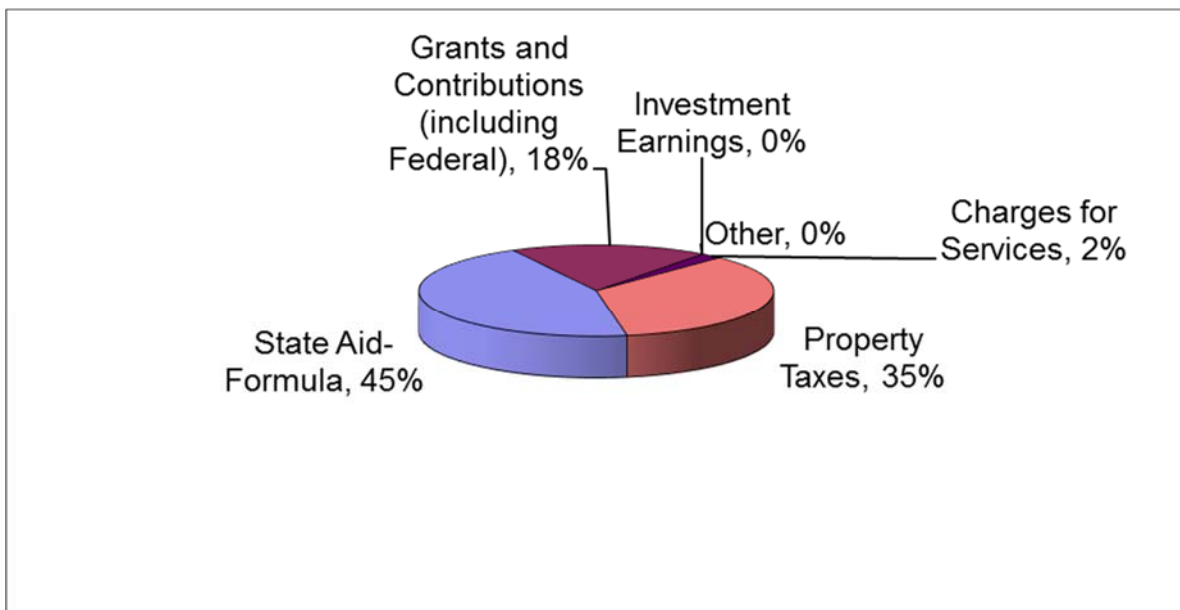
Table A-1

	Governmental Activities		Percentage Change
	June 30, 2014	June 30, 2013	
Current and Other Assets	65,161,373	60,912,422	7%
Capital Assets	164,313,141	164,824,196	-
Total Assets	<u>229,474,514</u>	<u>225,736,618</u>	2%
Deferred Outflows of Resources	<u>6,893,289</u>	<u>7,752,483</u>	-11%
Current Liabilities	12,282,355	12,171,632	1%
Long Term Liabilities	<u>184,376,008</u>	<u>191,440,403</u>	-4%
Total Liabilities	<u>196,658,363</u>	<u>203,612,035</u>	-3%
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	-
Net Position:			
Net Investment in Capital Assets	3,815,635	(220,823)	N/A
Restricted	9,343,858	8,128,340	15%
Unrestricted	<u>26,549,947</u>	<u>21,969,549</u>	21%
Total Net Position	<u><u>39,709,440</u></u>	<u><u>29,877,066</u></u>	45%

Investment in capital assets (e.g. land, buildings, furniture, and equipment) less any related debt used to acquire those assets is \$3,815,635. 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, \$9,343,858 (restricted net position), represents resources that are subject to external limitations on how they may be used. The remaining \$26,549,947 (unrestricted net position) represents resources available to fund future activities of the District.

Change in net position. The District's total revenues were \$132,459,370. Forty-five percent of the District's revenues comes from state allocations – formula grants and thirty-five 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 2014



Governmental Activities. The total cost of all programs and services was \$122,626,996 (See Table A-2); 52% of these costs are for instruction and instructional related services.

Table A-2

	Governmental Activities		Total %
	Year	Ten Months	Change
	Ended	Ended	
	June 30,	June 30,	
	2014	2013	
Revenues			
<u>Program Revenues</u>			
Charges for Services	2,315,702	2,293,915	1%
Operating Grants and Contributions	23,133,249	19,496,243	19%
<u>General Revenues</u>			
Property Taxes	46,600,695	45,556,057	2%
State aid - Formula	60,099,570	51,964,070	16%
Grants and Contributions	49,830	21,581	131%
Investment earnings	20,971	48,057	-56%
Other	239,353	92,829	158%
Total Revenues	132,459,370	119,472,752	11%
Expenses			
Instruction	63,316,082	57,408,241	10%
Instructional Resources & Media Services	985,942	1,273,818	-23%
Curriculum and Staff Development	3,755,404	2,581,574	45%
Instructional Leadership	2,283,469	1,756,426	30%
School Leadership	6,169,919	5,250,425	18%
Guidance, Counseling and Evaluation Services	4,165,357	3,668,734	14%
Social Work Services	42,845	36,317	18%
Health Services	1,082,444	1,061,518	2%
Student (Pupil) Transportation	3,235,654	2,934,140	10%
Food Services	7,777,268	6,731,002	16%
Extracurricular Activities	2,812,124	2,740,301	3%
General Administration	3,070,088	2,411,842	27%
Plant Maintenance and Operations	11,384,624	9,577,211	19%
Security and Monitoring Services	1,088,207	1,082,114	1%
Data Processing Services	2,303,696	1,860,202	24%
Community Services	414,328	350,162	18%
Debt Service - Interest on Long Term Debt	8,406,530	7,293,685	15%
Debt Service - Bond Issuance Cost and Fees	19,135	503,852	-81%
Payments to Juvenile Justice Alternative Ed. Prg.	97,812	49,020	100%
Other Intergovernmental Charges	216,068	182,148	19%
Total Expenses	122,626,996	108,752,732	13%
Increase (Decrease) in Net Position	9,832,374	10,720,020	-8%
Beginning Net Position (2013 as restated)	29,877,066	19,157,046	56%
Ending Net Position	39,709,440	29,877,066	33%

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 for the year was \$122,626,996.
- The amount that our taxpayers paid for these activities through property taxes was \$46,600,695.
- Some of the cost was paid by those who directly benefited from the programs \$2,315,702, or
- By operating grants and contributions \$23,133,249.

Table A-3
Net Cost of Selected District Functions

	Total Cost of Service		Total % Change	Net Cost of Services		Total % Change
	Year Ended June 30, 2014	Ten Months Ended June 30, 2013		Year Ended June 30, 2014	Ten Months Ended June 30, 2013	
Instruction	63,316,082	57,408,241	10.29%	54,441,683	50,003,440	8.88%
Facilities Maintenance and Operations	11,384,624	9,577,211	18.87%	11,006,716	9,231,298	19.23%
Debt Service	8,504,342	7,797,537	9.06%	4,703,263	4,789,389	-1.80%
Food Services	7,777,268	6,731,002	15.54%	264,144	(197,741)	-233.58%
School Leadership	6,169,919	5,250,425	17.51%	5,912,099	4,995,364	18.35%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues of the General Fund totaled \$101,552,382, an increase of 11.8% compared to the preceding period's General Fund revenues. Local revenues increased by 3.9% due to an increase in property values, state revenues increased 16%, and federal revenues in the General Fund increased by 35%. The state funding formula was increased for the current fiscal year by the state. The increase in the funding formula more than offset a 1.6% decrease in average daily attendance.

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 \$7,390,055 below final budget amounts. The most significant positive variances resulted from instruction, curriculum and instructional staff development and facilities maintenance and operations. 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 positive variance in facilities maintenance and operations were due to cost savings during the year.

Additionally, resources available were \$6.4 million above the final budgeted amounts. The positive variance is primarily due to additional state funding and federal SHARS funding in excess of budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the District had invested \$297,986,769 in a broad range of capital assets, including land, land improvements, buildings and improvements and furniture and equipment (See Table A-4). This amount represents a net increase (including additions and deductions) of \$7,165,023 or 2.46 percent more than last year.

Table A-4
District's Capital Assets

	Governmental Activities		Total % Change
	June 30, 2014	June 30, 2013	
Land	5,151,359	5,151,359	0.00%
Land Improvements	8,831,764	8,831,764	0.00%
Buildings and Improvements	266,187,743	260,784,694	2.07%
Furniture and Equipment	17,815,903	16,053,929	10.98%
Totals at Historical Cost	297,986,769	290,821,746	2.46%
 Total Accumulated Depreciation	 (133,673,628)	 (125,997,550)	 6.09%
Net Capital Assets	164,313,141	164,824,196	-0.31%

More detailed information about the District's capital assets is presented in Note 7 on page 43 of the financial statements.

Long-Term Debt

At June 30, 2014, the District had \$184,376,008 in bonds payable as shown in Table A-5. More detailed information about the District's debt is presented in Notes 10 through 12 on pages 45-46 of the financial statements.

Table A-5
District's Long Term Debt

	Governmental Activities		Total % Change
	June 30, 2014	June 30, 2013	
General Obligation Bonds	144,385,236	147,042,100	-1.81%
Accreted Interest	16,697,391	20,457,666	-18.38%
 Bond Premium/Discount	 23,293,381	 23,940,637	 -2.70%
Total Long-Term Debt	184,376,008	191,440,403	-3.69%

Bond Ratings

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2015 budget preparation increased 7.7% from the previous year.
- The District's refined average daily attendance was based on the 2013-2014 amounts.
- State funding is estimated to decrease approximately \$1.7 million in 2015 due to higher local tax collections.

These indicators were taken into account when adopting the general fund budget for 2015. Amounts available for appropriation in the general fund budget are \$100.2 million, a decrease of 1.4 percent compared to the 2014 actual revenue of \$101.5 million. Expenditures are budgeted at \$100.2 million in 2015, an increase of 2.4 percent, mainly due to an increase in personnel costs. General operating fund spending per student is approximately \$7,776 in the 2015 budget.

The District's maintenance and operations tax rate remained \$1.04 per \$100 of taxable value for the 2015 fiscal year. The debt service tax rate remained \$0.37 per \$100 of taxable value for the 2015 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.

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BASIC FINANCIAL STATEMENTS

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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 42,393,447
1220 Property Taxes Receivable (Delinquent)	2,986,204
1230 Allowance for Uncollectible Taxes	(149,310)
1240 Due from Other Governments	19,424,113
1290 Other Receivables, net	40,545
1300 Inventories	440,464
1410 Prepayments	25,910
Capital Assets:	
1510 Land	5,151,359
1520 Buildings, Net	156,142,656
1530 Furniture and Equipment, Net	3,019,126
1000 Total Assets	229,474,514
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge on Bond Refundings	6,893,289
1700 Total Deferred Outflows of Resources	6,893,289
LIABILITIES	
2110 Accounts Payable	1,219,727
2140 Accrued Interest Payable	1,063,636
2150 Payroll Deductions & Withholdings	40,876
2160 Accrued Wages Payable	9,150,138
2200 Accrued Expenses	271,849
2300 Unearned Revenue	536,129
Noncurrent Liabilities	
2501 Due Within One Year	8,790,000
2502 Due in More Than One Year	175,586,008
2000 Total Liabilities	196,658,363
NET POSITION	
3200 Net Investment in Capital Assets	3,815,635
3820 Restricted for Federal and State Programs	594,941
3850 Restricted for Debt Service	8,748,917
3900 Unrestricted	26,549,947
3000 Total Net Position	\$ 39,709,440

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT B-1

Data Control Codes	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	1	3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 63,316,082	\$ 143,174	\$ 8,731,225	\$ (54,441,683)
12 Instructional Resources and Media Services	985,942	-	27,975	(957,967)
13 Curriculum and Staff Development	3,755,404	-	965,974	(2,789,430)
21 Instructional Leadership	2,283,469	-	292,187	(1,991,282)
23 School Leadership	6,169,919	-	257,820	(5,912,099)
31 Guidance, Counseling and Evaluation Services	4,165,357	-	1,327,251	(2,838,106)
32 Social Work Services	42,845	-	1,702	(41,143)
33 Health Services	1,082,444	-	45,977	(1,036,467)
34 Student (Pupil) Transportation	3,235,654	-	1,118,653	(2,117,001)
35 Food Services	7,777,268	1,392,804	6,120,320	(264,144)
36 Extracurricular Activities	2,812,124	647,941	75,992	(2,088,191)
41 General Administration	3,070,088	-	95,323	(2,974,765)
51 Facilities Maintenance and Operations	11,384,624	131,783	246,125	(11,006,716)
52 Security and Monitoring Services	1,088,207	-	28,977	(1,059,230)
53 Data Processing Services	2,303,696	-	43,079	(2,260,617)
61 Community Services	414,328	-	32,267	(382,061)
72 Debt Service - Interest on Long Term Debt	8,406,530	-	3,722,402	(4,684,128)
73 Debt Service - Bond Issuance Cost and Fees	19,135	-	-	(19,135)
95 Payments to Juvenile Justice Alternative Ed. Prg.	97,812	-	-	(97,812)
99 Other Intergovernmental Charges	216,068	-	-	(216,068)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 122,626,996	\$ 2,315,702	\$ 23,133,249	(97,178,045)

Data Control Codes	General Revenues:	
Taxes:		
MT	Property Taxes, Levied for General Purposes	34,389,518
DT	Property Taxes, Levied for Debt Service	12,211,177
SF	State Aid - Formula Grants	60,099,570
GC	Grants and Contributions not Restricted	49,830
IE	Investment Earnings	20,971
MI	Miscellaneous Local and Intermediate Revenue	239,353
TR	Total General Revenues	107,010,419
CN	Change in Net Position	9,832,374
NB	Net Position - Beginning	29,877,066
NE	Net Position - Ending	\$ 39,709,440

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 29,847,329	\$ 9,130,794	\$ 1,899,304	\$ 40,877,427
1220 Property Taxes - Delinquent	2,260,142	726,062	-	2,986,204
1230 Allowance for Uncollectible Taxes (Credit)	(113,007)	(36,303)	-	(149,310)
1240 Receivables from Other Governments	16,409,554	-	3,014,559	19,424,113
1260 Due from Other Funds	2,312,344	-	-	2,312,344
1290 Other Receivables	30,404	-	9,729	40,133
1300 Inventories	358,516	-	81,948	440,464
1410 Prepayments	24,958	-	952	25,910
1000 Total Assets	<u>\$ 51,130,240</u>	<u>\$ 9,820,553</u>	<u>\$ 5,006,492</u>	<u>\$ 65,957,285</u>
LIABILITIES				
2110 Accounts Payable	\$ 1,060,534	\$ 7,000	\$ 151,935	\$ 1,219,469
2150 Payroll Deductions and Withholdings Payable	40,876	-	-	40,876
2160 Accrued Wages Payable	8,547,375	-	602,354	9,149,729
2170 Due to Other Funds	-	1,000	2,311,344	2,312,344
2200 Accrued Expenditures	164,422	-	392	164,814
2300 Unearned Revenues	-	-	536,129	536,129
2000 Total Liabilities	<u>9,813,207</u>	<u>8,000</u>	<u>3,602,154</u>	<u>13,423,361</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	2,147,135	689,759	-	2,836,894
2600 Total Deferred Inflows of Resources	<u>2,147,135</u>	<u>689,759</u>	<u>-</u>	<u>2,836,894</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	358,516	-	81,948	440,464
3430 Prepaid Items	24,958	-	952	25,910
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	512,041	512,041
3470 Capital Acquisition and Contractual Obligation	-	-	287,822	287,822
3480 Retirement of Long-Term Debt	-	9,122,794	-	9,122,794
Committed Fund Balance:				
3545 Other Committed Fund Balance	815,000	-	515,481	1,330,481
Assigned Fund Balance:				
3590 Other Assigned Fund Balance	-	-	6,094	6,094
3600 Unassigned Fund Balance	37,971,424	-	-	37,971,424
3000 Total Fund Balances	<u>39,169,898</u>	<u>9,122,794</u>	<u>1,404,338</u>	<u>49,697,030</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 51,130,240</u>	<u>\$ 9,820,553</u>	<u>\$ 5,006,492</u>	<u>\$ 65,957,285</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, 2014

Total Fund Balances - Governmental Funds	\$ 49,697,030
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.	1,408,730
2 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	297,986,770
3 Accumulated depreciation is not reported in the fund financial statements.	(133,673,629)
4 Bonds payable are not reported in the fund financial statements.	(144,385,236)
5 Accreted interest payable on capital appreciation bonds is not reported in the fund financial statements.	(16,697,391)
6 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,836,894
7 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(1,063,636)
8 Bond premiums are not recognized in the fund financial statements.	(23,293,381)
9 Deferred charges on bond refundings are not recognized in the fund financial statements.	6,893,289
19 Net Position of Governmental Activities	\$ 39,709,440

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 YEAR ENDED JUNE 30, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 34,992,917	\$ 12,213,918	\$ 1,993,379	\$ 49,200,214
5800 State Program Revenues	64,732,212	3,722,402	1,263,392	69,718,006
5900 Federal Program Revenues	1,827,253	-	11,687,560	13,514,813
5020 Total Revenues	<u>101,552,382</u>	<u>15,936,320</u>	<u>14,944,331</u>	<u>132,433,033</u>
EXPENDITURES:				
Current:				
0011 Instruction	52,754,882	-	5,065,409	57,820,291
0012 Instructional Resources and Media Services	838,527	-	46,525	885,052
0013 Curriculum and Instructional Staff Development	2,910,197	-	840,696	3,750,893
0021 Instructional Leadership	1,926,177	-	219,221	2,145,398
0023 School Leadership	6,079,437	-	23,460	6,102,897
0031 Guidance, Counseling and Evaluation Services	2,944,195	-	1,162,808	4,107,003
0032 Social Work Services	40,590	-	-	40,590
0033 Health Services	1,077,542	-	91	1,077,633
0034 Student (Pupil) Transportation	3,542,064	-	507	3,542,571
0035 Food Services	83,478	-	7,490,650	7,574,128
0036 Extracurricular Activities	2,489,696	-	297,820	2,787,516
0041 General Administration	2,929,825	-	295	2,930,120
0051 Facilities Maintenance and Operations	15,723,396	-	735,971	16,459,367
0052 Security and Monitoring Services	1,056,102	-	16,339	1,072,441
0053 Data Processing Services	2,311,712	-	-	2,311,712
0061 Community Services	378,807	-	20,639	399,446
Debt Service:				
0071 Principal on Long Term Debt	-	2,656,755	-	2,656,755
0072 Interest on Long Term Debt	-	11,828,866	-	11,828,866
0073 Bond Issuance Cost and Fees	985	14,550	3,600	19,135
Capital Outlay:				
0081 Facilities Acquisition and Construction	396,159	-	-	396,159
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	97,812	-	-	97,812
0099 Other Intergovernmental Charges	216,068	-	-	216,068
6030 Total Expenditures	<u>97,797,651</u>	<u>14,500,171</u>	<u>15,924,031</u>	<u>128,221,853</u>
1200 Net Change in Fund Balances	3,754,731	1,436,149	(979,700)	4,211,180
0100 Fund Balance - July 1 (Beginning)	<u>35,415,167</u>	<u>7,686,645</u>	<u>2,384,038</u>	<u>45,485,850</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 39,169,898</u>	<u>\$ 9,122,794</u>	<u>\$ 1,404,338</u>	<u>\$ 49,697,030</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 YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ 4,211,180
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.	26,821
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.	7,165,023
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.	(7,676,078)
Current year long-term debt principal payments on bonds 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.	9,052,023
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.	(2,634,884)
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.	647,256
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.	26,337
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(126,110)
Current year amortization of the deferred charges on bond refundings is not recognized in the fund financial statements, but is shown as a reduction of the deferred charges in the government-wide financial statements.	(859,194)
Change in Net Position of Governmental Activities	\$ 9,832,374

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 YEAR ENDED JUNE 30, 2014

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	\$ 34,106,500	\$ 34,118,376	\$ 34,992,917	\$ 874,541
5800 State Program Revenues	60,081,119	60,081,119	64,732,212	4,651,093
5900 Federal Program Revenues	950,000	950,000	1,827,253	877,253
5020 Total Revenues	95,137,619	95,149,495	101,552,382	6,402,887
EXPENDITURES:				
Current:				
0011 Instruction	57,369,767	57,105,021	52,754,882	4,350,139
0012 Instructional Resources and Media Services	928,084	926,382	838,527	87,855
0013 Curriculum and Instructional Staff Development	2,642,813	3,433,202	2,910,197	523,005
0021 Instructional Leadership	1,892,421	2,058,154	1,926,177	131,977
0023 School Leadership	6,245,054	6,313,582	6,079,437	234,145
0031 Guidance, Counseling and Evaluation Services	3,092,648	3,128,306	2,944,195	184,111
0032 Social Work Services	39,562	46,562	40,590	5,972
0033 Health Services	1,154,241	1,154,337	1,077,542	76,795
0034 Student (Pupil) Transportation	2,876,857	3,686,427	3,542,064	144,363
0035 Food Services	-	169,000	83,478	85,522
0036 Extracurricular Activities	2,667,122	2,680,498	2,489,696	190,802
0041 General Administration	2,926,567	3,011,220	2,929,825	81,395
0051 Facilities Maintenance and Operations	11,528,415	16,482,834	15,723,396	759,438
0052 Security and Monitoring Services	1,132,075	1,114,163	1,056,102	58,061
0053 Data Processing Services	2,398,369	2,492,294	2,311,712	180,582
0061 Community Services	310,897	449,481	378,807	70,674
Debt Service:				
0071 Principal on Long Term Debt	333,143	138,143	-	138,143
0072 Interest on Long Term Debt	7,500	7,500	-	7,500
0073 Bond Issuance Cost and Fees	1,000	1,000	985	15
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	452,600	396,159	56,441
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	100,000	110,000	97,812	12,188
0099 Other Intergovernmental Charges	222,000	227,000	216,068	10,932
6030 Total Expenditures	97,868,535	105,187,706	97,797,651	7,390,055
1200 Net Change in Fund Balances	(2,730,916)	(10,038,211)	3,754,731	13,792,942
0100 Fund Balance - July 1 (Beginning)	35,415,167	35,415,167	35,415,167	-
3000 Fund Balance - June 30 (Ending)	\$ 32,684,251	\$ 25,376,956	\$ 39,169,898	\$ 13,792,942

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, 2014

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,516,020
Other Receivables	412
Total Assets	<u>1,516,432</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	258
Accrued Wages Payable	409
Accrued Expenses	107,035
Total Liabilities	<u>107,702</u>
NET POSITION	
Unrestricted Net Position	<u>1,408,730</u>
Total Net Position	<u><u>\$ 1,408,730</u></u>

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 YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 726,267
Total Operating Revenues	<u>726,267</u>
OPERATING EXPENSES:	
Payroll Costs	129,006
Professional and Contracted Services	27,950
Supplies and Materials	92,180
Other Operating Costs	450,573
Total Operating Expenses	<u>699,709</u>
Operating Income	<u>26,558</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	263
Total Nonoperating Revenues (Expenses)	<u>263</u>
Change in Net Position	26,821
Total Net Position - July 1 (Beginning)	<u>1,381,909</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 1,408,730</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 YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from District	\$ 597,249
Internal Activity - Receipts from Other funds	135,739
Cash Payments to Employees for Services	(128,947)
Cash Payments for Insurance Claims	(545,224)
Cash Payments for Suppliers	(150,854)
Net Cash Used for Operating Activities	(92,037)
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	263
Net Decrease in Cash and Cash Equivalents	(91,774)
Cash and Cash Equivalents at Beginning of Year	1,607,794
Cash and Cash Equivalents at End of Year	\$ 1,516,020
<u>Reconciliation of Operating Income to Net Cash Used for Operating Activities:</u>	
Operating Income:	\$ 26,558
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Other Receivables	6,721
Increase (decrease) in Accounts Payable	(30,724)
Increase (decrease) in Accrued Wages Payable	59
Increase (decrease) in Accrued Expenses	(94,651)
Net Cash Used for Operating Activities	\$ (92,037)

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, 2014

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 54,238	\$ 124,365
Total Assets	<u>54,238</u>	<u>\$ 124,365</u>
LIABILITIES		
Accounts Payable	580	\$ -
Due to Student Groups	<u>-</u>	<u>124,365</u>
Total Liabilities	<u>580</u>	<u>\$ 124,365</u>
NET POSITION		
Unrestricted Net Position	<u>53,658</u>	
Total Net Position	<u>\$ 53,658</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 YEAR ENDED JUNE 30, 2014

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 25
Total Additions	<u>25</u>
DEDUCTIONS:	
Other Operating Costs	<u>1,500</u>
Total Deductions	<u>1,500</u>
Change in Net Position	(1,475)
 Total Net Position - July 1 (Beginning)	 <u>55,133</u>
 Total Net Position - June 30 (Ending)	 <u><u>\$ 53,658</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 YEAR ENDED JUNE 30, 2014**

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. Any prior period amounts presented in this Annual Financial Report are for the ten months ended June 30, 2013.

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 YEAR ENDED JUNE 30, 2014**

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 YEAR ENDED JUNE 30, 2014**

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. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the proprietary funds Statement of Net Position. Net position is segregated into net investment in capital assets, 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 YEAR ENDED JUNE 30, 2014**

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.

Prepayments

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments.

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.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Property Taxes- continued

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.

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 YEAR ENDED JUNE 30, 2014**

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, 2014 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 YEAR ENDED JUNE 30, 2014**

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.

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:

- 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 and prepaid items as being nonspendable as these items are not expected to be converted to cash.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 3. FUND BALANCES- continued.

- 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. 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, 2014 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.
- 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 and are described below:

General Fund

The General Fund has nonspendable fund balance of \$383,474, consisting of \$358,516 of inventories and \$24,958 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 General Fund has unassigned fund balance of \$37,971,424 at June 30, 2014.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 3. FUND BALANCES- continued

Debt Service Fund

The Debt Service Fund has restricted funds of \$9,122,794 at June 30, 2014 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 \$287,822 at June 30, 2014 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 \$82,900 consisting of \$81,948 of inventories and \$952 of prepaid items. The fund balance of \$515,481 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	\$507,053
Advanced Placement Incentives	4,120
State Textbook Fund	<u>868</u>
Total	<u>\$512,041</u>

The \$6,094 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.

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 July 1. The operating budget includes proposed expenditures and the means of financing them.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY- continued

Budgetary Data- continued

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 July 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. Curriculum & Instructional Staff Development budget was increased by \$790,389.
 - b. Student Transportation budget was increased by \$809,570.
 - c. Facilities Maintenance & Operations budget was increased by \$4,954,419.
 - d. Facilities Acquisition and Construction budget was increased by \$452,600.
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, 2014, the carrying amount of the District's deposits (checking accounts and interest-bearing demand accounts) was \$(331,076) and the bank balance was \$1,428,998. The District's cash deposits at June 30, 2014 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. During the year ended June 30, 2014, District deposits were not fully collateralized on twenty-one days during the year.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

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, 2014, the District's cash deposits totaled \$1,428,998. 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 as of June 30, 2014. District deposits were not fully collateralized on twenty-one days during the year ended June 30, 2014.
- 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, 2014, 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).

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 5. DEPOSITS AND INVESTMENTS- continued

- 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.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2014, 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, 2014, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Lone Star Investment Pool	\$13,613,410	\$13,613,410
LOGIC Investment Pool	1,126,454	1,126,454
MBIA Texas CLASS Investment Pool	1,617,648	1,617,648
TexPool Investment Pool	<u>26,507,737</u>	<u>26,507,737</u>
	<u>\$42,865,249</u>	<u>\$42,865,249</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 6. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2014 represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2014.

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund:		
Debt Service Fund	\$ 1,000	\$ -
Non-Major Special Revenue Funds:		
IDEA-B, Preschool	15,052	-
ESEA I, Part A	1,165,595	-
IDEA-B, Formula	933,580	-
Career & Technical	31,800	-
Title III, Part A	86,933	-
ESEA Title II, Part A	76,984	-
Visually Impaired	<u>1,400</u>	<u>-</u>
	<u>2,311,344</u>	<u>-</u>
Debt Service Fund:		
General Fund	<u>-</u>	<u>1,000</u>
Total Major Governmental Funds	<u>2,312,344</u>	<u>1,000</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
General Fund	<u>-</u>	<u>2,311,344</u>
Total Nonmajor Governmental Funds	<u>-</u>	<u>2,311,344</u>
Total	<u>\$2,312,344</u>	<u>\$2,312,344</u>

NOTE 7 CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2014, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 5,151,359	\$ -	\$ -	\$ 5,151,359
Total Capital assets not being depreciated	<u>5,151,359</u>	<u>-</u>	<u>-</u>	<u>5,151,359</u>
Capital assets, being depreciated				
Land Improvements	8,831,764	-	-	8,831,764
Buildings	260,784,694	5,403,049	-	266,187,743
Furniture and Equipment	16,053,929	1,761,974	-	17,815,903
Total capital assets being depreciated	<u>285,670,387</u>	<u>7,165,023</u>	<u>-</u>	<u>292,835,410</u>
Less accumulated depreciation for:				
Land Improvements	(5,477,170)	(376,888)	-	(5,854,058)
Buildings	(107,135,930)	(5,886,863)	-	(113,022,793)
Furniture and Equipment	(13,384,450)	(1,412,327)	-	(14,796,777)
Total accumulated depreciation	<u>(125,997,550)</u>	<u>(7,676,078)</u>	<u>-</u>	<u>(133,673,628)</u>
Total capital assets, being depreciated, net	<u>159,672,837</u>	<u>(511,055)</u>	<u>-</u>	<u>159,161,782</u>
Governmental activities capital assets, net	<u>\$164,824,196</u>	<u>\$ (511,055)</u>	<u>\$ -</u>	<u>\$164,313,141</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 7 CAPITAL ASSET ACTIVITY- continued

Depreciation expense was charged to governmental functions as follows:

Instruction	\$5,750,137
Instruction resources and media services	100,890
Curriculum and staff development	4,511
Instructional leadership	138,071
School leadership	67,022
Guidance, counseling and evaluation services	58,354
Social work services	2,255
Health services	4,811
Student (pupil) transportation	458,896
Food services	359,075
Cocurricular/Extracurricular activities	57,470
General administration	139,968
Plant maintenance and operations	291,425
Security and monitoring services	15,766
Data Processing	212,545
Community Services	<u>14,882</u>
Total depreciation expense	<u>\$7,676,078</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, 2014, 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	\$16,307,178	\$ 102,376	\$16,409,554
Special Revenue	-	3,014,559	3,014,559
Debt Service	-	-	-
Total	<u>\$16,307,178</u>	<u>\$3,116,935</u>	<u>\$19,424,113</u>

NOTE 9. UNEARNED REVENUE

Unearned revenue at June 30, 2014 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
State Textbook Fund	\$ -	\$492,995	\$ -	\$492,995
Federal Food Commodities	-	43,134	-	43,134
Total	<u>\$ -</u>	<u>\$536,129</u>	<u>\$ -</u>	<u>\$536,129</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

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 year ended June 30, 2014 is as follows:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Amounts Outstanding 7/01/13	Issued	Retired	Amounts Outstanding 6/30/14	Amounts Due Within One Year
Unlimited tax school building and refunding bonds – Series 2001B	3.90-6.10%	2015	\$126,774,891	\$ 4,881,004	\$ -	\$ 1,181,864	\$ 3,699,140	\$3,699,139
Unlimited tax refunding bonds – Series 2005	3.00-5.00%	2028	47,166,096	12,896,096	-	-	12,896,096	-
Unlimited tax refunding bonds – Series 2006	4.00-5.00%	2032	71,105,909	69,855,000	-	500,000	69,355,000	500,000
Unlimited tax refunding bonds – Series 2011	2.00-3.00%	2032	9,125,000	8,835,000	-	85,000	8,750,000	85,000
Unlimited tax refunding bonds – Series 2012	4.00%	2033	9,225,000	9,225,000	-	-	9,225,000	-
Unlimited tax refunding bonds – Series 2013A	2.00-3.50%	2033	7,985,000	7,985,000	-	455,000	7,530,000	370,000
Unlimited tax refunding bonds – Series 2013B	1.00-4.00%	2026	33,365,000	<u>33,365,000</u>	<u>-</u>	<u>435,000</u>	<u>32,930,000</u>	<u>-</u>
Total Bonded Debt Payable				<u>\$147,042,100</u>	<u>\$ -</u>	<u>\$ 2,656,864</u>	<u>\$144,385,236</u>	<u>\$4,654,139</u>

Debt service requirements are as follows:

Years Ending June 30,	Principal	Interest	Total Requirements
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	8,405,000	6,258,275	14,663,275
2020-2024	18,721,096	48,059,654	66,780,750
2025-2029	49,865,000	18,479,700	68,344,700
2030-2033	52,980,001	5,646,262	58,626,263
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$144,385,236</u>	<u>\$122,285,702</u>	<u>\$266,670,938</u>

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 2015 through 2022. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 10. BONDS PAYABLE- continued

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. BONDS PAYABLE REFUNDINGS

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

Balance – June 30, 2013	\$7,752,483
Current period amortization	<u>(859,194)</u>
Balance – June 30, 2014	<u>\$6,893,289</u>

NOTE 12. CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2014 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	\$147,042,100	\$ -	\$2,656,864	\$144,385,236	\$4,654,139
Accreted Interest	20,457,666	2,634,884	6,395,159	16,697,391	4,072,391
Bond Premium/Discount	<u>23,940,637</u>	<u>-</u>	<u>647,256</u>	<u>23,293,381</u>	<u>63,470</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$191,440,403</u>	<u>\$2,634,884</u>	<u>\$9,699,279</u>	<u>\$184,376,008</u>	<u>\$8,790,000</u>

NOTE 13. 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 YEAR ENDED JUNE 30, 2014**

NOTE 13. DEFINED BENEFIT PENSION PLAN - continued

Funding Policy – State law provides for a state contribution rate of 6.8% effective September 1, 2013 and a member contribution rate of 6.4%. The state contribution rate was 6.4% for fiscal year 2013 and 6.0% for fiscal year 2012. 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, 2014, 2013 and August 31, 2012 were \$3,870,102, \$3,661,295 and \$4,319,714 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, 2014, 2013 and August 31, 2012 were \$1,210,085, \$990,723 and \$1,082,906, respectively, equal to the required contributions for each year. The amounts contributed by the State for the periods ended June 30, 2014, 2013 and August 31, 2012 were \$2,962,366, \$2,649,465 and \$2,966,825, 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 14. 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 YEAR ENDED JUNE 30, 2014**

NOTE 14. 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 1.0% and 0.65% of public school payroll, respectively effective September 1, 2013, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2014, 2013 and 2012. The State of Texas contributed 0.5% for the period September 1, 2012 through August 31, 2013 and 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 periods ended June 30, 2014, 2013 and the year ended August 31, 2012, the State's contributions to TRS-Care were \$560,247, \$286,077, and \$626,529, respectively, the active member contributions were \$393,058, \$371,762, and \$438,721, respectively, and the school district's contribution were \$377,041, \$330,474, and \$419,656, 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 year ended June 30, 2014, the contribution made on behalf of the District was \$191,331.

NOTE 15. 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 through membership in a self-insured pool. For this pool, stop-loss coverage was in effect for individual claims exceeding \$400,000 with an aggregate limit of \$2,000,000. The District is partially self-funded to a loss fund maximum of \$394,919. Additionally, the District incurred fixed costs of \$242,119 for its share of claims administration, loss control, record keeping, and cost of excess insurance.

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.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

NOTE 15. RISK MANAGEMENT - continued

	Year Ended <u>June 30 2014</u>	Ten Months Ended <u>June 30, 2013</u>
Claims payable, beginning of year	\$ 201,686	\$ 278,058
Claims incurred and changes in estimates	208,054	494,452
Claims payments	<u>(302,705)</u>	<u>(570,824)</u>
Claims payable, end of year	<u>\$ 107,035</u>	<u>\$ 201,686</u>

NOTE 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for certain Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in one functional category in the National Breakfast and Lunch Program Fund for the year ended June 30, 2014.

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COMBINING SCHEDULES

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, 2014

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 552,369
1240	Receivables from Other Governments	1,537,232	1,207,252	21,464	45,123
1290	Other Receivables	-	-	-	2,736
1300	Inventories	-	-	-	81,948
1410	Prepayments	-	-	-	952
1000	Total Assets	<u>\$ 1,537,232</u>	<u>\$ 1,207,252</u>	<u>\$ 21,464</u>	<u>\$ 683,128</u>
LIABILITIES					
2110	Accounts Payable	\$ 43,100	\$ 28,659	\$ -	\$ 37,585
2160	Accrued Wages Payable	328,537	245,013	6,412	12,064
2170	Due to Other Funds	1,165,595	933,580	15,052	-
2200	Accrued Expenditures	-	-	-	392
2300	Unearned Revenues	-	-	-	43,134
2000	Total Liabilities	<u>1,537,232</u>	<u>1,207,252</u>	<u>21,464</u>	<u>93,175</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	81,948
3430	Prepaid Items	-	-	-	952
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	507,053
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>	<u>589,953</u>
4000	Total Liabilities and Fund Balances	<u>\$ 1,537,232</u>	<u>\$ 1,207,252</u>	<u>\$ 21,464</u>	<u>\$ 683,128</u>

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	410 State Textbook Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120	\$ -	\$ 493,863
33,960	76,955	92,573	-	-	-	-	-
-	29	-	-	1,400	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 33,960</u>	<u>\$ 76,984</u>	<u>\$ 92,573</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 4,120</u>	<u>\$ -</u>	<u>\$ 493,863</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,160	-	5,640	-	-	-	-	-
31,800	76,984	86,933	-	1,400	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	492,995
<u>33,960</u>	<u>76,984</u>	<u>92,573</u>	<u>-</u>	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>492,995</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,120	-	868
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120</u>	<u>-</u>	<u>868</u>
<u>\$ 33,960</u>	<u>\$ 76,984</u>	<u>\$ 92,573</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 4,120</u>	<u>\$ -</u>	<u>\$ 493,863</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Special Revenue Funds
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 551,826	\$ 7,904	\$ 1,610,082
1240	Receivables from Other Governments	-	-	-	3,014,559
1290	Other Receivables	-	5,564	-	9,729
1300	Inventories	-	-	-	81,948
1410	Prepayments	-	-	-	952
1000	Total Assets	<u>\$ -</u>	<u>\$ 557,390</u>	<u>\$ 7,904</u>	<u>\$ 4,717,270</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 39,381	\$ 1,810	\$ 150,535
2160	Accrued Wages Payable	-	2,528	-	602,354
2170	Due to Other Funds	-	-	-	2,311,344
2200	Accrued Expenditures	-	-	-	392
2300	Unearned Revenues	-	-	-	536,129
2000	Total Liabilities	<u>-</u>	<u>41,909</u>	<u>1,810</u>	<u>3,600,754</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	81,948
3430	Prepaid Items	-	-	-	952
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	512,041
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	515,481	-	515,481
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	6,094	6,094
3000	Total Fund Balances	<u>-</u>	<u>515,481</u>	<u>6,094</u>	<u>1,116,516</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 557,390</u>	<u>\$ 7,904</u>	<u>\$ 4,717,270</u>

699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 289,222	\$ 1,899,304
-	3,014,559
-	9,729
-	81,948
-	952
<u>\$ 289,222</u>	<u>\$ 5,006,492</u>
\$ 1,400	\$ 151,935
-	602,354
-	2,311,344
-	392
-	536,129
<u>1,400</u>	<u>3,602,154</u>
-	81,948
-	952
-	512,041
287,822	287,822
-	515,481
-	6,094
<u>287,822</u>	<u>1,404,338</u>
<u>\$ 289,222</u>	<u>\$ 5,006,492</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 1,422,845
5800	State Program Revenues	-	-	-	178,174
5900	Federal Program Revenues	2,787,741	2,382,772	45,741	5,942,146
5020	Total Revenues	2,787,741	2,382,772	45,741	7,543,165
EXPENDITURES:					
Current:					
0011	Instruction	2,283,857	970,269	45,741	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	392,547	141,981	-	-
0021	Instructional Leadership	98,754	108,004	-	-
0023	School Leadership	5,260	-	-	-
0031	Guidance, Counseling and Evaluation Services	319	1,162,489	-	-
0033	Health Services	21	-	-	-
0034	Student (Pupil) Transportation	507	-	-	-
0035	Food Services	-	-	-	7,490,650
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	132,776
0052	Security and Monitoring Services	-	-	-	15,073
0061	Community Services	6,476	29	-	-
Debt Service:					
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	2,787,741	2,382,772	45,741	7,638,499
1200	Net Change in Fund Balance	-	-	-	(95,334)
0100	Fund Balance - July 1 (Beginning)	-	-	-	685,287
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 589,953

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	410 State Textbook Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565
-	-	-	-	1,400	-	1,119	1,082,592
150,921	196,412	177,375	4,452	-	-	-	-
150,921	196,412	177,375	4,452	1,400	-	1,119	1,083,157
148,716	-	49,266	3,852	1,400	-	1,119	1,082,297
-	-	-	-	-	-	-	-
-	186,484	114,932	600	-	-	-	-
275	9,928	2,260	-	-	-	-	-
-	-	1,216	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	295
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,930	-	9,701	-	-	-	-	-
-	-	-	-	-	-	-	-
150,921	196,412	177,375	4,452	1,400	-	1,119	1,082,592
-	-	-	-	-	-	-	565
-	-	-	-	-	4,120	-	303
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120	\$ -	\$ 868

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes		429 Other State Special Revenue Funds	461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Special Revenue Funds
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ 552,111	\$ 16,497	\$ 1,992,018
5800	State Program Revenues	107	-	-	1,263,392
5900	Federal Program Revenues	-	-	-	11,687,560
5020	Total Revenues	107	552,111	16,497	14,942,970
EXPENDITURES:					
Current:					
0011	Instruction	-	160,019	4,789	4,751,325
0012	Instructional Resources and Media Services	107	41,493	4,925	46,525
0013	Curriculum and Instructional Staff Development	-	2,950	1,202	840,696
0021	Instructional Leadership	-	-	-	219,221
0023	School Leadership	-	16,984	-	23,460
0031	Guidance, Counseling and Evaluation Services	-	-	-	1,162,808
0033	Health Services	-	70	-	91
0034	Student (Pupil) Transportation	-	-	-	507
0035	Food Services	-	-	-	7,490,650
0036	Extracurricular Activities	-	297,082	738	297,820
0041	General Administration	-	-	-	295
0051	Facilities Maintenance and Operations	-	4,312	-	137,088
0052	Security and Monitoring Services	-	1,266	-	16,339
0061	Community Services	-	2,503	-	20,639
Debt Service:					
0073	Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	107	526,679	11,654	15,007,464
1200	Net Change in Fund Balance	-	25,432	4,843	(64,494)
0100	Fund Balance - July 1 (Beginning)	-	490,049	1,251	1,181,010
3000	Fund Balance - June 30 (Ending)	\$ -	\$ 515,481	\$ 6,094	\$ 1,116,516

699 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,361	\$ 1,993,379
-	1,263,392
-	11,687,560
1,361	14,944,331
314,084	5,065,409
-	46,525
-	840,696
-	219,221
-	23,460
-	1,162,808
-	91
-	507
-	7,490,650
-	297,820
-	295
598,883	735,971
-	16,339
-	20,639
3,600	3,600
916,567	15,924,031
(915,206)	(979,700)
1,203,028	2,384,038
\$ 287,822	\$ 1,404,338

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, 2014

	751	753	Total
	Transport.	Insurance	Internal Service Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 29,831	\$ 1,486,189	\$ 1,516,020
Other Receivables	412	-	412
Total Assets	30,243	1,486,189	1,516,432
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	258	258
Accrued Wages Payable	409	-	409
Accrued Expenses	-	107,035	107,035
Total Liabilities	409	107,293	107,702
NET POSITION			
Unrestricted Net Position	29,834	1,378,896	1,408,730
Total Net Position	\$ 29,834	\$ 1,378,896	\$ 1,408,730

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	751	753	Total
	Transport.	Insurance	Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 134,660	\$ 591,607	\$ 726,267
Total Operating Revenues	134,660	591,607	726,267
OPERATING EXPENSES:			
Payroll Costs	53,514	75,492	129,006
Professional and Contracted Services	27,923	27	27,950
Supplies and Materials	92,180	-	92,180
Other Operating Costs	-	450,573	450,573
Total Operating Expenses	173,617	526,092	699,709
Operating Income (Loss)	(38,957)	65,515	26,558
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	-	263	263
Total Nonoperating Revenues (Expenses)	-	263	263
Change in Net Position	(38,957)	65,778	26,821
Total Net Position - July 1 (Beginning)	68,791	1,313,118	1,381,909
Total Net Position June 30 (Ending)	\$ 29,834	\$ 1,378,896	\$ 1,408,730

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	751	753	Total
	Transport.	Insurance	Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from District	\$ -	\$ 597,249	\$ 597,249
Internal Activity - Receipts from Other funds	135,739	-	135,739
Cash Payments to Employees for Services	(53,455)	(75,492)	(128,947)
Cash Payments for Insurance Claims	-	(545,224)	(545,224)
Cash Payments for Suppliers	(133,843)	(17,011)	(150,854)
Net Cash Used For Operating Activities	(51,559)	(40,478)	(92,037)
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	-	263	263
Net Decrease in Cash and Cash Equivalents	(51,559)	(40,215)	(91,774)
Cash and Cash Equivalents at Beginning of Year	81,390	1,526,404	1,607,794
Cash and Cash Equivalents at End of Year	\$ 29,831	\$ 1,486,189	\$ 1,516,020
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Used for Operating Activities:</u>			
Operating Income (Loss):	\$ (38,957)	\$ 65,515	\$ 26,558
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Other Receivables	1,079	5,642	6,721
Increase (decrease) in Accounts Payable	(13,740)	(16,984)	(30,724)
Increase (decrease) in Accrued Wages Payable	59	-	59
Increase (decrease) in Accrued Expenses	-	(94,651)	(94,651)
Net Cash Used for Operating Activities	\$ (51,559)	\$ (40,478)	\$ (92,037)

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 END JUNE 30, 2014

EXHIBIT H-9

	Balance July 1 2013	Additions	Deductions	Balance June 30 2014
<hr/>				
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 121,297	\$ 147,802	\$ 142,726	\$ 126,373
Total Assets	<hr/> \$ 121,297	<hr/> \$ 147,802	<hr/> \$ 142,726	<hr/> \$ 126,373
Liabilities				
Accounts Payable	\$ 121,297	\$ 147,802	\$ 142,726	\$ 126,373
Total Liabilities	<hr/> \$ 121,297	<hr/> \$ 147,802	<hr/> \$ 142,726	<hr/> \$ 126,373
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 121,297	\$ 147,802	\$ 142,726	\$ 126,373
Total Assets	<hr/> \$ 121,297	<hr/> \$ 147,802	<hr/> \$ 142,726	<hr/> \$ 126,373
Liabilities				
Accounts Payable	\$ 121,297	\$ 147,802	\$ 142,726	\$ 126,373
Total Liabilities	<hr/> \$ 121,297	<hr/> \$ 147,802	<hr/> \$ 142,726	<hr/> \$ 126,373

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REQUIRED TEA SCHEDULES

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2014

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	Various	Various	\$ 2,061,295,918
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	1.040000	0.390000	3,222,372,129
2014 (School year under audit)	1.040000	0.370000	3,323,010,728
1000 TOTALS			

(10) Beginning Balance 7/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2014
\$ 622,790	\$ -	\$ 5,751	\$ 1,401	\$ (41,637)	\$ 574,001
98,737	-	5,706	1,392	(1,747)	89,892
124,131	-	9,263	2,475	(1,915)	110,478
122,757	-	6,934	2,520	(7,457)	105,846
163,104	-	29,760	10,817	10,895	133,422
222,763	-	45,275	16,456	27,178	188,210
263,810	-	60,239	21,894	21,868	203,545
442,651	-	107,118	38,933	13,469	310,069
897,738	-	266,059	99,772	(136,712)	395,195
-	46,409,966	33,502,713	11,919,235	(112,472)	875,546
<u>\$ 2,958,481</u>	<u>\$ 46,409,966</u>	<u>\$ 34,038,818</u>	<u>\$ 12,114,895</u>	<u>\$ (228,530)</u>	<u>\$ 2,986,204</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 1,356,671	\$ 1,356,671	\$ 1,422,845	\$ 66,174
5800 State Program Revenues	177,000	177,000	178,174	1,174
5900 Federal Program Revenues	5,895,051	5,895,051	5,942,146	47,095
5020 Total Revenues	7,428,722	7,428,722	7,543,165	114,443
EXPENDITURES:				
Current:				
0035 Food Services	7,237,722	7,217,722	7,490,650	(272,928)
0051 Facilities Maintenance and Operations	166,000	186,000	132,776	53,224
0052 Security and Monitoring Services	25,000	25,000	15,073	9,927
6030 Total Expenditures	7,428,722	7,428,722	7,638,499	(209,777)
1200 Net Change in Fund Balances	-	-	(95,334)	(95,334)
0100 Fund Balance - July 1 (Beginning)	685,287	685,287	685,287	-
3000 Fund Balance - June 30 (Ending)	\$ 685,287	\$ 685,287	\$ 589,953	\$ (95,334)

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2014

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	\$ 11,439,730	\$ 11,439,730	\$ 12,213,918	\$ 774,188
5800 State Program Revenues	3,200,000	3,200,000	3,722,402	522,402
5020 Total Revenues	14,639,730	14,639,730	15,936,320	1,296,590
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	2,658,864	2,658,864	2,656,755	2,109
0072 Interest on Long Term Debt	11,830,866	11,830,866	11,828,866	2,000
0073 Bond Issuance Cost and Fees	150,000	150,000	14,550	135,450
6030 Total Expenditures	14,639,730	14,639,730	14,500,171	139,559
1200 Net Change in Fund Balances	-	-	1,436,149	1,436,149
0100 Fund Balance - July 1 (Beginning)	7,686,645	7,686,645	7,686,645	-
3000 Fund Balance - June 30 (Ending)	\$ 7,686,645	\$ 7,686,645	\$ 9,122,794	\$ 1,436,149

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.....	81
Revenue Capacity	
These schedules contain information to help the reader access the government's most significant local revenue source, the property tax.....	96
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.....	102
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.....	109
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.....	112

FINANCIAL TRENDS

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting, Unaudited)

	2005	2006	2007
Governmental Activities			
Net Investment in Capital Assets	\$ (10,714,836)	\$ (10,409,432)	\$ (13,018,343)
Restricted for			
Federal and State Programs	\$ -	\$ -	\$ -
Food Service	\$ -	\$ -	\$ -
Debt Service	\$ 2,669,039	\$ 2,619,310	\$ 3,319,201
Unrestricted	\$ 11,571,292	\$ 10,005,532	\$ 13,160,504
Total Primary Government Net Position	\$ 3,525,495	\$ 2,215,410	\$ 3,461,362

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 assets" 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

2008	2009	2010	2011	2012	2013	2014
\$ (6,435,542)	\$ (5,678,967)	\$ (1,507,272)	\$ 226,763	\$ (201,638)	\$ (220,823)	\$ 3,815,635
\$ -	\$ -	\$ -	\$ 676,049	\$ 145,905	\$ 689,710	\$ 594,941
\$ 469,271	\$ 755,737	\$ 817,311	\$ -	\$ -	\$ -	\$ -
\$ 4,497,666	\$ 4,594,799	\$ 3,578,399	\$ 3,011,414	\$ 4,086,128	\$ 7,438,630	\$ 8,748,917
\$ 6,815,953	\$ 11,785,583	\$ 14,086,137	\$ 17,577,298	\$ 17,286,780	\$ 21,969,549	\$ 26,549,947
\$ 5,347,348	\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175	\$ 29,877,066	\$ 39,709,440

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

	2005	2006	2007	2008
Expenses				
Governmental Activities:				
Instruction	\$ 50,998,528	\$ 54,183,675	\$ 53,732,109	\$ 55,306,325
Instructional Resources and Media Services	\$ 1,916,234	\$ 1,751,180	\$ 1,629,981	\$ 1,729,364
Curriculum and Staff Development	\$ 954,175	\$ 987,325	\$ 1,338,054	\$ 1,428,995
Instructional Leadership	\$ 2,012,978	\$ 1,895,334	\$ 1,695,487	\$ 1,592,425
School Leadership	\$ 4,899,531	\$ 5,283,671	\$ 5,516,302	\$ 5,692,790
Guidance, Counseling and Evaluation Services	\$ 3,638,647	\$ 4,117,833	\$ 4,135,105	\$ 4,256,834
Social Work Services	\$ -	\$ 47,884	\$ 43,470	\$ 43,984
Health Services	\$ 867,746	\$ 977,236	\$ 933,312	\$ 995,790
Student (Pupil) Transportation	\$ 2,532,562	\$ 3,227,910	\$ 2,940,952	\$ 3,002,489
Food Services	\$ 4,518,912	\$ 6,019,365	\$ 5,783,361	\$ 5,304,789
Cocurricular/Extracurricular Activities	\$ 2,039,051	\$ 2,165,414	\$ 2,337,282	\$ 2,713,846
General Administration	\$ 2,564,693	\$ 2,918,155	\$ 2,790,804	\$ 2,560,543
Facilities Maintenance and Operations	\$ 9,194,555	\$ 11,439,340	\$ 10,583,230	\$ 10,913,535
Security and Monitoring Services	\$ 923,566	\$ 1,100,317	\$ 1,167,767	\$ 1,077,174
Data Processing Services	\$ 1,240,645	\$ 1,375,133	\$ 1,235,464	\$ 1,303,677
Community Services	\$ 283,221	\$ 302,335	\$ 350,779	\$ 406,653
Debt Service - Interest on Long Term Debt	\$ 11,305,315	\$ 8,475,987	\$ 10,516,972	\$ 11,052,583
Debt Service - Bond Issuance Cost & Fees	\$ 73,550	\$ 198,977	\$ 190,654	\$ 176,205
Facilities Acquisition and Construction	\$ 1,723,610	\$ 1,603,326	\$ 175,333	\$ 25,028
Payments related to Shared Services Arrangements	\$ -	\$ 100	\$ 700	\$ 3,000
Payments to Juvenile Justice Alternative Ed. Prg.	\$ 68,544	\$ 122,598	\$ 166,972	\$ 134,311
Other Intergovernmental Charges	\$ -	\$ -	\$ -	\$ -
Total Primary Government Expenses	\$ 101,756,063	\$ 108,193,095	\$ 107,264,090	\$ 109,720,340
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$ 248,425	\$ 246,519	\$ 156,549	\$ 175,368
Food Services	\$ 1,499,214	\$ 1,954,275	\$ 1,453,690	\$ 1,398,946
Cocurricular/Extracurricular Activities	\$ 244,415	\$ 198,517	\$ 194,269	\$ 208,889
Facilities Maintenance and Operations	\$ 90,905	\$ 113,613	\$ 152,220	\$ 173,359
Other	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	\$ 14,780,946	\$ 18,901,683	\$ 14,623,441	\$ 16,678,585
Total Primary Government Program Revenues	\$ 16,863,905	\$ 21,414,607	\$ 16,580,169	\$ 18,635,147
Net (Expense) Revenue				
Total Primary Government	\$ (84,892,158)	\$ (86,778,488)	\$ (90,683,921)	\$ (91,085,193)

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 assets" 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

2009	2010	2011	2012	2013	2014
\$ 54,939,554	\$ 61,137,934	\$ 60,615,066	\$ 60,326,725	\$ 57,408,241	\$ 63,316,082
\$ 1,712,661	\$ 1,730,071	\$ 1,698,191	\$ 1,554,623	\$ 1,273,818	\$ 985,942
\$ 1,108,461	\$ 1,730,449	\$ 3,025,883	\$ 3,583,144	\$ 2,581,574	\$ 3,755,404
\$ 1,583,310	\$ 1,884,776	\$ 1,817,117	\$ 1,892,062	\$ 1,756,426	\$ 2,283,469
\$ 5,589,501	\$ 5,969,904	\$ 6,162,064	\$ 5,918,084	\$ 5,250,425	\$ 6,169,919
\$ 4,312,605	\$ 4,229,542	\$ 4,270,680	\$ 4,229,002	\$ 3,668,734	\$ 4,165,357
\$ 49,480	\$ 44,004	\$ 48,245	\$ 34,576	\$ 36,317	\$ 42,845
\$ 1,008,103	\$ 1,076,871	\$ 1,130,645	\$ 1,039,331	\$ 1,061,518	\$ 1,082,444
\$ 2,768,674	\$ 2,879,302	\$ 3,051,753	\$ 3,397,401	\$ 2,934,140	\$ 3,235,654
\$ 6,098,221	\$ 6,928,672	\$ 6,909,395	\$ 7,681,674	\$ 6,731,002	\$ 7,777,268
\$ 2,732,975	\$ 2,517,317	\$ 2,689,211	\$ 2,643,108	\$ 2,740,301	\$ 2,812,124
\$ 2,399,481	\$ 2,634,350	\$ 2,724,120	\$ 2,975,747	\$ 2,411,842	\$ 3,070,088
\$ 10,479,529	\$ 11,992,617	\$ 11,708,254	\$ 12,146,625	\$ 9,577,211	\$ 11,384,624
\$ 896,035	\$ 1,032,893	\$ 1,014,305	\$ 1,240,156	\$ 1,082,114	\$ 1,088,207
\$ 1,745,988	\$ 1,919,151	\$ 1,932,502	\$ 2,435,260	\$ 1,860,202	\$ 2,303,696
\$ 400,728	\$ 285,287	\$ 270,189	\$ 435,145	\$ 350,162	\$ 414,328
\$ 10,708,674	\$ 10,439,529	\$ 10,167,214	\$ 9,784,285	\$ 7,293,685	\$ 8,406,530
\$ 180,154	\$ 172,343	\$ 168,822	\$ 183,512	\$ 503,852	\$ 19,135
\$ 10,050	\$ -	\$ 11,223	\$ -	\$ -	\$ 97,812
\$ 3,600	\$ 3,850	\$ 4,025	\$ 4,250	\$ -	\$ 216,068
\$ 107,915	\$ 160,239	\$ 270,199	\$ 87,012	\$ 49,020	
\$ 222,688	\$ 226,221	\$ 218,841	\$ 208,775	\$ 182,148	
<u>\$ 109,058,387</u>	<u>\$ 118,995,322</u>	<u>\$ 119,907,944</u>	<u>\$ 121,800,497</u>	<u>\$ 108,752,732</u>	<u>\$ 122,626,996</u>
\$ 183,345	\$ 150,618	\$ 139,708	\$ 286,832	\$ 293,305	\$ 143,174
\$ 1,365,436	\$ 1,307,830	\$ 1,275,465	\$ 1,365,743	\$ 1,264,941	\$ 1,392,804
\$ 191,253	\$ 155,195	\$ 236,470	\$ 494,445	\$ 550,280	\$ 647,941
\$ 107,643	\$ 107,693	\$ 119,590	\$ 395,259	\$ 145,266	\$ 131,783
\$ -	\$ -	\$ -	\$ 95,471	\$ 40,123	
<u>\$ 16,235,603</u>	<u>\$ 29,133,149</u>	<u>\$ 31,337,634</u>	<u>\$ 23,695,681</u>	<u>\$ 19,496,243</u>	<u>\$ 23,133,249</u>
<u>\$ 18,083,280</u>	<u>\$ 30,854,485</u>	<u>\$ 33,108,867</u>	<u>\$ 26,333,431</u>	<u>\$ 21,790,158</u>	<u>\$ 25,448,951</u>
<u><u>\$ (90,975,107)</u></u>	<u><u>\$ (88,140,837)</u></u>	<u><u>\$ (86,799,077)</u></u>	<u><u>\$ (95,467,066)</u></u>	<u><u>\$ (86,962,574)</u></u>	<u><u>\$ (97,178,045)</u></u>

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

	2005	2006	2007
Net (Expense)/Revenue			
Total Primary Government Net Expense	\$ (84,892,158)	\$ (86,778,488)	\$ (90,683,921)
General Revenue and Other Changes in Net Assets			
Governmental Activities:			
Taxes			
Property Taxes, Levied for General Purposes	42,112,623	45,107,372	44,656,493
Property Taxes, Levied for Debt Service	10,473,925	10,998,571	11,923,966
State Aid - Unrestricted Formula Grants	25,785,224	26,824,392	32,669,861
Grants and Contributions not Restricted	196,914	234,616	71,782
Investment Earnings	1,149,837	1,753,512	1,886,109
Miscellaneous Local and Intermediate Revenue	482,041	549,940	721,662
Total General Revenues - Primary Government	\$ 80,200,564	\$ 85,468,403	\$ 91,929,873
Changes in Net Assets			
Net Position - Beginning	8,217,089	3,525,495	2,215,410
Prior Period Adjustments	-	-	-
Total Change in Net Position - Primary Government	(4,691,594)	(1,310,085)	1,245,952
Net Position - Ending	\$ 3,525,495	\$ 2,215,410	\$ 3,461,362

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 assets" 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

2008	2009	2010	2011	2012	2013	2014
\$ (91,085,193)	\$ (90,975,107)	\$ (88,140,837)	\$ (86,799,077)	\$ (95,467,066)	\$ (86,962,574)	\$ (97,178,045)
36,117,675	36,059,147	33,908,268	33,047,959	32,940,257	\$ 33,130,535	\$ 34,389,518
13,102,742	13,113,400	12,409,086	12,046,313	11,979,373	\$ 12,425,522	\$ 12,211,177
42,914,590	45,654,223	46,071,203	44,903,675	49,753,085	\$ 51,964,070	\$ 60,099,570
569,550	878,335	38,768	61,269	3,280	\$ 21,581	\$ 49,830
1,152,862	373,260	82,283	38,948	55,781	\$ 48,057	\$ 20,971
1,327,942	1,006,546	1,148,652	1,217,862	560,941	\$ 92,829	\$ 239,353
\$ 95,185,361	\$ 97,084,911	\$ 93,658,260	\$ 91,316,026	\$ 95,292,717	\$ 97,682,594	\$ 107,010,419
3,461,362	5,347,348	11,457,152	16,974,575	21,491,524	\$ 19,157,046	\$ 29,877,066
(2,214,182)	-	-	-	-		
4,100,168	6,109,804	5,517,423	4,516,949	(174,349)	\$ 10,720,020	\$ 9,832,374
\$ 5,347,348	\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175	\$ 29,877,066	\$ 39,709,440

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

	2005	2006	2007	2008
General Fund				
Reserved	\$ 1,271,284	\$ 586,551	\$ 1,563,859	\$ 497,918
Unreserved Designated	\$ 815,000	\$ 815,000	\$ 815,000	\$ 815,000
Unreserved and Undesignated	\$ 5,651,925	\$ 4,718,414	\$ 5,948,939	\$ 11,290,428
Total General Fund	\$ 7,738,209	\$ 6,119,965	\$ 8,327,798	\$ 12,603,346
All Other Governmental Funds				
Reserved, Reported In				
Special Revenue Fund	\$ -	\$ -	\$ -	\$ 469,271
Debt Service Fund	\$ 2,303,243	\$ 2,327,846	\$ 2,786,680	\$ 4,022,498
Capital Projects Fund	\$ 862,760	\$ 344,053	\$ 627,113	\$ 5,903,535
Unreserved Designated, Reported In				
Capital Projects Fund	\$ 19,092,518	\$ 9,381,606	\$ 6,767,733	\$ -
Unreserved and Undesignated, Reported In				
Special Revenue Fund	\$ 378,218	\$ 386,876	\$ 405,448	\$ 487,332
Total All Other Governmental Funds	\$ 22,636,739	\$ 12,440,381	\$ 10,586,974	\$ 10,882,636
Total All Government Funds	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772	\$ 23,485,982

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 assets" 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 4

2009	2010
\$ 658,162	\$ 1,048,763
\$ 815,000	\$ 815,000
\$ 18,437,503	\$ 22,349,461
\$ 19,910,665	\$ 24,213,224

\$ 755,737	\$ 833,267
\$ 4,064,320	\$ 3,058,821
\$ 4,448,230	\$ 3,592,501

\$ -	\$ -
------	------

\$ 774,638	\$ 484,314
\$ 10,042,925	\$ 7,968,903

\$ 29,953,590	\$ 32,182,127
---------------	---------------

2011	2012	2013	2014
\$ 342,187	\$ 416,045	\$ 417,037	\$ 383,474
\$ 815,000	\$ 815,000	\$ 815,000	\$ 815,000
\$ 7,322,781		\$ 2,730,915	\$ -
\$ 21,128,139	\$ 28,674,070	\$ 31,452,215	\$ 37,971,424
\$ 29,608,107	\$ 29,905,115	\$ 35,415,167	\$ 39,169,898
\$ 69,467	\$ 141,785	\$ 95,669	\$ 82,900
\$ 606,582	\$ 4,120	\$ 594,041	\$ 512,041
\$ 2,750,290	\$ 1,416,561	\$ 1,203,028	\$ 287,822
\$ 2,611,137	\$ 3,700,501	\$ 7,686,645	\$ 9,122,794
\$ 459,585	\$ 542,177	\$ 490,049	\$ 515,481
\$ 10,544	\$ 77	\$ 1,251	\$ 6,094
\$ 6,507,605	\$ 5,805,221	\$ 10,070,683	\$ 10,527,132
\$ 36,115,712	\$ 35,710,336	\$ 45,485,850	\$ 49,697,030

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

	2005	2006	2007	2008
Local Sources:				
Local Maintenance and Debt Service Tax	\$ 52,195,432	\$ 56,197,164	\$ 56,068,319	\$ 49,614,634
Tuition/Fees From Patrons	138,829	145,250	156,549	175,368
Other Revenue From Local Services	1,987,075	2,696,578	2,618,303	2,570,485
Co-curricular Revenues	1,883,933	2,401,867	1,861,429	2,193,926
Total Local Sources	56,205,269	61,440,859	60,704,600	54,554,414
State Sources:				
Per Capita and Foundation	\$ 25,899,390	\$ 27,301,170	\$ 33,015,242	\$ 43,288,172
Other State Program Revenues	7,945,136	8,195,247	7,144,024	7,685,484
Total State Programs	33,844,526	35,496,417	40,159,266	50,973,656
Federal Programs:				
State Distributed Revenues from Federal Source:	\$ 6,623,555	\$ 10,036,956	\$ 7,134,037	\$ 8,619,519
Total Federal Programs:	6,623,555	10,036,956	7,134,037	8,619,519
Total Revenues	\$ 96,673,350	\$ 106,974,232	\$ 107,997,903	\$ 114,147,588

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 assets" 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 5

2009	2010	2011	2012	2013	2014
\$ 49,078,801	\$ 46,709,469	\$ 45,762,920	\$ 45,105,586	\$ 45,419,888	\$ 46,574,358
183,345	150,618	139,708	141,253	130,801	\$ 143,175
1,884,755	1,016,714	992,677	1,088,309	461,252	\$ 510,714
2,037,719	1,823,708	1,956,927	1,904,772	1,864,328	\$ 1,971,967
53,184,620	49,700,510	48,852,232	48,239,920	47,876,269	49,200,214
\$ 46,209,961	\$ 46,597,327	\$ 45,585,945	\$ 50,493,207	\$ 52,711,645	\$ 61,126,496
6,774,210	7,551,111	8,396,331	9,695,582	6,667,040	\$ 8,591,510
52,984,171	54,148,437	53,982,276	60,188,789	59,378,685	69,718,006
\$ 8,905,655	\$ 21,055,912	\$ 22,259,033	\$ 13,383,395	\$ 12,081,629	\$ 13,514,813
8,905,655	21,055,912	22,259,033	13,383,395	12,081,629	13,514,813
\$ 115,074,446	\$ 124,904,859	\$ 125,093,541	\$ 121,812,104	\$ 119,336,583	\$ 132,433,033

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

Expenditures by Function	2005	2006	2007
Current:			
Instruction	\$47,217,848	\$50,603,055	\$48,957,332
Instructional Resources & Media Services	1,834,171	1,607,723	1,458,988
Curriculum & Instructional Staff Development	954,175	987,325	1,338,040
Instructional Leadership	1,987,252	1,869,706	1,674,660
School Leadership	4,851,125	5,232,415	5,450,561
Guidance, Counseling, & Evaluation Services	3,601,678	4,079,766	4,081,735
Social Work Services	0	47,884	43,470
Health Services	863,758	973,259	929,318
Student (Pupil) Transportation	2,776,094	4,456,979	3,005,621
Food Services	4,265,965	5,766,474	5,517,812
Cocurricular/Extracurricular Activities	1,999,718	2,126,081	2,332,110
General Administration	2,499,064	2,857,928	2,730,286
Plant Maintenance and Operations	9,159,857	11,400,049	10,784,786
Security and Monitoring Services	913,215	1,057,050	1,092,192
Data Processing Services	1,275,657	1,588,135	1,141,205
Community Services	283,221	302,335	350,779
Debt Service:			
Debt Service - Principal on long-term debt	5,146,453	8,165,052	6,680,455
Debt Service - Interest on long-term debt	8,124,446	7,420,720	8,555,030
Debt Service - Bond Issuance Cost and Fees	15,776	1,467,881	34,328
Capital Outlay:			
Facilities Acquisition and Construction	50,008,416	10,116,702	3,134,813
Intergovernmental:			
Payments to Fiscal Agent/Member Districts of SSA	0	100	700
Payments to Juvenile Justice Alternative Ed. Prg.	68,544	122,598	166,972
Other Intergovernmental Charges	0	0	0
Total Expenditures	\$147,846,433	\$122,249,217	\$109,461,193
Debt Service as a Percentage of Non-Capital Expenditures	13.56%	13.90%	14.33%

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 assets" 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*.
- ⁴ Debt Service as a Percentage of Non-Capital Expenditures does not include Bond Issuance Cost/Fees

SCHEDULE 6

2008	2009	2010	2011	2012	2013	2014
\$50,539,163	\$50,012,231	\$57,576,997	\$55,769,281	\$54,409,199	\$51,880,815	\$ 57,820,291
1,562,762	1,554,453	1,646,761	1,547,994	1,398,268	1,121,596	\$ 885,052
1,428,981	1,108,447	1,730,435	3,025,869	3,583,144	2,577,459	\$ 3,750,893
1,571,598	1,562,483	1,863,949	1,796,768	1,854,738	1,627,268	\$ 2,145,398
5,627,394	5,523,071	5,900,192	6,093,574	5,848,900	5,183,354	\$ 6,102,897
4,196,816	4,251,553	4,166,174	4,213,139	4,170,934	3,610,529	\$ 4,107,003
43,984	49,480	44,004	48,245	34,576	34,260	\$ 40,590
991,796	1,004,109	1,072,387	1,125,834	1,034,352	1,056,707	\$ 1,077,633
2,798,572	2,201,271	2,305,087	2,569,476	2,893,358	2,481,830	\$ 3,542,571
5,047,957	5,867,895	6,670,742	6,853,601	7,565,482	6,409,552	\$ 7,574,128
2,697,386	2,730,701	2,618,644	2,634,545	2,594,665	2,684,165	\$ 2,787,516
2,542,832	2,384,530	2,613,400	2,704,747	2,939,688	2,277,405	\$ 2,930,120
11,008,098	10,590,049	15,034,380	13,007,002	13,840,820	9,670,850	\$ 16,459,367
1,037,214	881,973	1,032,323	1,013,735	1,260,381	1,099,465	\$ 1,072,441
1,232,021	2,162,934	1,693,049	1,901,359	2,264,313	1,722,942	\$ 2,311,712
406,653	385,846	270,405	255,307	420,263	335,280	\$ 399,446
7,685,247	8,509,932	7,458,989	7,747,639	3,090,752	2,694,248	\$ 2,656,755
7,956,364	7,324,059	8,572,077	8,335,057	11,685,344	9,267,189	\$ 11,828,866
19,879	23,828	16,017	12,496	312,864	503,852	\$ 19,135
1,451,902	143,790	0	11,223	1,205,323	3,598,630	\$ 396,159
3,000	3,600	3,850	4,025	4,250	0	\$ -
134,311	107,915	160,239	270,199	87,012	49,020	\$ 97,812
0	222,688	226,221	218,841	208,775	182,148	\$ 216,068
<u>\$109,983,930</u>	<u>\$108,606,838</u>	<u>\$122,676,322</u>	<u>\$121,159,956</u>	<u>\$122,707,401</u>	<u>\$110,068,564</u>	<u>\$128,221,853</u>
14.41%	14.60%	13.07%	13.28%	12.16%	11.23%	11.33%

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)

	2005	2006	2007	2008
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (51,173,083)	\$ (15,274,985)	\$ (1,463,290)	\$ 4,163,659
Other Finance Sources (Uses)				
Refunding Bonds Issued	\$ -	\$ 118,272,005	\$ -	\$ -
Capital Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ -	\$ -
Transfers In	\$ 202,748	\$ 633,722	\$ 820,378	\$ 67,654
Transfers Out	\$ (202,748)	\$ (633,722)	\$ (820,378)	\$ (516)
Premium or Discount on Issuance of Bonds	\$ -	\$ 19,684,041	\$ -	\$ -
Prepaid Interest	\$ -	\$ 538,284	\$ -	\$ -
Capital Leases	\$ -	\$ 1,508,512	\$ 617,716	\$ 340,413
Non-Current Loans	\$ -	\$ -	\$ 1,200,000	\$ -
Other (Uses)	\$ -	\$ (136,542,459)	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ -	\$ 3,460,383	\$ 1,817,716	\$ 407,551
Net Change in Fund Balances	\$ (51,173,083)	\$ (11,814,602)	\$ 354,426	\$ 4,571,210
Beginning Fund Balance	\$ 81,548,031	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772
Ending Fund Balance	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772	\$ 23,485,982

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 assets" 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 7

2009	2010	2011	2012	2013	2014
\$ 6,467,608	\$ 2,228,537	\$ 3,933,585	\$ (895,297)	\$ 9,268,019	\$ 4,211,180
\$ -	\$ -	\$ -	\$ 18,350,000	\$ 41,350,000	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 70,441	\$ -	\$ 200,000	\$ -	\$ -
\$ -	\$ (70,441)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ 1,542,892	\$ 4,534,684	\$ -
\$ -	\$ -	\$ -	\$ 33,149	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ (19,636,120)	\$ (45,377,189)	\$ -
\$ -	\$ -	\$ -	\$ 489,921	\$ 507,495	\$ -
\$ 6,467,608	\$ 2,228,537	\$ 3,933,585	\$ (405,376)	\$ 9,775,514	\$ 4,211,180
\$ 23,485,982	\$ 29,953,590	\$ 32,182,127	\$ 36,115,712	\$ 35,710,336	\$ 45,485,850
\$ 29,953,590	\$ 32,182,127	\$ 36,115,712	\$ 35,710,336	\$ 45,485,850	\$ 49,697,030

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	Commercial Property	Personal Property			
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
2014	2,183,237,240	1,351,609,740	810,120,580	846,801,936	3,498,165,624	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)

	2005	2006	2007	2008	2009
Duncanville ISD:					
Maintenance and Operations	1.4700	1.5000	1.3700	1.0400	1.0400
Interest and Sinking	0.3660	0.3660	0.3660	0.3780	0.3780
Total	1.8360	1.8660	1.7360	1.4180	1.4180
City of Cedar Hill	0.6414	0.6414	0.6414	0.6414	0.6414
City of Dallas	0.7200	0.7417	0.7292	0.7479	0.7479
Dallas County	0.2040	0.2139	0.2139	0.2281	0.2281
Dallas Co. Community College	0.0780	0.0816	0.0810	0.0804	0.0894
Dallas Co. Hospital	0.2540	0.2540	0.2540	0.2540	0.2540
City of Desoto	0.6590	0.6850	0.6980	0.5700	0.5700
City of Duncanville	0.7180	0.7180	0.6960	0.6960	0.6960

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

SCHEDULE 9

2010	2011	2012	2013	2014
1.0400	1.0400	1.0400	1.0400	1.0400
0.3780	0.3780	0.3780	0.3700	0.3700
1.4180	1.4180	1.4180	1.4100	1.4100
0.6414	0.6700	0.6859	0.6988	0.6988
0.7479	0.7970	0.7970	0.7970	0.7970
0.2281	0.2431	0.2531	0.2431	0.2431
0.0949	0.0992	0.1018	0.1247	0.1248
0.2740	0.2710	0.2710	0.2760	0.2860
0.7000	0.7351	0.7574	0.7574	0.7574
0.6960	0.7377	0.7377	0.7584	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
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%
2013	\$ 46,409,966	\$ 45,421,948	97.87%	\$ 112,472	\$ 45,534,420	98.11%

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 assets" 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 TEN YEARS AGO
(Unaudited)

Principal Employer	Rank	2014		Rank	2005		
			Percentage of			Percentage of	
		2013-2014 Taxable	Total Taxable		2004-2005 Taxable	Total Taxable	
		Assessed Value	Assessed Value		Assessed Value	Assessed Value	
White Wave Food Inc.	1	\$	109,334,270				
Dart Container Corporation	2	\$	87,009,310				
Masco Building Cabinet Group	3		41,069,160				
Oncor Electric Delivery	4		36,661,930				
Old Dominion Freight	5		18,871,100				
Costco Wholesale Corporation	6		18,547,480				
WRH Mt Vernon Inc.	7		17,499,990				
C H Guenther & Son Inc	8		17,431,350				
Istar Financial	9		16,400,000				
Gruma Corp	10		16,393,910				
Sweetheart Cup Co Inc.				1	\$	60,310,000	2.11%
Texwood Industries				2	\$	35,213,000	1.23%
Texas Utilities Elec Co.				3	\$	34,158,000	1.20%
Fujikoki Manufacturing				4	\$	30,747,000	1.08%
C H Guenther & Son Inc				5	\$	19,350,000	0.68%
EWE Warehouse Investments				6	\$	18,200,000	0.64%
Southwestern Bell/Cingular				7	\$	18,061,000	0.63%
Tree of Life Inc.				8	\$	16,140,000	0.56%
Frankel Family Trust				9	\$	13,380,000	0.47%
WRH Mt Vernon Inc.				10	\$	12,448,000	0.44%
Total		\$	379,218,500		\$	258,007,000	9.03%

Total 2014 taxable assessed value equals: \$ 3,323,010,728

Total 2005 taxable assessed value equals: \$ 2,858,071,000

SOURCE: Dallas County Tax Office 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	
		Applicable to Limit	Legal Debt Margin	Percentage of Debt Limit	
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%	
2014	\$ 332,301,073	\$ 135,262,442	\$ 197,038,631	41%	

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 3,323,010,728
Debt Limit Percentage	10%
Legal Debt Limit	<u>\$ 332,301,073</u>
 Total Bonded Debt	 \$ 144,385,236
Less - Reserve for Retirement of Bonded Debt	<u>\$ 9,122,794</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 135,262,442</u>
 Legal Debt Margin	 <u><u>\$ 197,038,631</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 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 assets" 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 Student Enrolled
	Obligation Debt	Other Obligations	Capital Leases	Notes Payables		Personal Income	Per Capita	
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
2014	\$ 144,385,236	\$ 39,990,772	\$ -	\$ -	\$ 184,376,008	na	\$ 4,655	\$ 15,062

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 assets" 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*.

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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
2005	36,725	\$ 2,858,070,731	\$ 196,190,348	\$ 2,303,243
2006	37,800	\$ 3,009,283,125	\$ 188,201,653	\$ 2,327,846
2007	38,251	\$ 3,222,226,655	\$ 181,758,417	\$ 2,786,680
2008	38,430	\$ 3,458,119,294	\$ 174,686,552	\$ 4,022,498
2009	38,542	\$ 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	39,360	\$ 3,197,348,376	\$ 149,870,651	\$ 3,700,501
2013	38,628	\$ 3,222,372,129	\$ 147,042,100	\$ 7,686,645
2014	39,605	\$ 3,323,010,728	\$ 144,385,236	\$ 9,122,794

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 assets" 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	
\$ 193,887,105	6.78%	\$ 5,279	\$	77,824
\$ 185,873,807	6.18%	\$ 4,917	\$	79,611
\$ 178,971,737	5.55%	\$ 4,679	\$	84,239
\$ 170,664,054	4.94%	\$ 4,441	\$	89,985
\$ 162,749,763	4.61%	\$ 4,223	\$	91,652
\$ 156,958,764	4.69%	\$ 4,070	\$	86,874
\$ 150,200,860	4.64%	\$ 3,899	\$	84,057
\$ 146,170,150	4.57%	\$ 3,714	\$	81,233
\$ 139,355,455	4.32%	\$ 3,608	\$	83,421
\$ 135,262,442	4.07%	\$ 3,415	\$	83,904

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2014

(Unaudited)

Governmental Unit	Gross Debt		Percent		Amount Overlapping
	Outstanding	As of	Overlapping		
City of Cedar Hill	\$ 81,415,000	10/1/2014	3.53%	\$	2,873,950
City of Dallas	\$ 1,547,227,904	10/1/2014	1.66%	\$	25,683,983
Dallas County	\$ 111,350,000	10/1/2014	2.02%	\$	2,249,270
Dallas County Schools	\$ 67,265,000	10/1/2014	2.02%	\$	1,358,753
Dallas Co. Comm. College District	\$ 339,035,000	10/1/2014	2.02%	\$	6,848,507
Dallas Co. Hospital District	\$ 736,235,000	10/1/2014	2.02%	\$	14,871,947
City of DeSoto	\$ 77,245,000	10/1/2014	9.08%	\$	7,013,846
City of Duncanville	\$ 11,013,589	10/1/2014	98.41%	\$	10,838,473
Sub-total overlapping bonded debt				\$	71,738,729
Duncanville Independent School District	\$ 143,605,236	10/1/2014	100.00%	\$	143,605,236
Total Direct and Overlapping Debt				\$	215,343,965
Total Assessed 2014 Taxable Valuation				\$	3,323,010,728
Total Population					38,524
Ratio of Total Direct and Overlapping Net Debt to 2013 Taxable Assessed Valuation					6.48%
Per Capita Total Direct and Overlapping Debt				\$	5,590

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
2005	36,725	n/a	n/a	6.00%
2006	37,800	\$ 1,056,434,400	\$ 27,948	5.66%
2007	38,251	\$ 1,102,546,824	\$ 28,824	4.58%
2008	38,430	\$ 1,088,222,310	\$ 28,317	4.30%
2009	38,542	\$ 1,066,765,476	\$ 27,678	7.90%
2010	38,562	\$ 1,071,483,732	\$ 27,786	9.45%
2011	38,524	n/a	\$ 24,532	9.60%
2012	39,360	\$ 953,220,390	\$ 24,053	6.80%
2013	38,628	\$ 968,288,076	\$ 25,067	7.20%
2014	39,605	\$ 988,342,775	\$ 24,955	5.90%

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 NINE YEARS AGO
(Unaudited)

<u>Principal Employer</u>	2014			2005		
	Rank	Number of Employees	Workforce Percentage	Rank	Number of Employees	Workforce Percentage
Duncanville Independent School District	1	1,080	5.54%	2	1,600	10.67%
Quality Cabinets & Doors (Texwood)	2	706	3.62%	1	2,400	16.00%
City of Duncanville	3	290	1.49%	4	242	1.61%
Pioneer Frozen Foods	4	175	0.90%	5	161	1.07%
Costco	5	145	0.74%	3	250	1.67%
DeFords	6	130	0.67%	7	147	0.98%
Pappadeaux	7	130	0.67%	6	152	1.01%
Brittle-Brittle	8	75	0.39%	10	65	0.43%
Personalized Communications	9	70	0.36%		0	0.00%
Best Western	10	50	0.26%		0	0.00%
Duncanville Ford				9	70	0.47%
The Romney Group				8	80	0.53%

Total employed 2014 Workforce: 19,479

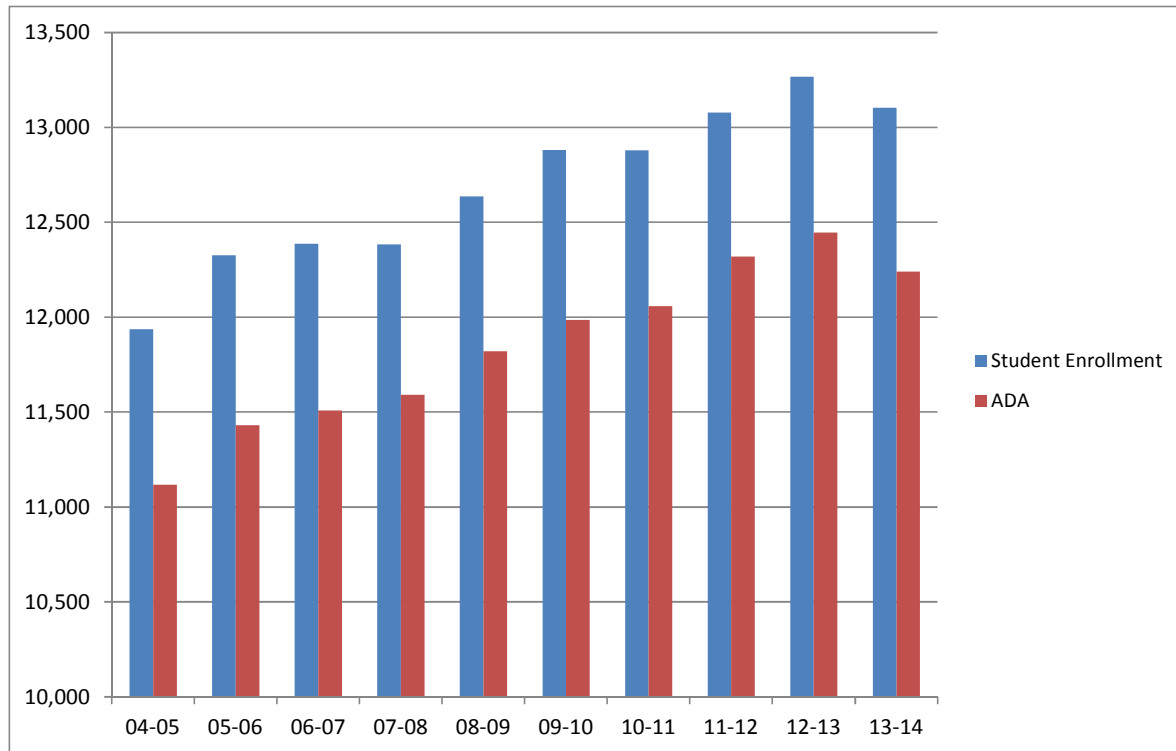
Total employed 2005 Workforce: 14,996

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)

	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Student Enrollment	11,938	12,327	12,387	12,385	12,637	12,882	12,880	13,079	13,267	13,104
ADA	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	12,241.19



SCHEDULE 19

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Teachers										
Elementary Classroom Teachers	389	408	364	378	409	406	396	409	408	410
Secondary Classroom Teachers	381	373	399	379	349	357	358	354	355	388
Other Teachers	2	2	2	2						
Total Teachers	772	783	765	759	758	763	754	763	763	798
Professional Support										
Guidance Counselors	33	35	35	33	34	34	34	32	32	32
Therapists	12	13	15	11	11	14	12	12	12	11
Psychologists/Diagnosticians	10	12	14	15	15	16	15	16	16	14
Other Campus Professional	4	5	5	7	7	23	20	6	3	1
Other Non-Instructional	20	20	20	23	29	30	38	36	36	38
Other Support Staff							3		3	2
Athletic Trainer	3	4	4	4	3	2	2	3	3	3
Librarians	17	17	17	15	17	18	18	17	17	16
Nurses/Physicians	13	13	13	13	13	13	13	14	14	13
Total Professional Support	112	119	123	121	129	150	155	136	136	130
Administrative Staff										
Admin/Instructional Officers	14	14	11	12			4	14	14	16
Principals	17	17	17	18	18	18	19	17	17	17
Assistant Principals	29	32	28	29	28	30	29	31	31	33
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	5	5	4	3	3	3	3	3	3	3
Managers					1	1	1	1	1	1
Directors	4	4	2	2	6	5	2	5	5	7
Total Administrative Staff	70	73	63	65	57	58	59	72	72	78
Support Staff										
Educational Aides	178	163	156	160	139	133	123	133	133	135
Auxiliary Staff	434	455	491	477	495	495	536	555	555	548
Total Support and Auxiliary Staff	612	618	647	637	634	628	659	688	688	683
Total	1,566	1,593	1,598	1,582	1,578	1,599	1,627	1,659	1,659	1,689

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
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
2014	\$ 48,500	\$ 58,547	\$ 51,625	\$ 50,675	\$ 49,692

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>
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%
2014	13,104	12,241	\$ 113,007,058	\$ 9,232	22.53%

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 Operating Expenses (2)	Cost Per Pupil	Percent Change From Prior Year	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced- Price Meals
\$ 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%
\$ 113,887,451	\$ 9,304	14.96%	798	15.3	75%

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

(Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary										
# of Locations	12	12	12	12	12	12	12	12	12	12
Square Footage	705,913	707,449	708,949	710,449	710,449	710,449	710,449	710,449	710,449	710,449
Capacity	6,803	6,847	6,891	6,935	6,935	6,935	6,935	6,935	6,935	6,935
Enrollment	6,236	6,448	6,583	6,656	6,865	6,957	6,951	6,992	7,150	7,150
Middle Schools										
# of Locations	3	3	3	3	3	3	3	3	3	3
Square Footage	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437
Capacity	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Enrollment	2,008	2,052	1,969	2,008	2,016	2,007	2,074	2,083	2,000	2,000
High School										
# of Locations	1	1	1	1	1	1	1	1	1	1
Square Footage	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434
Capacity	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Enrollment	3,598	3,736	3,756	3,696	3,673	3,844	3,765	3,884	3,950	3,950
Alternative Education										
PACE										
Square Footage	13,170	13,170	13,170	13,170	13,170	13,170	13,170	13,170	22,153	22,153
Capacity	330	330	330	330	330	330	330	330	615	615
Enrollment	103	92	82	99	94	87	99	116	87	87
Summit/JJAEP										
Square Footage	21,750	21,750	21,750	45,815	45,815	45,815	45,815	45,815	45,815	27,419
Capacity	105	105	105	220	220	220	220	220	220	220
Enrollment	8	9	15	8	12	8	13	4	96	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	2	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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Administration	8,100	8,100	8,100	8,100	8,100	8,100	8,100	8,100		
Education Plaza									27,031	27,031
Technology	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	18,396
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	8,000	9,500	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	21,270

Source: Duncanville ISD records

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

Note: Technology moved into new IDEA Hub during 2013-2014, and lease expired with City of Duncanville on 6-30-14 on the vacated technology building.

Duncanville Independent School District
802 S. Main Street
Duncanville, Texas 75137
972.708.2000

- 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 Safford Duncanville 75137
- 3. **Bilbartz Elementary**
972.708.6600 Fax 972.708.6666
6700 Wondt 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. Vinyard 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 Bessie 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. Wheeland 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. Wheeland 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 Farlow Duncanville 75116
- 18. **Summit Center**
972.708.2570 Fax 972.708.2585
900 S. Cedar Ridge #100A Duncanville 75137
- 19. **Duncanville ISD Administration**
972.708.2000 Fax 972.708.2095
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. Wheeland Duncanville 75116
- 22. **Operations Compound**
Purchasing/Warehouse
307 Cranishall Duncanville 75116
Purchasing: 972.708.2270 Fax 972.708.2176
Maintenance/Custodial
Warehouse: 972.708.2290 Fax 972.708.2279
972.708.2260 Fax 972.708.2269
315 Cranishall Duncanville 75116
Transportation
972.708.2280 Fax 972.708.2289
407 Cranishall 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

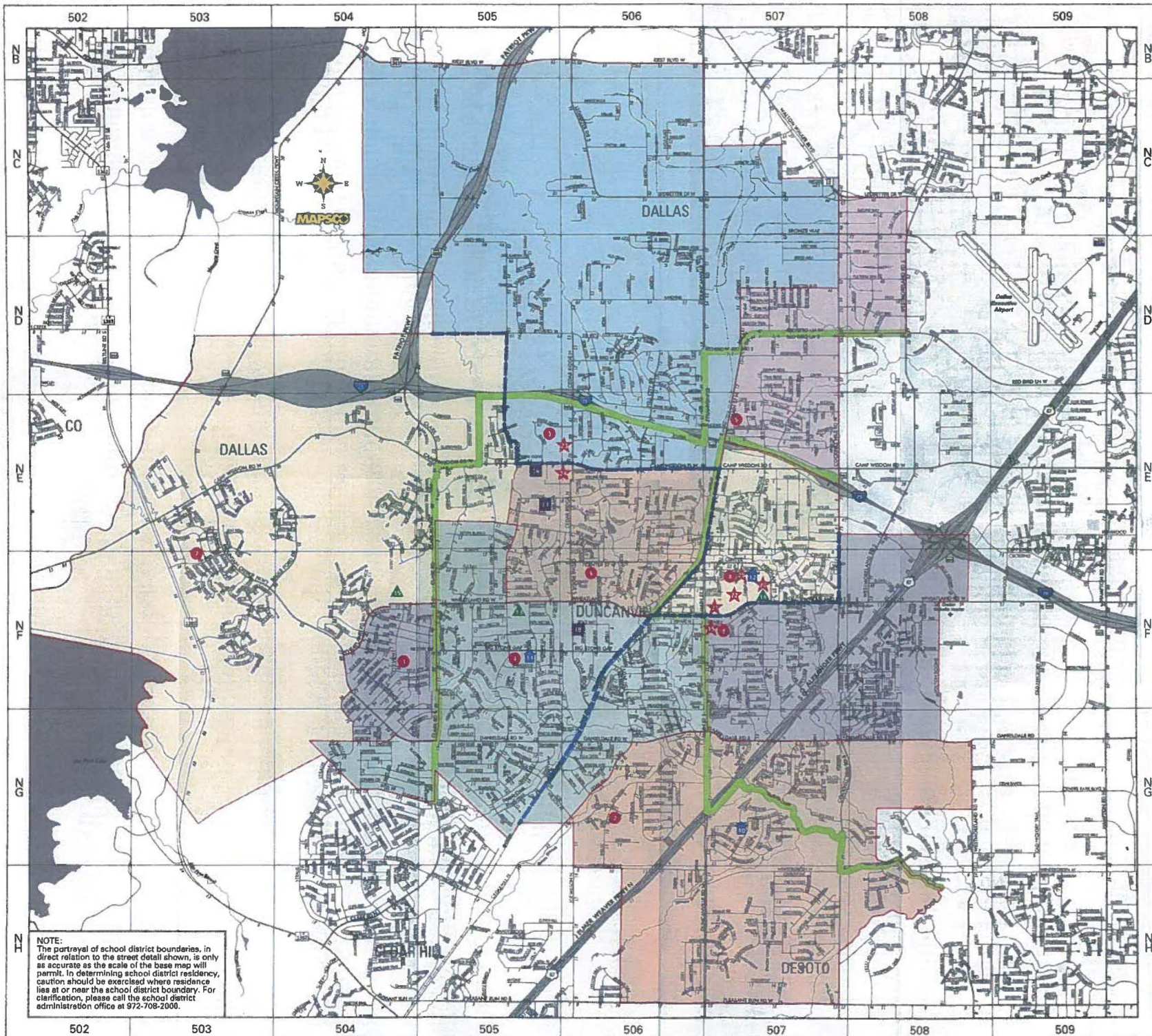
LEGEND

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

Scale: 1" = 2393'

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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 year ended June 30, 2014, 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 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 5, 2014

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 year ended June 30, 2014. 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 year ended June 30, 2014.

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

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

November 5, 2014

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDING AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

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:

Child Nutrition Cluster:
CFDA 10.553 School Breakfast Program
CFDA 10.555 National School Lunch Program

CFDA 84.048 Career and Technical – Basic Grant
8. Dollar threshold used to distinguish between Type A and Type B programs: \$355,310.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Findings and Questioned Costs Related to Federal Awards

None

IV. Other Finding

Finding 2014-01 – Pledged collateral less than required amount

Criteria: The Texas Public Funds Investment Act (the Act) requires the District's depository bank to pledge securities or letters of credit to the District to fully secure any bank balances that exceed the FDIC deposit insurance coverage on District bank balances.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDING AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

IV. Other Finding - continued

Condition: During the year ended June 30, 2014, there were twenty-one days on which the amount of collateral pledged by the depository bank was less than the District's uninsured deposits.

Questioned Costs: None

Cause: The District monitors the level of deposits and pledged securities on a regular basis. For the twenty-one days on which collateral was less than required, the District and its depository bank underestimated the amount of deposits that would need to be collateralized and the depository bank failed to pledge additional securities.

Effect: Pledged collateral was less than the amount required by the Act on twenty-one days during the fiscal year.

Recommendation: The District has procedures in place to monitor balances and pledged securities on a regular basis. The District should implement new procedures to more closely monitor deposits and pledged collateral.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
JUNE 30, 2014

No prior year findings.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
JUNE 30, 2014

CORRECTIVE ACTION PLAN

Finding 2014-01 – Pledged collateral less than required amount

The District will continue to monitor its cash balances and securities pledged on a regular basis. Additional procedures for monitoring balances and collateral were implemented by the District in September 2014.

Contact Person: Ronald Kuehler, Chief Financial and Operations Officer

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

(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	13610101057907	\$ 39,652
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101057907	2,801,985
Total CFDA Number 84.010A			2,841,637
Total Title I, Part A Cluster			2,841,637
*IDEA - Part B, Formula	84.027	136600010579076600	94,023
*IDEA - Part B, Formula	84.027	146600010579076600	2,338,673
Total CFDA Number 84.027			2,432,696
*IDEA - Part B, Preschool	84.173	136610010579076610	1,214
*IDEA - Part B, Preschool	84.173	146610010579076610	45,487
Total CFDA Number 84.173			46,701
Total Special Education Cluster (IDEA)			2,479,397
Career and Technical - Basic Grant	84.048	14420006057907	152,436
Title III, Part A - English Language Acquisition	84.365A	13671001057907	2,916
Title III, Part A - English Language Acquisition	84.365A	14671001057907	178,190
Total CFDA Number 84.365A			181,106
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	13694501057907	5,885
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501057907	194,679
Total CFDA Number 84.367A			200,564
Summer School LEP	84.369	69551402	4,452
Total Passed Through State Department of Education			\$ 5,859,592
TOTAL DEPARTMENT OF EDUCATION			\$ 5,859,592
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	\$ 41,920
Total Passed Through Texas Dept of Human Services			\$ 41,920
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 41,920
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	41401401	\$ 1,243,446
*National School Lunch Program - Cash Assistance	10.555	71301401	4,226,393
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301401	472,307
Total CFDA Number 10.555			4,698,700
Total Child Nutrition Cluster			5,942,146
Total Passed Through the State Department of Agriculture			\$ 5,942,146
TOTAL DEPARTMENT OF AGRICULTURE			\$ 5,942,146
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,843,658

*Clustered Programs

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014

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, 2014, 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.
4. The District also received \$1,671,155 of School Health and Related Services (SHARS) payments. These payments are not considered Federal awards for purposes of the Schedule of Expenditures of Federal Awards and were recorded as Federal revenues in the General Fund.