



Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2020

Report Issued by the
Finance and Accounting
Services Division

Dallas Independent School District

**Dallas Independent School District
For the Fiscal Year Ended June 30, 2020**

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November 19, 2020

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

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by a Texas certified public accountant in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) for Dallas Independent School District (the “District” or “Dallas ISD”) for the fiscal year ended June 30, 2020.

This report consists of management’s representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects. Management has established a comprehensive framework of internal controls to provide a reasonable basis for asserting that the financial statements are fairly presented.

The financial statements of the District have been audited by Weaver and Tidwell LLP, a firm of certified public accountants licensed in Texas. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the year ended June 30, 2020 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

The independent audit of the financial statements is accompanied by a federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports may be found in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

DISTRICT PROFILE

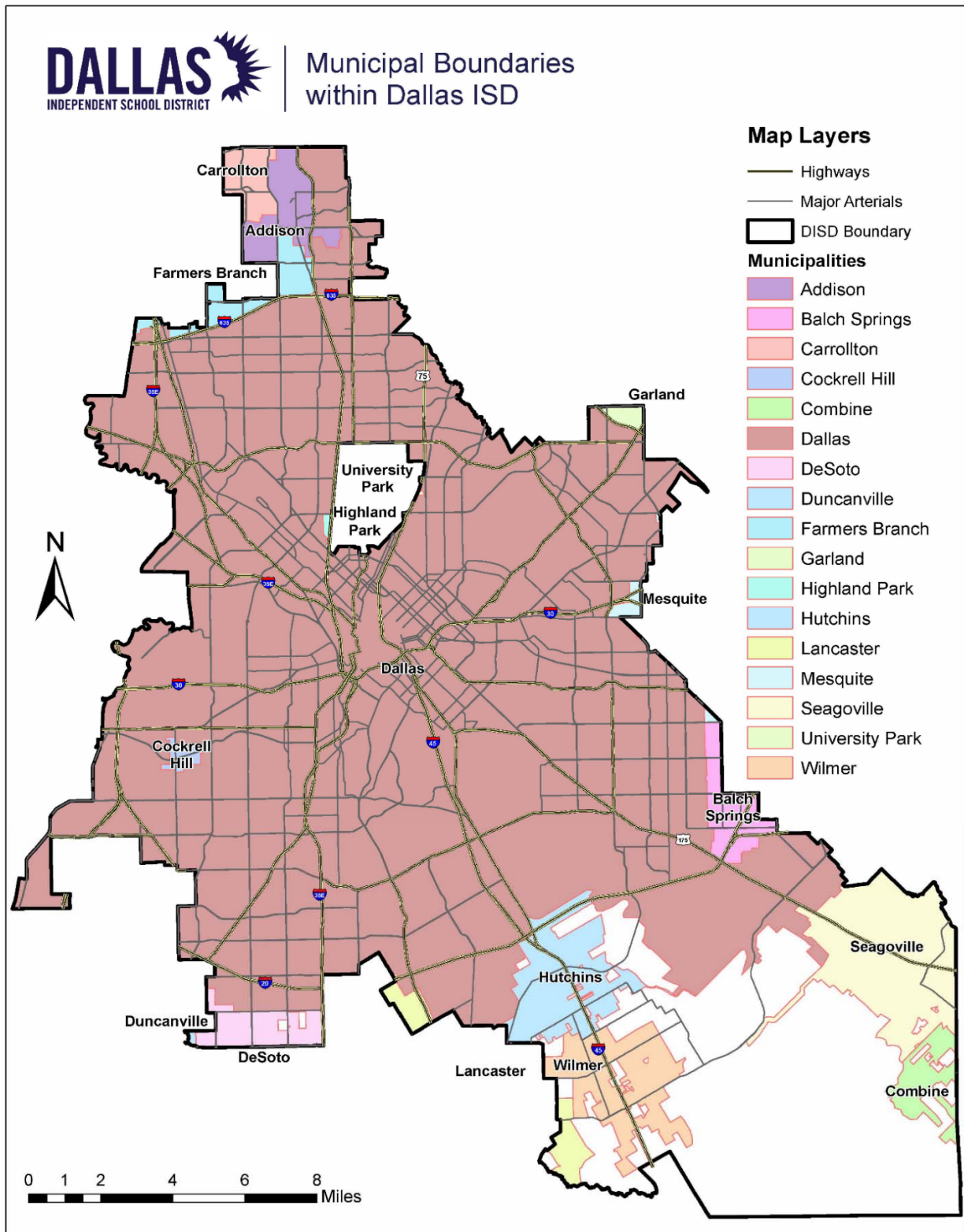
THE DISTRICT

The Dallas Independent School District is an independent public school district operating under applicable laws and regulations of the State of Texas, providing a full range of educational services appropriate to grade levels prekindergarten through twelve. The District is the second-largest public school district in Texas, and one of the largest districts in the nation in terms of enrollment. The District sits in the heart of the large, diverse and dynamic Dallas-Fort Worth metropolitan area, which has a population of approximately 7.5 million people in the DFW Metroplex. The District comprises 384 square miles and encompasses all or portions of the municipalities of Dallas, Addison, Balch Springs, Carrollton, Cockrell Hill, Combine, DeSoto, Duncanville, Farmers Branch, Garland, Highland Park, Hutchins, Lancaster, Mesquite, Seagoville, University Park, and Wilmer. In the 2019-2020 school year, the District served an ethnically and culturally diverse enrollment of 153,861 students in 230 schools. The ethnic composition was approximately 70.4 percent Hispanic, 21.3 percent African-American, 5.1 percent White, 1.2 percent Asian, and 2.1 percent other ethnicities. Dallas ISD had 22,674 total staff in 2019-2020.

The District serves its diverse student population in both traditional and alternative classroom settings. The District is dedicated to providing every student the best possible education through an intensive core curriculum and specialized, challenging instructional and career programs. The District provides a full range of programs and services for its students, including elementary and secondary courses for general, vocational, and college preparatory levels, as well as vanguard, academy, magnet, and gifted and talented programs. Academic programs are supplemented by a variety of co-curricular and extracurricular activities. In addition to the regular educational programs, the District offers programs in career and technology, special education, gifted and talented, bilingual, compensatory, and adult education.

The District has no component units. The Dallas Education Foundation (DEF) is an independent not-for-profit organization founded in 2006 for charitable and education purposes to benefit the District. The DEF receives funds from individuals, corporations, and foundations in support of programs and initiatives to accomplish key District priorities. Since 2013, the District has not considered the DEF a component unit as it does not meet the significance criterion under Governmental Accounting Standards Board (GASB) 39, as the economic resources received or held by the DEF are not significant to the District.

A number of charter schools serve the same population that Dallas ISD serves. These charter schools receive their charters from the state and are separate and apart from Dallas ISD. The District competes with these charter schools for the same students. Like Dallas ISD, these charter schools receive state funding based on their Average Daily Attendance and special population counts. However, unlike Dallas ISD, they do not have the ability to levy local property taxes. As such, relative to Dallas ISD, these charter schools are generally more heavily dependent on state revenues for their Maintenance and Operations funding.



GOVERNMENTAL STRUCTURE, BUDGET PROCESS, AND BUDGETARY CONTROL

Serving without compensation, board members establish the policies by which the District operates. The Board of Trustees (the “Board”) has final control over local school matters, limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on majority vote of those present. In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent, and oversees the operations of the District. Trustees are charged with numerous statutory regulations, including calling trustee and other school elections and canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, acting as board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending the annual budget. The Board adopts the District’s vision and mission statements. The District vision is “Dallas ISD seeks to be a premier urban school district,” and the mission is “Educating all students for success.”

The District administration is responsible for establishing and maintaining an internal control structure designed to ensure assets of the District are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of “reasonable assurance” recognizes: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives. As a recipient of federal, state, and local grants, the District is also responsible for an adequate internal control structure that ensures compliance with applicable laws and regulations related to these grants. All funded grants are subject to testing as part of the District’s Single Audit. The internal control structure is subject to periodic reviews by management.

Every school district in Texas is required, by law, to prepare and file a budget with TEA (“Texas Education Agency”). The General Fund, Food Service Fund, and Debt Service Fund are included in the District’s formally adopted budget and are adopted at the fund and function level. Budgets for Special Revenue funds (other than the Food Service Fund) and Capital Projects Fund are prepared on a project basis, based on grant regulations or applicable bond ordinances. Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at the functional category level within each fund. These functional categories are defined by TEA and identify the purpose of transactions. Oversight control of all expenditures is maintained at this level by the Finance and Accounting staff. Budgetary control is also maintained through the preapproval of personnel transactions and the encumbrance of estimated purchase amounts and other expenditures after the execution of contracts. Obligations that will result in an overrun of appropriated funds are not released until additional appropriations are made available.

The annual budget process is designed to efficiently allocate resources based upon the needs of students and to support the District’s goals. The budget process consists of two phases: planning and preparation. The planning phase begins with the District goals set by the Board. District leadership develops the District improvement plan for all District organizations that support the District goals. The planning period usually occurs from September through January. Preparation begins in early January. During this phase, budgetary resource allocations are distributed to campuses based on enrollment projections, and budgets are distributed to non-campus (central) organizations. Campus position and non-position budget allocations are formula-driven and applied against enrollment projections. Campus non-position general operating allocations are driven by pre-determined allocations and are dependent on enrollment, specific programs and District initiatives. Non-campus allocations (central organizations) are primarily based on previous year allocations. Adjustment requests are determined by divisional chiefs and are prioritized based on District need. Progress updates are provided to the Board throughout the budget development process, and the Board formally adopts the annual budget by June 30.

THE ECONOMIC CONDITION OF THE DISTRICT

THE LOCAL ECONOMY

Prior to the beginning of the COVID-19 pandemic in March 2020, the local Dallas-Fort Worth (DFW) economy was experiencing strong job growth, low unemployment, and expanding payrolls. The pandemic brought a sharp downturn in April, but the local economy has seen gradual recovery since then.

The Federal Reserve Bank of Dallas provides monthly economic indicators on the state of the local economy on their website at <https://www.dallasfed.org/research/indicators/dfw.aspx>. Through September 2020, DFW payroll employment was down an annualized 6.3 percent (184,000 jobs nonannualized) because of job losses resulting from the pandemic and related stay-at-home orders. Following a sharp contraction for most sectors in the second quarter of 2020, in third quarter job gains were widespread, with payrolls in most sectors expanding. Losses were concentrated in the leisure and hospitality sector, where employment was down more than 50 percent through third quarter. The September jobless rate was 7.7 percent in Dallas.

Single-Family Construction continues to experience strong growth. Homebuilding in DFW ramped up in the summer, buoyed by robust housing demand. DFW single-family housing permits climbed for the third month in a row in August, up 19.4 percent year-over-year. Through September, DFW and Texas home sales were up 5.1 percent from the same period last year. Historically low interest rates and pent-up demand from the economic shutdown have supported single-family sales. As of September 2020, nearly 95 percent of the tenants living in professionally managed market-rate apartments in the DFW Metroplex had paid their rent for the month of September, compared with 94.1 percent for Texas. While this metric was encouraging, it is worth noting that in the Dallas market this share trailed the same period in 2019 by 1.7 percent. Average effective rents were flat in Dallas in third quarter 2020 relative to third quarter 2019. Construction of new rental units remained elevated as of October 2020.

LONG-TERM FINANCIAL PLANNING

Like school districts throughout the state and nation, Dallas ISD is finding that COVID-19 presents special challenges that the District continues to work through during the 2020-2021 fiscal year. Such challenges include a temporary reduction in Average Daily Attendance during the 2020-2021 school year and additional purchases of technology and services for remote learning and personal protective equipment for safe onsite learning. The District continues to pursue local, state and federal funding to defray the cost of these goods and services.

Strength in the local economy has helped to sustain growth in local property values in recent years. The District's certified net taxable property value grew from \$85.6 billion in 2015 to \$128.4 billion in 2020, a 49.9 percent increase over the five-year period. This continued in 2020, with the District's certified net taxable property value for 2020 increasing by 7.6 percent versus 2019. The District's certified taxable value base also continues to be diversified among commercial, residential, and business personal property. In 2020, the District's top ten taxpayers comprised only 4.0 percent of the District's total taxable value and no one taxpayer had a significant impact on the District's property tax income.

Net taxable property values are projected to grow 5.0 percent for the 2020 tax year and are projected to grow 4.0 percent annually through the 2023 tax year. The estimated tax collection rate will remain at 98 percent through the forecast period. However, because House Bill 3 (HB 3) requires compression of local property tax rates, a Maintenance and Operations (M&O) tax rate of \$1.054700 will be levied for 2020-2021. HB 3 requires automatic M&O tax rate reductions starting in 2020-2021 if the District grows by more than 2.5% per year. The 5.0 percent property value increase includes the 2.5 percent cap plus new construction values, which are not capped. Effective 2018-2019, the District became subject to Chapter 41 recapture. Consistent with the State's predictions about the impact of HB 3, the District expects its 2020-2021 state recapture will be reduced in comparison to prior law.

Regarding federal revenue, the District is projected to continue to add the Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs) rebates to the General Operating Fund revenues. The BABs and QSCBs subsidies end in 2035 and 2033 respectively. BABs and QSCBs are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. There is flexibility to deposit the BABs tax rebate into the General Operating Fund or the Interest and Sinking (I&S) Fund. Management made the decision to recognize the BABs subsidy rebate to the Maintenance and Operations (M&O) General Fund.

Student enrollment heavily influences Average Daily Attendance, which is one of the key drivers of the District's state revenue. Enrollment fell from 2018-2019 to 2019-2020 by -0.81% to 153,861. The District adopted an enrollment projection of 152,472 for 2020-2021 as part of the 2020-2021 budget, which is a -.90% decrease from 2019-2020. The District is responding to the enrollment challenges by strategically investing in initiatives that are expected to drive increased student enrollment and improved student performance. Those strategic initiative investments are detailed in the 2020-2021 Annual Budget posted on the District website at <https://www.dallasisd.org/budget>. The District's 2020-2021 Strategic Initiatives include key investments in early learning, career institutes, public school choice, strategic compensation, and racial equity. The District continues to pursue its vision to be a premier urban district and achieve its mission to educate all students for success.

The District also continues to invest in the improvement and construction of aging District facilities and equipment. For context, the average age of all school buildings in 2019-2020 was 52.3 years old. The average age of buildings by level was 53.1 years for elementary schools, 47.6 years for middle schools, and 53.2 years for high schools. The District has typically pursued these improvements through voter-approved bond referendums. Recent major programs are summarized below.

Voters approved a \$1.6 billion bond referendum on November 3, 2015. The 2015 Bond Program includes plans to construct five new schools, including one high school and four elementary schools. In addition, the program will construct twelve additions to existing schools, including six high schools, one middle school, and five elementary schools. The program includes renovations and improvements to 128 existing District facilities including roofs, HVAC, building envelopes, interior improvements, site improvements, exterior façade improvements, plumbing, technology, gyms, locker rooms, libraries, science labs, cafeterias, auditoriums, performing arts, fine arts, athletic facilities, and administration areas in schools. The completion of all construction is targeted for 2022. The District's 2015 Bond Program also includes \$100 million for technology improvements to campuses.

On November 6, 2018, voters approved two bond propositions, each for \$75 million. The first was to refund the \$75 million worth of 2015 Limited Maintenance Tax Notes, Series 2015, allowing the remaining principal and interest to be paid from the interest and sinking fund. The second \$75 million was to purchase approximately \$60 million of new buses, replenishing the District's current fleet inherited from Dallas County Schools. The remaining \$15 million will be used to purchase or build a new student transportation facility.

On November 3, 2020, voters approved two bond propositions totaling \$3.542 billion. The main general-purpose proposition was for \$3.272 billion for the construction, acquisition, and equipment of school buildings and for the purchase of necessary sites for school buildings. Voters also approved a special proposition for \$270.0 million for the acquisition and updating of District technology equipment.

RELEVANT FINANCIAL POLICIES

The Board has adopted a local fund balance policy that the District shall strive to maintain a fund balance in which the year-end unassigned fund balance finances two months of operating expenditures. As of June 30, 2020, the General Fund unassigned fund balance was \$661,759,126. This met the fund balance policy goal, as the 2020-2021 Adopted Budget includes \$1,646,060,791 of operating expenditures, and two-twelfths of this total is \$274,343,465. As of June 30, 2020, the General Fund ending unassigned fund balance was sufficient to finance approximately 4.8 months of operating expenditures. The District forecasts that the ending unassigned fund balance will decline to \$638.3 million by the end of 2020-2021 and \$605.6 million by the end of 2021-2022, thereafter declining to \$328.3 million by the end of 2024-2025. The forecasted change is primarily driven by assumed continued investment in the District's strategic initiatives.

AWARDS AND ACKNOWLEDGMENTS

AWARDS

The District continues to earn recognition for strong financial management and to receive awards for financial reporting and budget presentation.

The FIRST (Financial Integrity Rating System of Texas) program is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. FIRST measures and rates districts' financial performance, toward the dual goals of improving the quality of Texas school districts' financial management practices, and encouraging districts to provide the maximum possible allocation of district resources toward direct instructional purposes. Dallas ISD was rated "Superior" for 2019-2020. The rating of Superior is the highest possible rating and demonstrates the soundness of Dallas ISD's financial management practices.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the District published a Comprehensive Annual Financial Report (CAFR) in which contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe this fiscal 2019-2020 CAFR continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District received the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award for the fiscal year June 30, 2019. This award certifies that the CAFR substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. A Certificate of Excellence is valid for a period of one year. We believe this fiscal 2019-2020 CAFR continues to meet the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The District received the ASBO Meritorious Budget Award for its 2019-2020 fiscal year budget. This award certifies that the budget adheres to the principles and standards of ASBO International's Meritorious Budget Award criteria. A Meritorious Budget Award is valid for a period of one year. We believe the 2020-2021 fiscal year budget continues to conform to the program requirements, and we are submitting it to ASBO to determine its eligibility for another award.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance and Accounting Services Division and the Graphics Department. Our thanks go to all members of these departments who assisted and contributed to its preparation. The District thanks the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.



Michael Hinojosa, Ed.D.
Superintendent of Schools



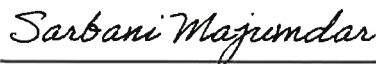
Dwayne L. Thompson, SFO
Chief Financial Officer



Scott Drillette
Deputy Chief Financial Officer



Edward E. Sorola, RTSBA
Executive Director of Finance and Accounting Services



Sarbani Majumdar, CPA, RTSBA
Director of Accounting Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Dallas Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Dallas Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

This Meritorious Budget Award is presented to

DALLAS INDEPENDENT SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2019–2020.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Board of Trustees



Justin Henry

President

District 9: South Dallas and parts of Downtown Dallas, Pleasant Grove, Deep Ellum, Uptown, and East Dallas



Dan Micciche

First Vice President

District 3: Northeast Dallas



Edwin Flores

Second Vice President

District 1: Northwest Dallas, including North Dallas, Addison, and parts of Carrollton and Farmers Branch



Karla Garcia

Board Secretary

District 4: Southeast Dallas, Seagoville, Balch Springs



Dustin Marshall

District 2: North and Near East Dallas



Maxie Johnson

District 5: Oak Lawn, West Dallas, Wilmer, Hutchins and portions of East Oak Cliff



Joyce Foreman

District 6: Southwest Dallas



Ben Mackey

District 7: North Central Oak Cliff, Cockrell Hill, and parts of West Dallas



Miguel Solis

District 8: Love Field, Northwest Dallas, and Central Dallas

Certificate of the Board

Dallas Independent School District
Name of School District

Dallas
County

057-905-10
County-District-
Regional No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2020, at a meeting of the Board of School Trustees of such school district on the 19th day of November, 2020.



Signature of Board Secretary



Signature of Board President

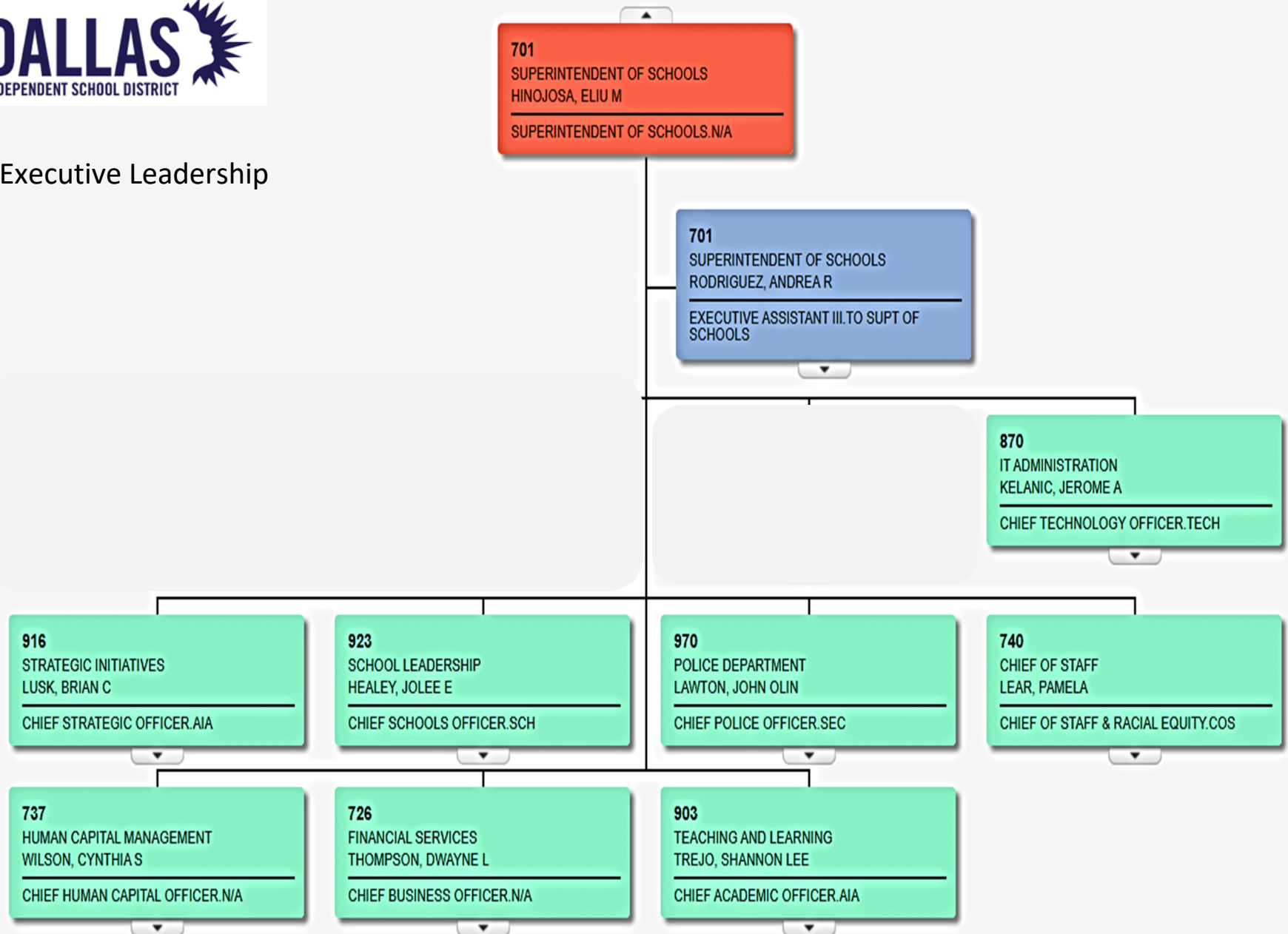
Dallas Independent School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

ADMINISTRATIVE OFFICIALS

**Michael Hinojosa, Ed.D.
Superintendent of Schools**

Libby Daniels.....	Acting Chief of Communications
Jolee Healey.....	Chief of School Leadership
Jack Kelanic.....	Chief Technology Officer
Dr. Pamela Lear.....	Chief of Staff and Racial Equity
Dr. Brian Lusk.....	Chief of Strategic Initiatives
Dwayne Thompson.....	Chief Business Officer
Shannon Trejo.....	Chief Academic Officer
Dr. Cynthia Wilson.....	Chief of Human Capital Management
John Lawton.....	Chief of Police and Security
Alan King.....	Interim Chief Internal Audit Officer

Executive Leadership



Dallas Independent School District

Independent Auditor's Report

Board of Trustees
Dallas Independent School District
Dallas, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas Independent School District (the District) as of and for the year ended June 30, 2020, 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

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 / Dallas, Texas 75201
Main: 972.490.1970

CPAs AND ADVISORS | WEAVER.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and notes to the budgetary comparison, and TRS pension and other post-employment benefits schedules and notes to the TRS pension and other post-employment benefits schedules on pages 4 through 13, 66 and 67, and 68 through 72, respectively, 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 the District's basic financial statements. The introductory section, combining and other statements, 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, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and other statements, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates 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 combining and other statements, 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 and statistical sections 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.

Board of Trustees
Dallas Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2020

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

This section of the District's CAFR discusses and analyzes the District's financial performance for the fiscal year ended June 30, 2020. The intent of this management discussion and analysis is to look at financial performance as a whole. Therefore, readers should also review the transmittal letter, financial statements, and the notes to the basic financial statements to further enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District's total combined net position as presented on the Government-wide Statement of Net Position was \$156.3 million for the year ended June 30, 2020. The net position increased by \$137.4 million.

The District's governmental funds financial statements reported a combined ending fund balance of \$1,360.7 million. This balance consists of \$869.4 million in the General Fund of which \$190.0 million is assigned, \$17.7 million is non-spendable, and \$661.8 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$426.8 million and is used by the Debt Service Fund, Capital Projects Fund and Non-Major Funds. Fund balance in the Debt Service Fund also consists of \$50.2 million of assigned fund balance. The Non-Major Fund consists of \$6.0 million of assigned fund balance.

For the year ended June 30, 2020, total revenue from all sources, including extraordinary items, was \$2.3 billion. Program revenues accounted for \$465.5 million of total revenues. General revenues accounted for \$1.9 billion.

The General Fund had \$1.6 billion in revenues, which primarily consisted of property taxes and state aid, in addition to a \$10.0 million transfer in from the Risk Management Fund, and \$1.4 billion in expenditures, in addition to a \$7.7 million transfer out to the Debt Service Fund. This resulted in an increase to the fund balance of \$156.4 million.

In October 2019, three District schools were damaged by a tornado. Extraordinary Items (Sources) for \$37.6 million are the insurance proceeds received for tornado damage. Extraordinary Items (Uses) are expenditures of \$12.0 million related to tornado damage.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The statements are followed by a section of required supplementary information and a section of other information that further explains and supports the information in the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the school district's finances in a manner similar to a private sector business. The government-wide statements are comprised of the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present both long-term and short-term information about the District's overall financial status. The District's basic services are primarily financed by property taxes and inter-governmental revenues, and include instruction, extracurricular activities, curriculum, staff development, health services, general administration, and plant maintenance and operations.

The Statement of Net Position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in the District's net position may serve as a useful indicator of the District's financial health. The Statement of Net Position includes all of the District's non-fiduciary assets and liabilities.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when revenue is received or expenses paid. Thus, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods.

Fund Financial Statements. 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. The fund financial statements provide more detailed information about the District's most

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

significant funds rather than the District as a whole. Funds are a governmental accounting tool that the District uses to track 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 resources for specific purposes or to delineate the use of certain taxes and grants.

The District has three kinds of funds:

- **Governmental Funds**—All of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow 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 determine the availability of financial resources to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information immediately following the governmental funds statements that explain the relationship (or differences) between them. These include debt financing, capital assets, and revenue recognition.
- **Proprietary Funds**—Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District's three proprietary funds are Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its risk management, graphics, and insurance for auto liability expenses. The proprietary fund statements offer short and long-term financial information about the activities the District operates like a business.
- **Fiduciary Funds**—Fiduciary funds are used to account for resources held by the District in a custodial capacity. 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 assets and liabilities. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The fiduciary fund statement provides information about the financial relationships in which the District acts solely as a custodian or agent for funds that belong to others.

Notes to the Basic 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.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

Combining and Other Statements. Immediately following the required supplementary information, combining statements are included for the Non-Major Funds, Internal Service Funds and Agency Funds.

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

Exhibit 1 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section explains the structure and contents of each of the statements.

**Exhibit 1
Major Features of the District's Government-wide
and Fund Financial Statements**

<i>Type of Statement</i>	<i>Government-wide</i>	<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	Entire District's government (except fiduciary funds) and the District's component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balance 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Changes in Fiduciary Assets and Liabilities
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	Not applicable to Agency Fund

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position between fiscal years 2020 and 2019 increased by \$137.4 million. The District's net investment in capital assets is \$396.2 million and includes investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt used to acquire those assets that is still outstanding. Of the remaining net position, \$114.6 million are restricted resources subject to external restrictions on how they are used, and (\$354.4) million are unrestricted resources, of which (\$899.5) million is related to GASB Statement 75 adjustments.

The District uses the capital assets to provide services to students; consequently these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Exhibit 2 provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended June 30, 2020 and 2019, respectively.

**Exhibit 2
Net Position
Governmental Activities**

	June 30, 2020	June 30, 2019	\$ Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Current and Other Assets	\$ 1,814,868,813	\$ 1,459,926,038	\$ 354,942,775	24.3%
Capital Assets	3,087,210,885	2,907,375,941	179,834,944	6.2%
Total Assets	<u>4,902,079,698</u>	<u>4,367,301,979</u>	<u>534,777,719</u>	<u>12.2%</u>
Deferred Outflows of Resources	<u>429,835,608</u>	<u>444,536,490</u>	<u>(14,700,882)</u>	<u>(3.3%)</u>
Current Liabilities	430,163,655	315,841,811	114,321,844	36.2%
Long Term Liabilities	4,327,723,868	4,189,149,352	138,574,516	3.3%
Total Liabilities	<u>4,757,887,523</u>	<u>4,504,991,163</u>	<u>252,896,360</u>	<u>5.6%</u>
Deferred Inflows of Resources	<u>417,731,484</u>	<u>287,986,298</u>	<u>129,745,186</u>	<u>45.1%</u>
Net Position:				
Net Investment in				
Capital Assets	396,154,426	353,356,942	42,797,484	12.1%
Restricted	114,584,087	110,047,571	4,536,516	4.1%
Unrestricted	(354,442,214)	(444,543,505)	90,101,291	(20.3%)
Total Net Position	<u>\$ 156,296,299</u>	<u>\$ 18,861,008</u>	<u>\$ 137,435,291</u>	<u>728.7%</u>

Other Financial Highlights. For the year ended June 30, 2020, the District's total revenues were \$2.3 billion. Exhibit 3 shows the year-over-year change in revenues and expenses. The District's total revenues, including extraordinary items, increased \$102.6 million, or 4.6%, over the prior year, and the total expenses, including extraordinary items, increased \$187.8 million or 9.3% over the prior year.

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

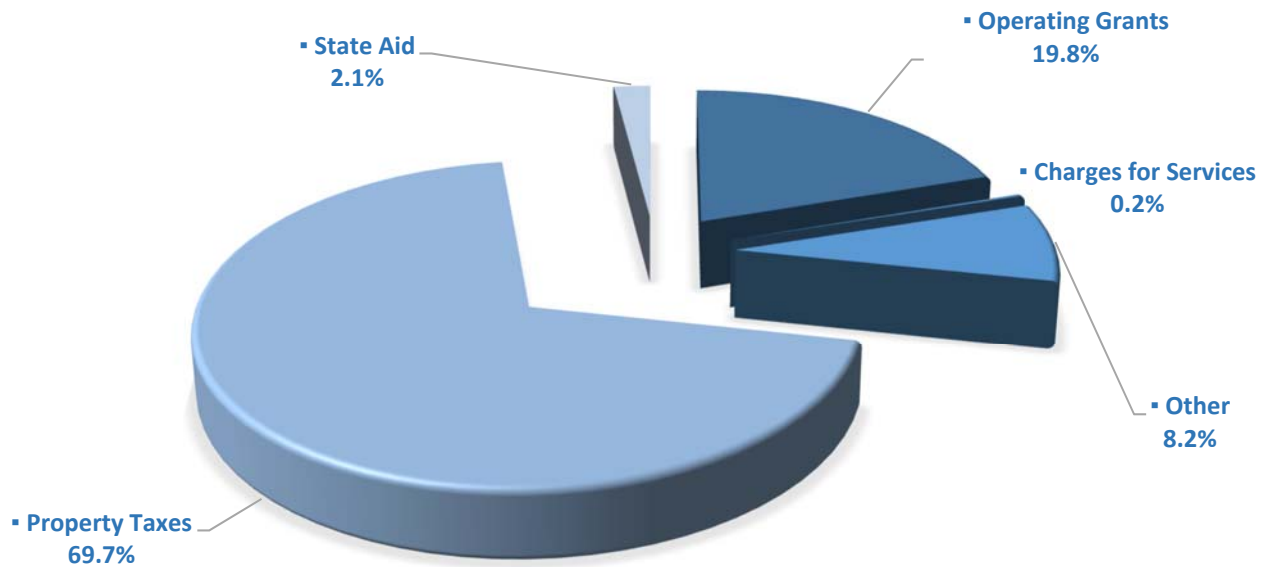
**Exhibit 3
Changes in Net Position
Governmental Activities**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change Increase/ (Decrease)</u>	<u>% Change Increase/ (Decrease)</u>
Revenues				
Program Revenues:				
Operating Grants and Contributions	\$ 460,333,166	\$ 345,125,422	\$ 115,207,744	33.4%
Charges for Services	5,147,745	5,716,033	(568,288)	(9.9%)
General Revenues:				
Investment Earnings	29,195,172	33,470,753	(4,275,581)	(12.8%)
Property Taxes	1,618,809,530	1,605,944,847	12,864,683	0.8%
State Aid	47,717,109	82,073,509	(34,356,400)	(41.9%)
Grants and Contributions, Unrestricted	130,924,356	151,059,331	(20,134,975)	(13.3%)
Other	21,773,101	9,079,224	12,693,877	139.8%
Extraordinary Item	21,195,720	-	21,195,720	100.0%
Total Revenues and Extraordinary Item	<u>2,335,095,899</u>	<u>2,232,469,119</u>	<u>102,626,780</u>	<u>4.6%</u>
Expenses				
Instruction	1,095,737,419	972,334,416	123,403,003	12.7%
Instructional Resources and Media Services	21,402,181	21,169,253	232,928	1.1%
Curriculum and Staff Development	70,424,170	63,888,041	6,536,129	10.2%
Instructional Leadership	52,236,843	42,121,680	10,115,163	24.0%
School Leadership	123,359,013	110,067,219	13,291,794	12.1%
Guidance, Counseling and Evaluation Services	81,244,094	74,521,153	6,722,941	9.0%
Social Work Services	3,349,661	2,931,749	417,912	14.3%
Health Services	26,438,683	21,876,353	4,562,330	20.9%
Student (Pupil) Transportation	70,395,894	66,868,011	3,527,883	5.3%
National Breakfast and Lunch	127,056,390	124,943,934	2,112,456	1.7%
Cocurricular/Extracurricular Activities	37,457,609	37,551,758	(94,149)	(0.3%)
General Administration	53,816,493	48,798,452	5,018,041	10.3%
Facilities Maintenance and Operations	174,138,069	141,865,719	32,272,350	22.7%
Security and Monitoring Services	24,592,052	21,494,308	3,097,744	14.4%
Data Processing Services	44,976,107	48,959,455	(3,983,348)	(8.1%)
Community Services	12,978,647	12,029,540	949,107	7.9%
Debt Service - Interest on Long Term Debt	122,613,896	121,968,174	645,722	0.5%
Debt Service - Bond Related Fees	107,552	1,944,555	(1,837,003)	(94.5%)
Facilities Acquisition and Construction	18,944,454	1,613,647	17,330,807	1074.0%
Contracted Instructional Services Between Schools	18,509,704	67,373,116	(48,863,412)	(72.5%)
Payments to Juvenile Justice Alt. Ed. Prg.	10,296	3,000	7,296	243.2%
Payments to Tax Increment Fund	-	64,955	(64,955)	(100.0%)
Other Intergovernmental Charges	5,893,777	5,445,908	447,869	8.2%
Extraordinary Item	11,977,604	-	11,977,604	100.0%
Total Expenses and Extraordinary Item	<u>2,197,660,608</u>	<u>2,009,834,396</u>	<u>187,826,212</u>	<u>9.3%</u>
 Increase (decrease) in Net Position	 137,435,291	 222,634,723	 (85,199,432)	 (38.3%)
Net Position - Beginning	18,861,008	(203,773,715)	222,634,723	(109.3%)
Net Position - Ending	<u>\$ 156,296,299</u>	<u>\$ 18,861,008</u>	<u>\$ 137,435,291</u>	<u>728.7%</u>

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

Approximately 70% of the District's revenue was generated from property taxes, 2% was state aid, 20% from operating grants and the remaining 8% was generated from miscellaneous revenue sources (See Exhibit 4).

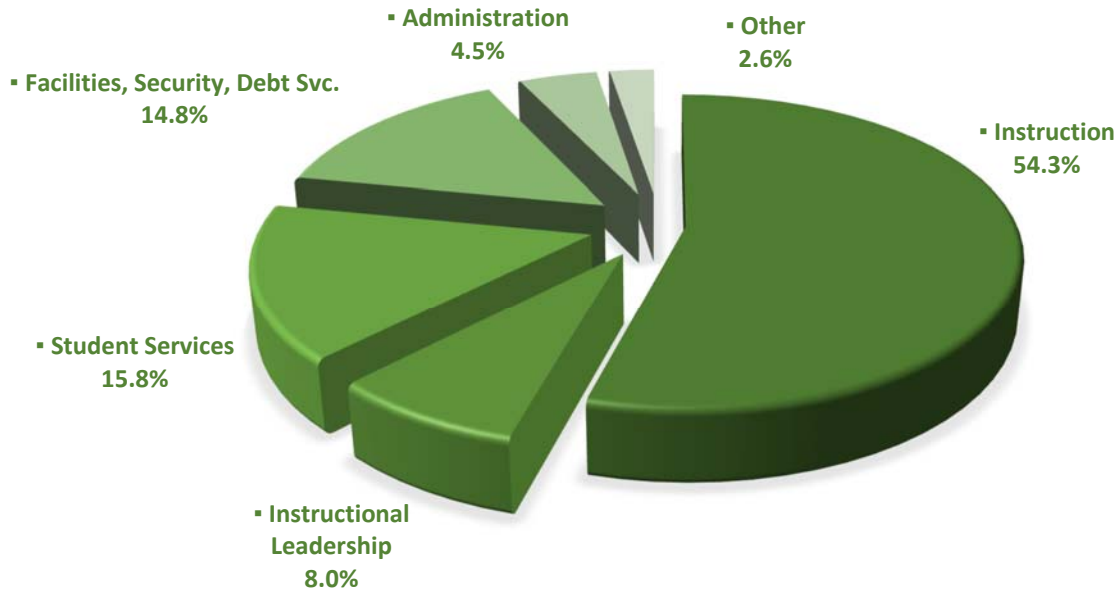
**Exhibit 4
Sources of Revenue
Governmental Activities**



**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

For the year ended June 30, 2020, the District's total cost of all programs and services was \$2.2 billion. Approximately 54% of the District's governmental activities were dedicated to instructional areas. Direct student services, such as counseling, nursing, and transportation services, comprised approximately 16% of governmental expenses. The costs to operate facilities, including utilities, security services and debt payments comprised 15% of the cost of all programs (See Exhibit 5).

**Exhibit 5
Expense Allocations
Governmental Activities**



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

For the fiscal year ended June 30, 2020, the District's governmental funds reported ending fund balances of \$1.4 billion. Of this amount, \$661.8 million constitutes unassigned fund balance available for use in activities at the District's discretion. The remainder of the fund balance is designated as non-spendable, restricted or assigned, to indicate that it is not available for new spending because it has already been purposed for bond projects, debt service and other obligations of the District.

The General Fund is the chief operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to the total fund expenditures. Unassigned fund balance represents 45.8% of the total 2020 General Fund expenditures, while total fund balance represents 60.2% of that same amount.

Fund balance changed due to a decrease in revenues and an increase in expenditures in FY 2020. Total revenue decreased due to lower tax revenue, ASF and Foundation funding from TEA and SHARS revenue. Tax revenue decreased due to lower tax rate (from 1.17 to 1.068) for Maintenance and Operations and ASF, and Foundation funding from TEA decreased due to COVID-19. In FY 2020, cash was received for SHARS for years 2017-2018 however, in FY 2019 cash was received for years 2016-2017 and 2015-2016. This resulted in a decrease in SHARS revenue in FY 2020. Total expenditures increased in FY 2020 primarily due to increase in payroll and expenditures for supplies. Payroll expenditures increased due to an increase in overtime pay due to COVID-19, a 3% raise in pay due to TASB pay adjustments, and a TRS rate increase from 6.8% to 7.5%. Expenditure for supplies increased primarily due to costs related to instructional materials for students' distance learning due to the COVID-19 pandemic.

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

The Debt Service Fund has a total fund balance of \$204.5 million, of which \$154.3 million is restricted for the payment of debt service requirements. The Capital Projects Fund balance increased by \$68.5 million to \$265.8 million, of which \$28.6 million includes insurance proceeds received for replacement and rebuilding of three tornado-damaged schools. Non-Major Governmental Funds have a total fund balance of \$21.0 million representing a decrease for the current year of \$7.0 million.

Capital Assets. At June 30, 2020, the District had \$3.1 billion of capital assets, net of depreciation and loss on disposition of assets, including land, equipment, buildings, and vehicles. This amount represents a net increase of \$179.8 million or 6.19% over last year (See Exhibit 6.) The book value of Cary Middle School was written off for \$9.3 million due to total damage in the tornado. The book value of partially damaged Jefferson High School was written off for \$3.6 million, and Walnut Hill Elementary School was written off for \$3.2 million.

**Exhibit 6
District's Capital Assets**

	June 30, 2020	June 30, 2019	\$ Change	% Change
Land	\$ 259,279,955	\$ 257,390,003	\$ 1,889,952	0.73%
Building and Improvements	4,107,144,431	3,745,735,481	361,408,950	9.65%
Furniture and Equipment	312,464,432	292,367,184	20,097,248	6.87%
Total	4,678,888,818	4,295,492,668	383,396,150	8.93%
Accumulated Depreciation	(1,864,610,513)	(1,751,742,871)	(112,867,642)	6.44%
Net Book Value, net of CIP	2,814,278,305	2,543,749,797	270,528,508	10.64%
Construction in Progress	272,932,580	363,626,144	(90,693,564)	-24.94%
Net Book Value	\$ 3,087,210,885	\$ 2,907,375,941	\$ 179,834,944	6.19%

For the year ended June 30, 2020, the District's capital spending totaled \$323.3 million in land, construction in progress, buildings, building improvements and capital equipment. These expenditures resulted primarily from the projects committed to the 2015 bond program.

Voters approved a \$1.6 billion bond referendum on November 3, 2015. The District's 2015 Bond Program began after the first sale of bonds in February 2016 and includes \$100 million for technology improvements to campuses. Under the leadership and supervision of the Construction Services Department, the \$1.6 billion is being used to improve and build District facilities. The 2015 Program includes plans to construct five new schools, including one high school and four elementary schools. In addition, the program will construct twelve additions to existing schools, including six high schools, one middle school, and five elementary schools. The program includes renovations and improvements to 128 existing District facilities including roofs, HVAC, building envelope, interior improvements, site improvements, exterior façade improvements, plumbing, technology, gyms, locker rooms, libraries, science labs, cafeterias, auditoriums, performing arts, fine arts, athletic facilities, and administration areas in schools. The completion of all construction is targeted for 2022. In addition, \$30.7 million in land, building and capital equipment were retired during the year. The increases were due to a tornado event in Dallas that caused severe damages to several school facilities. For more information on the District's capital assets, see Note H in the financial statements.

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

Debt Administration. For the year ended June 30, 2020, the District had \$4.3 billion in long-term debt outstanding. This represents a net increase of \$109.4 million, or 2.6%, over last year. (See Exhibit 7). In December 2019, the District issued \$311,975,000 in Unlimited Tax School Building Bonds, Series 2019B.

**Exhibit 7
District's Long Term Debt**

	June 30, 2020	June 30, 2019	\$ Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Bonds and notes payable	\$ 2,847,455,000	\$ 2,690,275,000	\$ 157,180,000	5.8%
Workers compensation liability	9,800,591	9,389,172	411,419	4.4%
Premium on bonds	155,157,792	144,419,510	10,738,282	7.4%
Net Pension Liability (District's Share)	595,195,671	628,056,748	(32,861,077)	(5.2%)
Net OPEB Liability (District's Share)	690,114,814	716,208,922	(26,094,108)	(3.6%)
Long Term Debt Outstanding	<u>\$ 4,297,723,868</u>	<u>\$ 4,188,349,352</u>	<u>\$ 109,374,516</u>	<u>2.6%</u>

The District's bonds presently carry ratings as follows: Moody's Investor Series "Aaa", Standard & Poor's "AAA" and Fitch "AAA" as guaranteed by the Permanent School Fund (PSF). The District's underlying debt ratings are as follows: Moody's Investor Series "Aa1", AA+ from Standard & Poor's, and AA+ from Fitch. For more information on the District's long-term debt, see Note I in the financial statements.

BUDGETARY HIGHLIGHTS

- Amendment approved to increase revenue by \$23.5 million due to current year property tax collections.
- Amendment approved to increase revenue by \$3.8 million for the general funding revised investment earnings estimate.
- Amendment approved to decrease the revised revenue estimate of \$124.7 million for 5811 Per Capita.
- Amendment approved to increase the revised revenue estimate of \$101.2 million for 5812 Foundation-School Program.
- Amendment approved to decrease the revised revenue estimate of \$7.9 million for 5931 School Health & Related Services (SHARS).
- Amendment approved to increase revenue by \$15.9 million as a result of the Taxable Value audit.
- Amendment approved to decrease revenue by \$61.7 million due to the ESSER Grant.
- Amendment approved to increase revenue by \$5.0 million due to additional TRS On-Behalf for FY20.
- Amendment approved to increase expenditures by \$1.1 million to fund repairs to District buildings damaged by storms on June 9, 2019.
- Amendment approved to increase Fiscal Year 2020-2021 expenditure budget by amount of unspent purchase order balances from Fiscal Year 2019-2020 totaling \$7.5 million.
- Amendment approved to increase expenditures by \$5.2 million for prepaid computer leases.
- Amendment approved to increase expenditures by \$1.0 million to fund additional transportation costs incurred due to storm damage.

**Dallas Independent School District
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020**

- Amendment approved to increase expenditures by \$2.0 million to fund repairs to District buildings damaged by storms on October 20, 2019.
- Amendment approved to increase expenditures by \$0.9 million for the removal and replacement of underground storage tanks at Service Center I.
- Amendment approved to increase expenditures by \$8.5 million for estimated cost of geothermal system for Ann Richards and Medrano middle schools.
- Amendment approved to increase expenditures in recapture by \$2.9 million to align with estimated amount.
- Amendment approved to increase expenditures by \$1.0 million to fund the Career Institute remodel.
- Amendment approved to increase expenditures by \$0.6 million in attorney fees for representation in the 2016 Property Taxable Value Audit.
- Amendment approved to increase expenditures by \$3.5 million for Special Education bus cameras.
- Amendment approved to decrease expenditures by \$61.7 million for the ESSER grant funds.
- Amendment approved to recognize additional revenue of \$3.0 million for TRS On-Behalf.
- Amendment approved to increase expenditures by \$5.0 million for Chapter 41 payments.
- Amendment approved for \$7.5 million increase Other Financing Sources for insurance company payments for tornado storm damage claim.
- Amendment approved for \$5.4 million increase in Other Uses and Non-Operating Revenue for tornado storm damage repairment.
- Amendment approved for \$7.1 million increase in Other Uses and Non-Operating Expenses for restoration of tornado storm damage.
- Amendment approved to increase expenditures by \$2.7 million to fund the escrow deposit for future defeasance of 2016B-6 due in 2022.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In June 2020, the Board of Trustees adopted the 2020-21 budget, which supports the District's goals.

The primary factors considered in preparing the District's budget for the 2020-21 fiscal year include a 5.0% increase in local property values and a 97.6% property tax collection rate. The Maintenance and Operations tax rate was lowered to \$1.054700 per \$100 valuation for the 2020-21 year. The Interest and Sinking ("I&S") tax rate remained at \$0.242035 per \$100 valuation for the 2020-21 year.

Student enrollment is projected to be 152,472 in 2020-21.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Finance and Accounting Services Division.

Dallas Independent School District

BASIC FINANCIAL STATEMENTS

**Dallas Independent School District
Statement of Net Position
June 30, 2020**

Data Control Codes		Primary Government
		Governmental Activities
ASSETS		
1110	Cash and Cash Equivalents	\$ 941,142,424
1120	Investments	659,015,378
1220	Property Taxes Receivables (delinquent)	77,061,362
1230	Allowance for Uncollectible Taxes (credit)	(48,448,273)
1240	Due from Other Governments	125,865,397
1250	Accrued Interest	608,186
1290	Other Receivables, Net	33,658,859
1300	Inventories	17,444,093
1410	Prepaid Items	8,521,387
Capital Assets		
1510	Land	259,279,955
1520	Buildings and Improvements, Net	2,486,230,148
1530	Furniture and Equipment, Net	68,768,202
1580	Construction in Progress	272,932,580
1000	Total Assets	4,902,079,698
DEFERRED OUTFLOWS OF RESOURCES		
1701	Deferred Loss on Refunding	76,432,083
1705	Related to the TRS Pension	258,013,450
1706	Related to the TRS OPEB	95,390,075
1700	Total Deferred Outflows of Resources	429,835,608
LIABILITIES		
2110	Accounts Payable	112,605,012
2120	Other Liabilities	51,679
2140	Interest Payable	54,351,357
2150	Payroll Deductions & Withholdings Payable	16,322,922
2160	Accrued Wages and Benefits Payable	154,673,152
2180	Due to Other Governments	76,174,096
2190	Due to Student Groups	994
2200	Accrued Expenses	13,370,904
2300	Unearned Revenue	2,613,539
Noncurrent Liabilities		
2501	Due Within One Year	97,823,962
2502	Due in More Than One Year	2,944,589,421
2540	Net Pension Liability (District's Share)	595,195,671
2545	Net OPEB Liability (District's Share)	690,114,814
2000	Total Liabilities	4,757,887,523
DEFERRED INFLOWS OF RESOURCES		
2605	Related to the TRS Pension	113,004,446
2606	Related to the TRS OPEB	304,727,038
2600	Total Deferred Inflows of Resources	417,731,484
NET POSITION		
3200	Net Investment in Capital Assets	396,154,426
3820	Restricted for Federal and State Programs	11,504,604
3850	Restricted for Debt Service	99,943,509
3890	Restricted for Other Programs	3,135,974
3900	Unrestricted	(354,442,214)
3000	Total Net Position	\$ 156,296,299

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

Dallas Independent School District
Statement of Activities
For the Fiscal Year Ended June 30, 2020

				Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
	1	3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
GOVERNMENTAL ACTIVITIES				
11 Instruction	\$ 1,095,737,419	\$ 437,708	\$ 228,941,142	\$ (866,358,569)
12 Instructional Resources and Media Services	21,402,181	-	1,709,724	(19,692,457)
13 Curriculum and Staff Development	70,424,170	-	44,317,007	(26,107,163)
21 Instructional Leadership	52,236,843	-	9,810,597	(42,426,246)
23 School Leadership	123,359,013	-	11,116,392	(112,242,621)
31 Guidance, Counseling and Evaluation Services	81,244,094	-	19,525,097	(61,718,997)
32 Social Work Services	3,349,661	-	1,130,253	(2,219,408)
33 Health Services	26,438,683	-	4,413,604	(22,025,079)
34 Student (Pupil) Transportation	70,395,894	-	5,971,125	(64,424,769)
35 Food Services	127,056,390	1,615,674	98,579,760	(26,860,956)
36 Cocurricular/Extracurricular Activities	37,457,609	963,354	1,617,683	(34,876,572)
41 General Administration	53,816,493	-	7,762,304	(46,054,189)
51 Facilities Maintenance and Operations	174,138,069	2,131,009	12,412,234	(159,594,826)
52 Security and Monitoring Services	24,592,052	-	2,725,314	(21,866,738)
53 Data Processing Services	44,976,107	-	2,197,110	(42,778,997)
61 Community Services	12,978,647	-	8,103,820	(4,874,827)
72 Debt Service - Interest on Long Term Debt	122,613,896	-	-	(122,613,896)
73 Debt Service - Bond Related Fees	107,552	-	-	(107,552)
81 Facilities Acquisition and Construction	18,944,454	-	-	(18,944,454)
91 Contracted Instructional Services Between Schools	18,509,704	-	-	(18,509,704)
95 Payments to Juvenile Justice Alternative Ed. Prg.	10,296	-	-	(10,296)
99 Other Intergovernmental Charges	5,893,777	-	-	(5,893,777)
TOTAL PRIMARY GOVERNMENT	\$ 2,185,683,004	\$ 5,147,745	\$ 460,333,166	\$ (1,720,202,093)
Data	General Revenues			
Control	Taxes			
Codes				
MT	Property Taxes, Levied for General Purposes			1,319,796,489
DT	Property Taxes, Levied for Debt Service			299,013,041
SF	State Aid not Restricted to Specific Purpose			47,717,109
GC	Grants, Contributions and Other Revenue not Restrict			130,924,356
IE	Investment Earnings			29,195,172
MI	Miscellaneous Local and Intermediate Revenue			21,773,101
E1	Extraordinary Item - Resource			21,195,720
E2	Extraordinary Item - (Use)			(11,977,604)
TR	Total General Revenues			1,857,637,384
CN	Change in Net Position			137,435,291
NB	Net Position - Beginning			18,861,008
NE	Net Position - Ending			\$ 156,296,299

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

**Dallas Independent School District
Balance Sheet
Governmental Funds
June 30, 2020**

	10 General Fund	50 Debt Service Fund
ASSETS		
1110 Cash and Cash Equivalents	\$ 494,842,232	\$ 172,315,990
1120 Investments	517,661,624	31,434,063
1220 Property Taxes Receivables (delinquent)	63,525,008	13,536,354
1230 Allowance for Uncollectible Taxes (credit)	(39,496,008)	(8,952,265)
1240 Due from Other Governments	31,177,691	270,891
1250 Accrued Interest	608,186	-
1260 Due from Other Funds	71,657,767	-
1290 Other Receivables, Net	33,614,615	-
1300 Inventories	10,147,257	-
1410 Prepaid Items	7,503,138	-
1000 Total Assets	<u>1,191,241,510</u>	<u>208,605,033</u>
LIABILITIES		
2110 Accounts Payable	24,476,666	9,497
2120 Other Liabilities	47,834	-
2150 Payroll Deductions and Withholdings Payable	14,181,547	-
2160 Accrued Wages and Benefits Payable	141,841,138	-
2170 Due to Other Funds	1,464,941	-
2180 Due to Other Governments	75,739,150	249,896
2190 Due to Student Groups	-	-
2200 Accrued Expenditures	11,837,516	-
2300 Unearned Revenues	96,755	-
2000 Total Liabilities	<u>269,685,547</u>	<u>259,393</u>
DEFERRED INFLOWS OF RESOURCES		
2601 Unavailable Revenue - Property Taxes	20,872,678	3,881,803
2602 Other Deferred Resource Inflows (See Note K)	31,283,251	-
2600 Total Deferred Inflows of Resources	<u>52,155,929</u>	<u>3,881,803</u>
FUND BALANCES		
Nonspendable Fund Balance		
3410 Inventories	10,147,257	-
3430 Prepaid Items	7,503,138	-
Restricted Fund Balance		
3450 Federal or State Funds Grant Restriction	-	-
3470 Capital Acquisition and Contractual Obligation	-	-
3480 Retirement of Long Term Debt	-	154,294,866
3490 Other Restricted Fund Balance	-	-
Assigned Fund Balance		
3565 Retirement of Loans or Notes Payable	-	50,168,971
3590 Other Assigned Fund Balance	189,990,513	-
3600 Unassigned Fund Balance	661,759,126	-
3000 Total Fund Balances	<u>869,400,034</u>	<u>204,463,837</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 1,191,241,510</u>	<u>\$ 208,605,033</u>

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

60 Capital Projects Fund	ESSER School Emergency Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 235,023,308	\$ -	\$ 15,762,427	\$ 917,943,957
109,919,691	-	-	659,015,378
-	-	-	77,061,362
-	-	-	(48,448,273)
-	61,069,129	33,347,686	125,865,397
-	-	-	608,186
-	-	-	71,657,767
-	-	14,244	33,628,859
-	-	7,296,836	17,444,093
718,264	-	299,985	8,521,387
345,661,263	61,069,129	56,721,178	1,863,298,113
78,677,159	-	7,044,335	110,207,657
400	-	3,445	51,679
-	-	2,141,038	16,322,585
-	-	12,814,683	154,655,821
-	61,069,129	10,723,021	73,257,091
108,769	-	76,281	76,174,096
-	-	994	994
1,032,421	-	447,815	13,317,752
-	-	2,516,784	2,613,539
79,818,749	61,069,129	35,768,396	446,601,214
-	-	-	24,754,481
-	-	-	31,283,251
-	-	-	56,037,732
-	-	7,296,836	17,444,093
718,264	-	299,985	8,521,387
-	-	4,207,768	4,207,768
265,124,250	-	-	265,124,250
-	-	-	154,294,866
-	-	3,135,974	3,135,974
-	-	-	50,168,971
-	-	6,012,219	196,002,732
-	-	-	661,759,126
265,842,514	-	20,952,782	1,360,659,167
\$ 345,661,263	\$ 61,069,129	\$ 56,721,178	\$ 1,863,298,113

Dallas Independent School District

Dallas Independent School District
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
June 30, 2020

Total Fund Balances - Governmental Funds (from C-1)	\$ 1,360,659,167
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation, less assets held in internal service funds, are not financial resources and therefore are not reported as assets in governmental funds. The total amount is \$3,086,974,653, which results in an increase in Net Position. (See Note H.)	3,086,974,653
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Some liabilities, including bonds payables, are not due and payable in the current period and therefore are not reported in the funds:

Bonds, Commercial Paper, and Notes Payable	(2,877,455,000)	
Deferred Losses on Refundings	76,432,083	
Premium on Bonds	(155,157,792)	(2,956,180,709)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. The accrued interest on long term debt is \$54,351,357.	(54,351,357)
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Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:

Deferred Resource Inflow for Property Taxes	24,754,481	
Medicaid/SHARS	31,283,251	56,037,732

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position (see D-1).	12,795,257
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The government-wide statement includes the District's proportionate share of the TRS net pension liabilities, as well as certain pension related transactions accounted for as Deferred Inflows and Outflows of Resources.

Net Pension Liability	(595,195,671)	
Deferred Outflows of Resources - TRS Pension	258,013,450	
Deferred Inflows of Resources - TRS Pension	(113,004,446)	(450,186,667)

The District participates in the TRS OPEB plan TRS-Care. The impact on the ending net position related to the TRS OPEB plan came from the following:

Ending Net OPEB Liability	(690,114,814)	
Deferred Outflows of Resources - TRS OPEB	95,390,075	
Deferred Inflows of Resources - TRS OPEB	(304,727,038)	(899,451,777)

Total Net Position of Governmental Activities (see A-1)	\$ 156,296,299
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The notes to the basic financial statements are an integral part of this statement.

Dallas Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2020

Data Control Codes	10 General Fund	50 Debt Service Fund
REVENUES		
5700 Local and Intermediate Sources	\$ 1,353,825,622	\$ 302,138,350
5800 State Program Revenues	185,828,936	1,989,780
5900 Federal Program Revenues	61,405,743	-
5020 Total Revenues	<u>1,601,060,301</u>	<u>304,128,130</u>
EXPENDITURES		
Current		
11 Instruction	781,441,167	-
12 Instructional Resources and Media Services	18,060,295	-
13 Curriculum and Instructional Staff Development	18,341,280	-
21 Instructional Leadership	40,614,012	-
23 School Leadership	106,572,663	-
31 Guidance, Counseling and Evaluation Services	57,717,853	-
32 Social Work Services	2,091,359	-
33 Health Services	22,843,395	-
34 Student (Pupil) Transportation	59,411,999	-
35 Food Services	239,282	-
36 Cocurricular/Extracurricular Activities	30,942,455	-
41 General Administration	47,184,803	-
51 Facilities Maintenance and Operations	165,276,000	-
52 Security and Monitoring Services	22,989,332	-
53 Data Processing Services	35,164,199	-
61 Community Services	2,842,578	-
Debt Service		
71 Principal on Long Term Debt	-	155,595,000
72 Interest on Long Term Debt	7,237,237	132,896,136
73 Bond Fees and Charges	2,200	105,351
Capital Outlay		
81 Facilities Acquisition and Construction	1,219,778	-
Intergovernmental		
91 Contracted Instructional Services Between Schools	18,509,704	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	10,296	-
99 Other Intergovernmental Charges	5,891,556	-
6030 Total Expenditures	<u>1,444,603,443</u>	<u>288,596,487</u>
1100 Excess (Deficiency) of Revenues Over Expenditures	<u>156,456,858</u>	<u>15,531,643</u>
OTHER FINANCING SOURCES (USES)		
7911 Capital Related Debt Issued (Regular Bonds)	-	-
7912 Sale of Real and Personal Property	599,782	-
7915 Transfers In	10,000,000	7,167,000
7916 Premium or Discount on Issuance of Bonds	-	-
8911 Transfers Out (Use)	(7,676,165)	-
7080 Total Other Financing Sources (Uses)	<u>2,923,617</u>	<u>7,167,000</u>
EXTRAORDINARY ITEMS		
7919 Extraordinary Item - Resource	9,003,947	-
8913 Extraordinary Item - (Use)	(11,977,604)	-
1200 Net Change in Fund Balance	156,406,818	22,698,643
0100 Fund Balance - Beginning	712,993,216	181,765,194
3000 Fund Balance - Ending	<u>\$ 869,400,034</u>	<u>\$ 204,463,837</u>

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

EXHIBIT C-2

60 Capital Projects Fund	ESSER School Emergency Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 5,852,477	\$ -	\$ 9,495,335	\$ 1,671,311,784
-	-	40,097,501	227,916,217
-	61,069,129	227,278,228	349,753,100
5,852,477	61,069,129	276,871,064	2,248,981,101
15,630,968	61,069,129	91,410,230	949,551,494
-	-	285,387	18,345,682
-	-	43,366,750	61,708,030
-	-	6,698,192	47,312,204
-	-	1,112,952	107,685,615
-	-	14,251,524	71,969,377
-	-	868,572	2,959,931
-	-	450,568	23,293,963
-	-	971	59,412,970
-	-	110,410,290	110,649,572
-	-	796,724	31,739,179
-	-	4,797,922	51,982,725
-	-	1,904,260	167,180,260
-	-	118,363	23,107,695
-	-	585,953	35,750,152
-	-	8,018,227	10,860,805
-	-	-	155,595,000
-	-	-	140,133,373
1,102,755	-	-	1,210,306
330,316,722	-	26,270	331,562,770
-	-	-	18,509,704
-	-	-	10,296
-	-	2,221	5,893,777
347,050,445	61,069,129	285,105,376	2,426,424,880
(341,197,968)	-	(8,234,312)	(177,443,779)
341,975,000	-	-	341,975,000
-	-	-	599,782
-	-	1,281,038	18,448,038
39,127,754	-	-	39,127,754
-	-	-	(7,676,165)
381,102,754	-	1,281,038	392,474,409
28,574,986	-	-	37,578,933
-	-	-	(11,977,604)
68,479,772	-	(6,953,274)	240,631,959
197,362,742	-	27,906,056	1,120,027,208
\$ 265,842,514	\$ -	\$ 20,952,782	\$ 1,360,659,167

Dallas Independent School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from C-2) **\$ 240,631,959**

Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Capital outlays this current period, adjusted for dispositions and discovered assets, were \$292,620,173. The current year depreciation, excluding internal service funds (also adjusted for dispositions), was \$112,823,962. (See Note H.) The adjustment to the extraordinary loss reflected in the write-off and write-down on capital assets destroyed and damaged by the tornado loss is included in these amounts. Capital outlays exceeded the current year depreciation by \$179,796,211. This causes an increase in the change in net position.

179,796,211

Repayment of principal and other long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not expensed in the current period.

Principal Payments	155,595,000	
Amortization of Premium	28,389,472	
Amortization of Loss on Bond Refunding	(7,680,686)	176,303,786

The District issued new bonds during the year. The bonds were issued for \$311,975,000 and there was a \$30,000,000 issue of commercial paper. These are recognized as Other Financing Sources in the governmental funds, but these must be reclassified for the government-wide statements as an increase in long-term debt. The effect of this reclassification will decrease the change in net position in the Statement of Activities. The new bonds were sold at a premium in the amount of \$39,127,754. This was reported in the fund statements in 7916, but must be reclassified as an increase in the unamortized premium causing another decrease in the change in net position for Exhibit B-1. The total of these two decreases is \$381,102,754.

(381,102,754)

In the fund level statements, revenues are reported when they are available. In the Statement of Activities, revenues are reported when they are earned. Thus revenues reported as a deferred resource inflow in the fund level statements must be reclassified showing the portion of these earned in the current reporting period as revenues and the portion of these earned in prior periods as part of the beginning net position. Similarly, any revenues received and available in the current year which were earned in prior years must be reclassified from revenues and reported as part of the beginning net position. This includes revenues from property taxes and revenues earned in prior periods for the Medicaid/SHARS program. The change in ending net position increased from the adjustment on taxes by \$4,374,434, and the change due to the SHARS adjustment was an increase in net position by \$4,910,335. The net effect of all of these adjustments was an increase in the change in net position in the amount of \$9,284,769.

9,284,769

Interest on long term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. The increase in accrued interest is \$3,189,309. The change in ending net position will decrease by that amount.

(3,189,309)

Dallas Independent School District
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

The District uses Internal Service Funds to charge the costs of certain activities to appropriate functions in other funds. The net income of Internal Service Funds is reported with governmental activities. The net effect of this consolidation is to decrease the change in net position.

(6,479,174)

Adjustments were required for GASB 68 for the current fiscal year. The necessary changes in the ending net pension liability and the deferred resource outflow related to the TRS Pension and the deferred resource inflow related to the TRS Pension resulted in a decrease in the change in net position. Note the change in the deferred outflow does not include the contribution made by the District to the pension plan after the end of the measurement year. This resulted from the following changes:

Deferred Outflows decreased by	43,654,878	
Deferred Inflows increased by	58,550,810	
Ending Net Pension Liability decreased by	(32,861,077)	(69,344,611)

Adjustments were required for GASB 75 for the current fiscal year. The necessary changes in the District's ending net OPEB liability, the deferred resource outflow related to the TRS OPEB, and the deferred resource inflow related to the TRS OPEB resulted in a decrease in the change in net position. This resulted from the following changes:

Increase in Deferred Resource Outflow	36,634,682	
Increase in Deferred Resource Inflow	(71,194,376)	
Decrease in Ending Net OPEB Liability	26,094,108	<u>(8,465,586)</u>

Total Change in Net Position of Governmental Activities (see B-1)**\$ 137,435,291**

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

**Dallas Independent School District
Statement of Net Position
Proprietary Funds
June 30, 2020**

	Governmental Activities
	Total Internal Service Funds
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 23,198,467
Due from Other Funds	1,599,420
Other Receivables, Net	30,000
Total Current Assets	24,827,887
Noncurrent Assets	
Capital Assets	
Furniture and Equipment, Net	236,232
Total Noncurrent Assets	236,232
Total Assets	25,064,119
LIABILITIES	
Current Liabilities	
Accounts Payable	2,397,355
Accrued Liabilities - Short Term	3,518,962
Payroll Deductions and Withholdings Payable	337
Accrued Wages and Benefits Payable	17,331
Due to Other Funds	96
Accrued Expenses	53,152
Total Current Liabilities	5,987,233
Noncurrent Liabilities	
Accrued Liabilities - Long Term	6,281,629
Total Noncurrent Liabilities	6,281,629
Total Liabilities	12,268,862
NET POSITION	
Investment in Capital Assets	236,232
Unrestricted Net Position	12,559,025
Total Net Position	\$ 12,795,257

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

Dallas Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	Governmental Activities
	Total Internal Service Funds
OPERATING REVENUES	
Charges for Services	\$ 16,355,935
Total Operating Revenues	<u>16,355,935</u>
OPERATING EXPENSES	
Personnel Services	7,856,100
Contractual Services	1,829,972
Supplies	771,589
Other Operating Expenses	1,561,895
Depreciation Expense	43,680
Total Operating Expenses	<u>12,063,236</u>
Operating Income	4,292,699
NON-OPERATING REVENUES (EXPENSES)	
Transfer In	287,165
Transfers Out	<u>(11,059,038)</u>
Total Non-Operating Revenues (Expenses)	<u>(10,771,873)</u>
Change in Net Position	(6,479,174)
 Total Net Position - Beginning	 <u>19,274,431</u>
 Total Net Position - Ending	 <u><u>\$ 12,795,257</u></u>

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

**Dallas Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020**

	Governmental Activities
	Total Internal Service Funds
Cash Flows from Operating Activities	
Cash Received from User Charges	\$ 16,278,164
Cash Payments to Employees for Services	(2,259,047)
Cash Payments for Insurance Claims	(6,031,058)
Cash Payments for Suppliers	(3,270,710)
Cash Payments for Accrued Expenses	(1,265)
Cash Received - Change in Unemployment Insurance Payable	1,957,791
Net Cash Provided by Operating Activities	<u>6,673,875</u>
Cash Flows from Non-Capital Financing Activities	
Operating Transfer Out	(11,059,038)
Transfers In	287,165
Net Cash used for Non-Capital Activities	<u>(10,771,873)</u>
Cash Flows from Capital & Related Financing Activities	
Acquisition of Capital Assets	(82,413)
Net Cash provided by (used for) Capital & Related Financing Activities	<u>(82,413)</u>
Net Decrease in Cash and Cash Equivalents	(4,180,411)
Cash and Cash Equivalents at Beginning of Year	27,378,878
Cash and Cash Equivalents at End of Year	<u>23,198,467</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	4,292,699
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	43,680
Effect of Increases and Decreases in Current Assets and Liabilities	
Decrease (increase) in Due from Other Funds	(77,771)
Decrease (increase) in Accounts Payable	31,025
Increase in Accounts Payable for Unemployment Insurance	1,957,791
Increase (decrease) in Payroll Deductions	(298)
Increase (decrease) in Accrued Wages Payable	(10,059)
Increase (decrease) in Due to Other Funds	96
Increase (decrease) in Accrued Expenses	861,721
Decrease in Accrued Liabilities - Long Term	(252,403)
Decrease in Accrued Liabilities - Short Term	(172,606)
Net Cash Provided by Operating Activities	<u><u>\$ 6,673,875</u></u>

Dallas Independent School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

	Agency Fund
ASSETS	
Cash and Cash Equivalents	\$ 2,998,776
Total Assets	<u>2,998,776</u>
LIABILITIES	
Accounts Payable	93,076
Due to Student Groups	2,727,361
Accrued Expenses	<u>178,339</u>
Total Liabilities	<u>\$ 2,998,776</u>

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

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

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**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Dallas Independent School District have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in GASB Statement No. 56, and complies with the requirements of the Texas Education Agency's Financial Accountability System Resource Guide (FASRG) and the requirements of contracts and grants of agencies from which the District receives funds.

Reporting Entity. The Board of Trustees (the "Board") consists of nine members and has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Dallas Independent School District (the "District"). Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

In evaluating how to define the government for financial reporting purposes, the District's management has considered all potential component units. By applying the criteria set forth in Generally Accepted Accounting Principles ("GAAP"), the District has determined that no other organizations require inclusion in its reporting entity.

Government-wide and Fund Financial Statements. The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These statements report information on all non-fiduciary activities of the District. The effect of the interfund activity in the government-wide statements eliminates services provided and used in the process of consolidation. Governmental activities are mainly supported by tax revenues and intergovernmental revenues.

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. All capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital assets. Program revenues include: 1) charges for services and tuition charged by a given function and 2) grants and contributions that are restricted to meeting operational requirements of a particular function. Taxes, state aid, grants and contributions not restricted to specific programs are properly excluded from program revenues and reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Basis of Accounting/Measurement Focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 are 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. However, debt service expenditures and claims and judgments are recorded only when matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under notes payable are reported as other financing sources. Property tax revenues and revenues received from the State of Texas and investment earnings are considered to be susceptible to accrual and so have been recognized as revenues in the current period. Property taxes collected within 60 days of year-end and included in revenue were \$4,451,305 and \$973,178 for the General Fund and Debt Service Fund, respectively.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Grant revenues and contributions are recognized when all eligibility requirements have been met. Grant funds received in advance are recorded as unearned revenue until earned. Contributions received with purpose restrictions are recorded as revenue and the related fund balance is designated until restrictions are satisfied. Amounts reported as program revenues include operating grants and contributions, food services user charges, rentals and tuition. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. The Texas Education Agency (TEA), through its application of state law, allocates state revenues to school districts by formula allocation. The District receives two allocations, a per capita allocation and a foundation program allocation. The District also recognizes revenues for the state's share of the contributions to the Teacher Retirement System of Texas. See Note M for additional information on the employee's retirement plan. Other state revenues are received through other state miscellaneous programs on an allocated basis. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

The District has accrued state aid revenues of \$20,463,742 which is included in receivables from other governments in the governmental funds balance sheet, to reflect cash that will be received in fiscal year 2021, which was generated by attendance and the type of instructional services provided in fiscal year 2020. The District has also accrued an offsetting liability of \$75,301,075 which is included in due to other governments, to reflect an anticipated Texas Education Agency final fiscal year 2020 settle-up adjustment that will occur in 2021.

The District, by law, is required to prepare and file a budget with the Texas Education Agency (TEA). Activities of the General Fund, Food Services Fund, and Debt Service Fund are included in the District's formally adopted budget. Budgets for Special Revenue funds (other than the Food Services Fund) and Capital Projects Fund are prepared on a project basis, based on grant regulations or applicable bond ordinances. Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at the functional category level with each fund. These functional categories are defined by TEA and identify the purpose of transactions. Oversight control of all expenditures is maintained at this level by the Finance and Accounting staff. TEA requires school districts to present exhibits with budget comparison for Food Services Fund (Exhibit J-2) and the Debt Service Fund (Exhibit J-3). These exhibits are in the financial section of the Comprehensive Annual Financial Report.

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The District reports the following Major Governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. All general tax revenues and other receipts not allocated by law or contractual agreement to some other funds are accounted for in this fund.
- The Debt Service Fund accounts for the use of ad valorem taxes and other revenues collected for the purposes of retiring bond principal and paying interest when due. The main source of revenue for debt service is the apportionment of local property taxes.
- The Capital Projects Fund is used to account for proceeds from long term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.
- The ESSER (Elementary and Secondary Emergency Relief Fund) is used to account, on a project basis, for funds granted to support LEAs ability to operate and instruct their students during the COVID-19 pandemic.

The District reports the following Non-Major funds:

- The Special Revenue Funds are used to account for Food Services activities, federal and state financed programs and other local programs. The budget for the Food Services Fund is adopted by the Board each fiscal year. The budget for the Campus Activity Fund is adopted based on prior year's ending fund balance.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

The District reports the following Proprietary Funds:

Internal service funds provide services from one department to other departments of the District on a cost-reimbursement basis. Internal service funds distinguish operating revenues from non-operating revenues. Operating revenues and expenses generally result from providing services and delivering goods in connection with an internal service fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following internal service funds:

- The Graphics Shop Fund is used to account for printing services.
- The Risk Management Fund is used to account for the costs associated with the workers' compensation self-funded program. Accrued liabilities include provisions for claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience since the inception of the program.
- The Auto Liability Insurance Fund was established on July 1, 2018, to accumulate and allocate all externally incurred liability expenses relating to student transportation and white fleet vehicle accidents such as physical damage, third party medical claims, and third party administrator costs, as well as contracted services and parts to repair district buses damaged in such incidents..

The District reports Agency Funds as Fiduciary Funds. Agency Funds are custodial in nature and account for activities of student and employee groups. These funds have no equity. Assets are equal to liabilities and do not include revenues and expenditures for general operations of the District. Agency funds use the accrual basis of accounting to recognize assets and liabilities. The Agency Funds exist with the explicit approval of, and are subject to revocation by, the Board. The District reports the following Agency Fund:

- The Student Activity Fund accounts for the receipt and disbursement of monies from student activity organizations.

Assets, Liabilities, and Deferred Outflows and Inflows of Resources

Cash, Cash Equivalents and Investments. The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 3 months or less from the date of acquisition. All investments in pools are considered cash equivalents.

Investments can consist of certificates of deposit, U.S. Treasury instruments, U.S. Government agency obligations, commercial paper, investments in government sponsored enterprises, repurchase agreements, and obligations of states and their political subdivisions. Investments with maturities at the time of acquisition of over 12 months are recorded at fair value. Fair value is determined by the amount by which a financial instrument could be exchanged in a current transaction between willing parties. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. See Note B for additional discussion.

Property Taxes. Property taxes are levied each October 1 on the assessed value as of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the subsequent year. On January 1 of each year a lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and 60 days thereafter. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes and historical experience of adjustments to tax receivables. Uncollectible taxes are written off according to the Texas Property Tax Code. See Note C for the discussion of the write-off of uncollectible taxes in the current year.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Interfund Receivables and Payables. Advances between funds are accounted for in the appropriate interfund receivable and payable accounts. All legally authorized transfers are appropriately treated as transfers and are included in the results of operations. Such balances are eliminated within the governmental activities for the government-wide financial statements. See Note F for additional discussion.

Inventories and Prepaid Items. The consumption method is used to account for inventories of supplies and materials. Under this method, these items are carried in an inventory account of the respective fund at cost, using the weighted average method of accounting and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received at no cost, their fair value is supplied by the Texas Department of Agriculture and is recorded as inventory on the date received. Prepaid items on the balance sheet are accounted for using the consumption method and are recognized as expenditures over the periods in which the service is provided. In the governmental funds, inventories and prepaid items are reported as non-spendable fund balance.

Capital Assets. Capital assets, which include land, buildings, furniture and equipment, and construction in progress are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Construction cost includes direct and all indirect costs. Donated capital assets are measured at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized, and land and construction in progress are not depreciated. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	Useful Life in Years
Buildings:	
Buildings - Permanent	40
Buildings - Improvements	20
Portable Buildings and Building Systems	15
Equipment:	
Heavy Installed Equipment	20
Maintenance/Warehouse/Custodial equipment	15
Heavy equipment - Tractors/Construction equipment	12
Furniture and Fixture equipment - Others	10
Kitchen equipment	10
Other Vehicles	10
Buses	7
Trucks and Vans	7
Automobiles	5
Technology equipment	3
Software	3

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Deferred Outflows and Inflows of Resources. In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditures) until then. The District has three items that qualify for reporting in this category. They are deferred loss on refunding, TRS pension costs, and TRS OPEB costs, which are reported in the Government-wide Statement of Net Position.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until then. The District has four items that qualify for reporting in this category. They are related to TRS pension, TRS OPEB, unavailable revenue, and other deferred resource inflows. Unavailable revenue is reported only in the Governmental Funds Balance Sheet, and TRS pension investment earnings are reported only on the Government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. See Note K for the detail of other deferred resource inflows.

Compensated Absences. Certain employees are entitled to receive accrued vacation and compensatory pay in a lump-sum cash payment upon termination of employment with the District. The amount of \$2,333,244 represents the recorded liability for employees vested in accumulated vacation and compensatory pay. The General Fund is used to liquidate compensated absences.

Long Term Obligations. In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities under governmental activities. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred. Gains or losses on refundings are capitalized and amortized over the shorter of the life of the new issuance or the life of the existing debt using the straight-line interest method, which approximates the interest method.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs are recognized in the governmental funds 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

Encumbrances. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order to assign the portion of the applicable appropriation, is employed in the governmental fund financial statements. Encumbrances that have not been liquidated are reported as an assigned portion of fund balance in the governmental funds.

Pensions. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Government-wide Net Position

Net position represents the difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources. The District's net position is composed of the following:

Net Investment in Capital Assets. The component of net position that reports capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction, or improvements of these capital assets.

Restricted for Federal and State Programs. The component of net position that reports the difference between assets and liabilities of the Federal and State special revenue programs that consists of assets with constraints placed on their use by the Department of Education, Health and Human Services, Labor, Agriculture or TEA.

Restricted for Debt Service. The component of net position that reports the difference between assets and liabilities of the Debt Service Funds net of accrued interest at June 30, that consists of assets with constraints placed on their use by the bond covenants.

Restricted for Other Purposes. The component of net position that reports the difference between assets and liabilities of the Restricted for Other Purposes Funds at June 30, that consists of assets with constraints placed on their use by external parties.

Unrestricted. The difference between the assets and liabilities that are not reported in net position invested in capital assets, net position restricted for debt service, net position restricted for federal and state programs, net position restricted for capital projects, and net position restricted for other purposes.

Governmental Fund Balances

According to the District's fund balance policy, fund balance is comprised of the following components:

Nonspendable Fund Balance. The portion of fund balance that is not expendable or is legally earmarked for a specific use. Nonspendable fund balance reserves may include items like inventory or prepaid items.

Spendable Fund Balance. The portion of fund balance that is comprised of restricted, committed, assigned, and unassigned fund balances.

- **Restricted Fund Balance.** The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District. Restricted fund balances include funds for the Food Services, funds restricted for capital acquisitions, funds used to retire long term debts or resources from granting agencies.
- **Committed Fund Balance.** The portion of fund balance that reflects resources whose use is limited based upon resolutions by the District's Board of Trustees. At June 30, 2020, the District had no committed fund balance.
- **Assigned Fund Balance.** The portion of fund balance that is self-imposed by the District to be used for a particular purpose. The assigned fund balance can only be removed by the Superintendent of Schools or the Chief Financial Officer.
- **Unassigned Fund Balance.** The portion of the spendable fund balance within the General Fund that has not been classified within any categories above. It is the portion of fund balance available to finance operating expenditures.

In general, it is in the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which restricted and unrestricted (i.e. committed, assigned, or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used after the other resources have been used.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

As of the end of the current fiscal year, the District's Governmental Fund Balance was \$1,360,659,167 reported as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Inventories	\$ 10,147,257	\$ -	\$ -	\$ 7,296,836	\$ 17,444,093
Prepaid Items	7,503,138	-	718,264	299,985	8,521,387
Restricted					
Federal or State Grants	-	-	-	4,207,768	4,207,768
Capital Acquisition	-	-	265,124,250	-	265,124,250
Debt Services	-	154,294,866	-	-	154,294,866
Local	-	-	-	3,135,974	3,135,974
Assigned					
Retirement of Loans/Notes Payable	-	50,168,971	-	-	50,168,971
Other Assigned Fund Balance	189,990,513	-	-	6,012,219	196,002,732
Unassigned	661,759,126	-	-	-	661,759,126
Total Fund Balances	\$ 869,400,034	\$ 204,463,837	265,842,514	\$ 20,952,782	\$ 1,360,659,167

Note: Encumbrances are documented by purchase orders and contracts. They are commitments to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or provided for in the subsequent year's budget. Outstanding encumbrances at June 30, 2020, that were subsequently provided for in the 2020-2021 budget totaled \$24,108,272 for the General Fund, which is included in Other Assigned Fund Balance, and were broken down by functions as follows:

Function 00 - Extraordinary Items	\$ 1,104,325
Function 11 - Instruction	605,351
Function 12 - Instructional Resources and Media Services	152,137
Function 21 - Instructional Leadership	56,221
Function 31 - Guidance, Counseling and Evaluation Services	386,594
Function 34 - Student Transportation	1,102,455
Function 36 - Extracurricular Activities	642,937
Function 41 - General Administration	844,841
Function 51 - Plant Maintenance and Operations	13,042,802
Function 52 - Security and Monitoring Services	555,239
Function 53 - Data Processing Services	3,554,892
Function 81 - Facility Acquisition & Construction	2,060,478

Total	<u>\$ 24,108,272</u>
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Data Control Codes. In accordance with the Financial Accountability System Resource Guide published by the TEA, the District has adopted and installed an accounting system which meets the minimum requirements prescribed by the State Board of Education and has been approved by the state auditor. The TEA requires the display of these codes in the financial statements filed with the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE B: CASH, CASH EQUIVALENTS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with The Bank of New York Mellon, under a tri-party collateral agreement between the District, the depository bank and The Bank of New York Mellon. The Bank of New York Mellon deposits approved pledged securities, as authorized by Chapter 2257, Collateral for Public Funds of the Government Code, in an amount sufficient to protect the District's 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") coverage. In order to maximize return on cash balances, the District uses consolidated bank accounts from which all disbursements are made, with cash in excess of the District's total daily requirement being invested for future needs.

At June 30, 2020, the net carrying amount of the District's cash deposits, excluding student activity fund deposits of \$2,998,776, was \$18,529,184. The bank balance of \$46,211,933 was on deposit with the contracted depository bank. District funds are insured up to \$250,000 for the combined amount of all time and savings accounts, and up to an additional \$250,000 for the combined total of all Demand Deposit Accounts (DDA's). Interest-bearing accounts were collateralized by pledged United States government securities with a fair value of \$58,226,208 at June 30, 2020, held by The Bank of New York Mellon. Because The Bank of New York Mellon holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law. All campus activity funds were centralized and were on deposit with the contracted depository. Agency and activity funds were in separate non-interest-bearing bank accounts at the depository bank, and as such, have full FDIC coverage of \$250,000 per bank account. At June 30, 2020, cash on hand in Agency Funds totaled \$2,998,776 and was on deposit with the contracted depository and separate bank accounts. The District's Agency Fund bank balance on June 30, 2020, was covered by federal depository insurance or by collateral held in the District's name.

In addition, the following is disclosed regarding coverage of combined cash and certificates of deposit balances on the date of highest deposit:

- a. Depository bank: Wells Fargo Bank, N.A.
- b. The date of highest deposit was June 25, 2020, with combined cash and certificates of deposit balance of \$51,552,989.
- c. On June 26, 2020, the amount of bonds, securities pledged, and FDIC coverage was \$58,210,730.
- d. The FDIC coverage portion of the collateral listed above was \$250,000/\$250,000.
- e. The District had no occasions during the year of not being sufficiently collateralized, in which the pledged collateral requirement was less than the collateral requirement.

The Texas legislature passed the Public Funds Investment Act of 1995 ("Public Funds Investment Act") which authorizes the District to invest its excess funds in the following:

- Obligations of the United States or its agencies and instrumentalities,
- Obligations of the State of Texas or its agencies, and instrumentalities,
- Other obligations guaranteed by the United States or the State of Texas or their agencies and instrumentalities,
- Public funds investment pools,
- No load money market funds with a weighted average maturity of 90 days or less,
- Fully collateralized repurchase agreements,
- Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A", or its equivalent, by a nationally recognized investment rating firm,
- Commercial paper having a stated maturity of 270 days or fewer from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies or one nationally recognized credit agency and is fully secured by an irrevocable letter of credit,
- Guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds,

Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

- Guaranteed or secured certificates of deposit, issued by state and national banks domiciled in Texas, and insured by federal depository insurance or secured by the obligations mentioned above,
- Bonds issued, assumed or guaranteed by the State of Israel, and
- Secured corporate bonds rated not lower than “AA-“ or the equivalent.

The Public Funds Investment Act requires an annual review and approval of investment policies and practices. The review disclosed that in this area of investment practices, management reports and establishment of appropriate policies, the District materially adhered to the requirements of the Public Funds Investment Act. Additionally, investment practices of the District were in accordance with local policies, which are more restrictive than state statutes.

As of June 30, 2020, the following are the District's cash equivalents and investments, with respective maturities and credit rating:

Type of Investment	Book Value	Percent	Fair Value	Percent	Maturity in Less Than 1 Year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash	\$ 21,527,960	1.3%	\$ 21,527,960	1.3%	\$ 21,527,960	\$ -	\$ -	N/A
Money markets and FDIC insured investment accounts	6,608,548	0.4%	6,608,548	0.4%	6,608,548	-	-	N/A
Investment pools:								
LOGIC	192,864,548	12.0%	192,864,548	12.0%	192,864,548	-	-	AAAm
Lone Star	207,145,535	12.9%	207,145,535	12.9%	207,145,535	-	-	AAAm
Texas CLASS	209,216,669	13.0%	209,216,669	13.0%	209,216,669	-	-	AAAm
TexasTERM Daily	9,019,627		9,019,627		9,019,627			AAAm
TexasTERM Fixed Term	231,083,824	14.4%	231,083,824	14.4%	231,083,824			AAAf
TexPool	6,593,400	1.0%	6,593,400	1.0%	6,593,400			AAAm
Texas FIT	60,081,090		60,081,090		60,081,090			AAAf
Total Investment pools	916,004,692	57.1%	916,004,692	57.1%	916,004,692	-	-	
*Total cash and cash equivalents	944,141,200	58.9%	944,141,200	58.9%	944,141,200	-	-	
Commercial Paper	524,574,136	32.7%	524,574,136	32.7%	524,574,136	-	-	A1/P1
American Municipal Power Authority - Ohio	966,763	0.1%	966,763	0.1%		966,763		A2
Boone County Kentucky Municipal Bond	1,395,986	0.1%	1,395,986	0.1%		1,395,986		A+
City of Alice, Texas GO LTD Bond	1,053,350	0.1%	1,053,350	0.1%			1,053,350	AA
City of West Palm Beach, Florida Bond	1,288,497	0.1%	1,288,497	0.1%		1,288,497		Aa3
Corpus Christi GO Municipal Bond	484,847	0.0%	484,847	0.0%			484,847	Aa2
Federal Farm Credit Bureau Agency	40,221,590	2.5%	40,221,590	2.5%	40,221,590			Aaa
Federal Home Loan Bank Agency	63,228,996	3.9%	63,228,996	3.9%	42,541,824	20,687,172		Aaa
Fontana Unified School District Municipal Bond	858,863	0.1%	858,863	0.1%			858,863	Aa3
Gainesville Florida Pension Municipal Bond	1,660,260	0.1%	1,660,260	0.1%		1,660,260		Aa3
Green Bay Wisconsin Municipal Bond	504,626	0.0%	504,626	0.0%		504,626		A2
Indiana State Finance Authority	768,594	0.0%	768,594	0.0%			768,594	A+
North Hudson Sewerage Authority, NJ (A)	1,163,926	0.1%	1,163,926	0.1%			1,163,926	A+
Oregon State School Board Assoc GO Pension Municipal Bond	613,845	0.0%	613,845	0.0%		613,845		Aa2
Oregon State School Board Assoc Pension Municipal Bond	1,927,900	0.1%	1,927,900	0.1%		1,927,900		Aa2
Pennsylvania Economic Development Municipal Bond	3,004,284	0.2%	3,004,284	0.2%		3,004,284		A1
Port Douglas County Washington Municipal Bond	668,198	0.0%	668,198	0.0%			668,198	A+
Reading Pennsylvania Municipal Bond	4,263,479	0.3%	4,263,479	0.3%			4,263,479	A2
San Bernardino County Redevelopment Successor Muni Bond	2,165,420	0.1%	2,165,420	0.1%			2,165,420	AA
San Francisco City & County Redevelopment Municipal Bond	1,486,640	0.1%	1,486,640	0.1%			1,486,640	Aa3
Texas State Public Finance Municipal Bond	838,432	0.1%	838,432	0.1%			838,432	A1
Texas State Public Finance Municipal Bond	799,178	0.0%	799,178	0.0%		799,178		A1
Texas State University System	1,021,280	0.1%	1,021,280	0.1%			1,021,280	Aa2
University of North Texas	1,689,060	0.1%	1,689,060	0.1%		1,689,060		Aa2
Walnut Valley Unified School District Municipal Bond	2,975,415	0.2%	2,975,415	0.2%			2,975,415	Aa1
*Total Investments	659,623,565	41.1%	659,623,565	41.1%	607,337,550	34,537,571	17,748,444	
Total cash, cash equivalents and investments	\$ 1,603,764,765	100.0%	\$ 1,603,764,765	100.0%	\$ 1,551,478,750	\$ 34,537,571	\$ 17,748,444	

*Total cash and cash equivalents and total investments include accrued interest.

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In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District's investments with a maturity date of greater than one year have been recorded at fair value based upon quoted market prices as of June 30, 2020 with increase or decrease in fair value being recorded as a component of earnings on investments. Investment Pools are measured at amortized cost or net asset value, i.e. fair value. As such, these investments are not required to be reported in the fair value hierarchy.

The Texpool and Lone Star Overnight investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less, and weighted average life of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Lone Star Overnight have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pool's liquidity.

Texas CLASS, TexasTERM, LOGIC, and TX-Fit investment pools are external investment pools measured at net asset value. Texas CLASS, TexasTERM, LOGIC, and TX-Fit's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Texas CLASS, TexasTERM, LOGIC, and TX-Fit have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pool's liquidity.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

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

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**Dallas Independent School District
Notes to the Basic Financial Statements
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The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value Measurements Using				
	June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments
<i>Investments not Subject to Fair Value:</i>					
Money markets and FDIC insured investment accounts	\$ 6,608,548	\$ -	\$ -	\$ -	0.42%
Investment Pools:					
LOGIC	\$ 192,864,548	\$ -	\$ -	\$ -	12.19%
Lone Star	207,145,535	-	-	-	13.09%
Texas Class	209,216,669	-	-	-	13.22%
Texas TERM Daily	9,019,627	-	-	-	0.57%
TexasTERM Fixed Term	231,083,824	-	-	-	14.60%
TexPool	6,593,400	-	-	-	0.42%
Texas Fit	60,081,090	-	-	-	3.80%
<i>Investments by Fair Value Level:</i>					
Commercial Paper	\$ 524,574,136	\$ -	\$ 524,574,136	\$ -	33.15%
US Government Agency Securities:					
Federal Farm Credit Bureau Agency	40,221,590	-	40,221,590	-	2.54%
Federal Home Loan Bank Agency	63,228,996	-	63,228,996	-	4.00%
Municipal Bonds:					
American Municipal Power Authority - Ohio	\$ 966,763	\$ -	\$ 966,763	\$ -	0.06%
Boone County Kentucky Municipal Bond	1,395,986	-	1,395,986	-	0.09%
City of Alice, Texas GO LTD Bond	1,053,350	-	1,053,350	-	0.07%
City of West Palm Beach, Florida Bond	1,288,497	-	1,288,497	-	0.08%
Corpus Christi GO Municipal Bond	484,847	-	484,847	-	0.03%
Fontana Unified School District Municipal Bond	858,863	-	858,863	-	0.05%
Gainesville Florida Pension Municipal Bond	1,660,260	-	1,660,260	-	0.10%
Green Bay Wisconsin Municipal Bond	504,626	-	504,626	-	0.03%
Indiana State Finance Authority	768,594	-	768,594	-	0.05%
North Hudson Sewerage Authority, NJ (A)	1,163,926	-	1,163,926	-	0.07%
Oregon State School Board Assoc GO Pension Municipal Bond	613,845	-	613,845	-	0.04%
Oregon State School Board Assoc Pension Municipal Bond	1,927,900	-	1,927,900	-	0.12%
Pennsylvania Economic Development Municipal Bond	3,004,284	-	3,004,284	-	0.19%
Port Douglas County Washington Municipal Bond	668,198	-	668,198	-	0.04%
Reading Pennsylvania Municipal Bond	4,263,479	-	4,263,479	-	0.27%
San Bernardino County Redevelopment Successor Muni Bond	2,165,420	-	2,165,420	-	0.14%
San Francisco City & County Redevelopment Municipal Bond	1,486,640	-	1,486,640	-	0.09%
Texas State Public Finance Municipal Bond	838,432	-	838,432	-	0.05%
Texas State Public Finance Municipal Bond	799,178	-	799,178	-	0.05%
Texas State University System	1,021,280	-	1,021,280	-	0.06%
University of North Texas	1,689,060	-	1,689,060	-	0.11%
Walnut Valley Unified School District Municipal Bond	2,975,415	-	2,975,415	-	0.19%
		-	-	-	
Total Investments	\$ 1,582,236,805	\$ -	\$ 659,623,565	\$ -	100.0%

U.S. Government Agency Securities and Commercial Paper are classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a twelve month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's investment strategy states that no individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Some investments are also purchased with longer

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

maturities to match the \$143.3 million General Fund liability for 2013 QSCB notes due in August 2033. These bear a risk that market interest rates could at some point exceed the yield of the investments purchased.

Credit Risk. State law limits investment purchases in commercial paper to not less than A1-P1 or equivalent rating by at least two nationally recognized credit rating agencies. The District's investments in Local Government Investment Pools (LGIP's) include: Texas CLASS, LOGIC, Lone Star, TexPool, Texas TERM Daily, Texas TERM Fixed Term, and TX-Fit. These are all public funds investment pools operating in full compliance with the Public Funds Investment Act. All are rated "AAAm/AAAF" by Standard and Poor's. The District's no-load money market fund maintains weighted-average maturity of 90-days or less. This money market fund invests only in first-tier securities. Under SEC Rule 2a-7 of the 1940 Act, a first-tier security is a debt instrument that is an eligible investment for money market funds and has received a rating in the highest short-term category from a nationally recognized statistical rating organization. On August 5, 2011, Standard and Poor's, one of three nationally recognized raters of US debt and securities, downgraded the rating of long term US sovereign debt from AAA to AA+ for the first time since 1941. The two other national raters, Moody's and Fitch, continue to have the highest ratings. As of July 13, 2013 and March 21, 2014, respectively, US long term sovereign debt outlook is listed as "Stable" by Standard and Poor and by Fitch. The District utilizes Wells Fargo Securities for money market investments and Wells Fargo Bank, N.A. for the daily operating funds.

Concentration of Credit Risk. The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity or specific issuer.

Custodial Credit Risk – Deposits. This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. All deposits not covered by FDIC insurance but held in the depository bank, Bank of America, were fully collateralized.

Custodial Credit Risk – Investments. This is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District also uses an Insured Cash Shelter Account that, similar to a Certificate of Deposit Account Registry Service (CDARS) program, holds investment balances of \$250,000 or less at multiple depositories to maintain full FDIC coverage for the whole account.

Foreign Currency Risk. As of June 30, 2020, there are no foreign currency investments in the District's portfolio.

NOTE C: LOCAL REVENUES AND PROPERTY TAXES

Local and intermediate sources are comprised of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Property Taxes	\$ 1,325,416,228	\$ 300,087,298	\$ -	\$ -	\$ 1,625,503,526
Food Services	-	-	-	2,604,060	2,604,060
Gifts and Bequests	141,677	-	-	2,778,813	2,920,490
Campus Activity Funds	-	-	-	3,570,292	3,570,292
Interest Income	21,369,241	2,051,052	5,774,879	-	29,195,172
Tuition, Fees and Cocurricular	1,067,691	-	-	-	1,067,691
Rental Income	2,098,036	-	-	-	2,098,036
Other	3,732,749	-	77,598	542,170	4,352,517
Totals	<u>\$ 1,353,825,622</u>	<u>\$ 302,138,350</u>	<u>\$ 5,852,477</u>	<u>\$ 9,495,335</u>	<u>\$ 1,671,311,784</u>

Property Taxes. The appraisal of property within the District is the responsibility of the Dallas County Appraisal District. The District's ad valorem property tax is levied each October 1 on the assessed value as

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the subsequent year. On January 1 of each year a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessed value of the roll on January 1, 2019 was \$165,807,084,450. After deductions of all exemptions and reductions provided by law and those granted by the District, the 2019 tax year levy was based on property values of \$128,350,910,821.

The tax rates assessed for the year ended June 30, 2020, to finance General Fund operations and the payment of principal and interest on long term debt were \$1.068350 and \$0.242035 per \$100 valuation, respectively, for a total of \$1.310385 per \$100 valuation. The resolution levying the ad valorem taxes specifies the individual tax rates for the General Fund and Debt Service Fund. Current tax collections for the year ended June 30, 2020, were 98.3% of the adjusted tax levy.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District has provided an allowance for estimated uncollectible property taxes and estimated adjustments within the General Fund and Debt Service Fund of \$39,496,008 and \$8,952,265 respectively, based upon historical collection experience and historical adjustment experience.

The Texas Property Tax Code directs tax collectors to cancel and remove from the tax rolls real property taxes that have been delinquent more than 20 years and personal property taxes that have been delinquent more than 10 years. Additionally, the Texas Property Tax Code provides that personal property may not be seized and a suit may not be filed to collect a tax on personal property that has been delinquent more than four years.

NOTE D: RECEIVABLES

Property tax receivable as of June 30, 2020, for the District's Major Funds and Non-Major Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Totals
Property Taxes	\$ 63,525,008	\$ 13,536,354	\$ 77,061,362
Less: Allowance for uncollectible	(39,496,008)	(8,952,265)	(48,448,273)
Totals	<u>\$ 24,029,000</u>	<u>\$ 4,584,089</u>	<u>\$ 28,613,089</u>

In addition, the District has recorded a state aid receivable of \$20.4 million and a receivable from other governmental entities of \$105.4 million as of June 30, 2020.

NOTE E: UNEARNED REVENUE

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. As of June 30, 2020, the components of unearned revenue reported in the General Fund and Non-Major Governmental funds were as follows:

	General	Non-Major	Totals
Grants	\$ -	\$ 2,516,784	\$ 2,516,784
Other	96,755	-	96,755
Totals	<u>\$ 96,755</u>	<u>\$ 2,516,784</u>	<u>\$ 2,613,539</u>

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

NOTE F: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund balances at June 30, 2020, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund:		
ESSER Fund	\$ 61,069,129	\$ -
Non-Major Governmental Funds	10,588,638	-
Internal Service Funds	-	1,464,941
	<u>71,657,767</u>	<u>1,464,941</u>
ESSER Fund:		
General Fund	-	61,069,129
	<u>-</u>	<u>61,069,129</u>
Non-Major Governmental Funds:		
General Fund	-	10,588,638
Internal Service Funds	-	134,383
	<u>-</u>	<u>10,723,021</u>
Internal Service Funds:		
General Fund	1,464,941	-
Non-Major Governmental Funds	134,479	96
	<u>1,599,420</u>	<u>96</u>
	<u>\$ 73,257,187</u>	<u>\$ 73,257,187</u>

The interfund receivable and payable between General Fund and Major and Non-Major Governmental Funds occurs when expenditures take place before the reimbursement is received from the granting agency. The interfund balances between General Fund and Internal Service Fund occur due to payments made from the General Fund operating account on behalf of these funds. The interfund balances between Internal Service Fund, General Fund, and Major and Non-Major Governmental Funds occur due to recording of workers' compensation liabilities recorded but not yet funded. Transfers occur monthly, unless significantly larger payments are noted and the transfer occurs more frequently. All interfund balances are expected to be repaid within the next fiscal year.

Interfund transfers are defined as "flows of assets without equivalent flows of assets in return and without a requirement for repayment". Interfund transfers during the year ended June 30, 2020, were as follows:

Transfer Out	Transfer In	Amount
General Fund	Debt Service	7,167,000 *
General Fund	Internal Service Fund	287,165
Internal Service Fund	General Fund	10,000,000 **
Internal Service Fund	Non-Major Governmental Fund	1,059,038 **
General Fund	Non-Major Governmental Fund	222,000

*\$7.2 million transferred from the General Fund to the 2013 Qualified School Construction Bonds Fund to provide for the QSCB principal of \$143.3 million due in August 2033.

**In 2020, the District transferred \$10 million from the Risk Management Fund to the General Fund, and \$1 million from the Risk Management Fund to the Food Services Fund to reduce excess net position in the Risk Management Fund.

Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE G: OPERATING LEASES

The District leases offices, copiers, warehouse space, playground area and parking under non-cancelable operating leases. Rent expenditures including non-cancelable leases and other rent charges for the year ended June 30, 2020 was approximately \$14.3 million. Minimum future lease commitments on non-cancelable leases are summarized as follows:

<u>For the Year Ending June 30</u>	<u>Minimum Future Lease Commitments</u>
2021	\$5,968,364
2022	1,755,279
2023	572,052

NOTE H: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance at June 30, 2020</u>
Capital assets, not being depreciated:					
Land	\$ 257,390,003	\$ 2,101,528	\$ -	\$ (211,576)	\$ 259,279,955
Construction in progress	363,626,144	312,658,138	(403,351,702)	-	272,932,580
Total capital assets, not being depreciated	<u>621,016,147</u>	<u>314,759,666</u>	<u>(403,351,702)</u>	<u>(211,576)</u>	<u>532,212,535</u>
Capital assets, being depreciated:					
Building and improvements	3,745,735,481	-	393,604,178	(32,195,228)	4,107,144,431
Furniture and equipment	292,367,184	15,306,181	9,747,524	(4,956,457)	312,464,432
Total capital assets, being depreciated	<u>4,038,102,665</u>	<u>15,306,181</u>	<u>403,351,702</u>	<u>(37,151,685)</u>	<u>4,419,608,863</u>
Less accumulated depreciation for:					
Buildings and improvements	1,528,179,990	106,696,970	-	(13,962,677)	1,620,914,283
Furniture and equipment	223,562,881	24,730,482	-	(4,597,133)	243,696,230
Total accumulated depreciation	<u>1,751,742,871</u>	<u>131,427,452</u>	<u>-</u>	<u>(18,559,810)</u>	<u>1,864,610,513</u>
Total capital assets, being depreciated, net	2,286,359,794	(116,121,271)	403,351,702	(18,591,875)	2,554,998,350
Capital assets, net	<u>\$ 2,907,375,941</u>	<u>\$ 198,638,395</u>	<u>\$ -</u>	<u>\$ (18,803,451)</u>	<u>\$ 3,087,210,885</u>

Capital assets include assets recorded in Internal Service Funds, net of depreciation, of \$236,232.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Depreciation expense was charged to functions of government activities as follows:

Depreciation by Function		Depreciation Expense
11	Instruction	\$ 73,151,289
12	Instructional Resources and Media Services	1,755,597
13	Curriculum and Instructional Staff Development	586,987
21	Instructional Leadership	603,433
23	School Leadership	7,575,179
31	Guidance, Counseling and Evaluation Services	2,657,734
32	Social Work Services	51,890
33	Health Services	1,262,344
34	Student (Pupil) Transportation	7,810,423
35	Food Services	9,134,415
36	Cocurricular/Extracurricular Activities	4,107,405
41	General Administration	598,294
51	Facilities Maintenance and Operations	8,893,085
52	Security and Monitoring Services	973,215
53	Data Processing Services	10,797,446
61	Community Services	627,133
81	Facilities Acquisition and Construction	841,585
Total		\$ 131,427,452

Depreciation is allocated to functions of governmental activities by specific identification whenever possible. Depreciation related to campus facilities is allocated to functions based on the relative square footage of the respective functional areas. Technology equipment is allocated in total to data processing services.

The District has active construction projects. These projects include new school construction and renovation of existing facilities. The total construction commitments as of June 30, 2020 are \$382,587,929 for projects under the bond programs.

NOTE I: LONG TERM OBLIGATIONS

The District's long-term debt includes general obligation bonds, maintenance tax notes and provisions for workers' compensation liability. Bond premiums and deferred losses on refundings are amortized using the effective interest method.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

General Obligation Bonds. These bonds are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 0.00% to 8.00% and are due through 2040. At June 30, 2020, \$203,750,053 in cash, cash equivalents, investments, and accrued interest is restricted or assigned in the Debt Service Fund to service the outstanding bonds:

Series	Bond Series Name - General Obligation Bonds Maturity or Mandatory Redemption Date	Interest Rates	Original Issue Amount (in thousands)	Total Outstanding Principal Amount (in thousands)
2010	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2011 to February 15, 2021	1.25% - 5.00%	156,730	\$ 28,560
2010C	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2018 to February 15, 2026 and Term Bonds due 2030 and 2035	4.05% - 6.00%	950,300	890,940
2011	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2012 to February 15, 2028	3.50% - 5.00%	197,935	162,075
2012	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2013 to August 15, 2031	2.00% - 5.00%	390,235	329,770
2012A	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2013 to August 15, 2031	4.00% - 5.00%	46,825	39,415
2014A	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2015 to August 15, 2034	1.00% - 5.00%	356,115	300,805
2015	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2016 to February 15, 2032	2.125% - 5.00%	234,760	200,195
2016A	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2022 to February 15, 2036	3.00% - 5.00%	305,785	305,785
2016B	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2022 to February 15, 2036	3.00% - 8.00%	266,445	65,315
2017	Qualified Zone Academy Bonds, Taxable, No interest, principal due August 15, 2027	0.00% - 0.00%	4,405	4,405
2019	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2020 to February 15, 2034	3.00% - 5.00%	68,025	64,875
2019B	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2021 to February 15, 2040	3.00% - 5.00%	311,975	311,975
Total				<u>\$ 2,704,115</u>

On April 11, 2018, the District established a defeasance escrow to defease all or a portion of the District's outstanding bonds, Dallas Independent School District Multi-Modal Unlimited Tax School Building Bonds, Series 2016B-6, in the current year for a total of \$46,960,000, prior to their scheduled maturities. The District deposited directly with a paying agent for the Defeased Bonds available funds of the District into an escrow fund in an amount of approximately \$50,301,125, sufficient to provide the payment, redemption, or defeasance of all or a portion of the Defeased Bonds and such deposit shall continue the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Defeased Bonds. The Defeased Bonds are no longer regarded as being outstanding, except for the purpose of being

**Dallas Independent School District
Notes to the Basic Financial Statements
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paid from funds on deposit in the escrow fund. The escrow proceeds were recorded as debt service expenditures and not other financing uses.

Maintenance Tax Notes. On December 1, 2013, the District issued \$143,340,000 in Limited Maintenance Tax Qualified School Construction Bonds. The Maintenance Tax Notes are paid from the General Fund. The amount outstanding for Maintenance Tax Notes as of June 30, 2020 was as follows:

Series	Maintenance Tax Notes Maturity or Mandatory Redemption Date	Yield Rates	Total Outstanding Principal Amount (in thousands)
2013	Principal due at maturity - interest due each February 15 and August 15 from August 15, 2014 to August 15, 2033	5.05%	\$ 143,340
		Total	<u>\$ 143,340</u>

As of June 30, 2020, the District has transferred \$50,169,000 from the General Fund to a specially established Debt Service fund for the 2013 Qualified School Construction Bonds Fund to pay the 2013 Limited Maintenance Tax Qualified School Construction Bonds (QSCB) due in 2033. In addition, the District expects to annually transfer \$7,167,000 from the General Fund to the 2013 Qualified School Construction Bonds Fund to provide for the QSCB principal of \$143,340,000 due in August 2033.

Variable Rate Debt. In March 2016, the District issued \$266,445,000 in "Unlimited Tax School Building Bonds, Series 2016B" with initial interest rates ranging from 3.00% to 5.00%. As of June 30, 2020, \$65,315,000 remains. There are two remaining initial rate periods, one in each year 2021 to 2022. At the end of each initial rate period, the District may redeem or remarket the Bonds. If the District fails to do so, the Bonds shall bear interest at a stepped rate of 8.00% per year.

Debt Issuance. As of June 30, 2020, the District has \$599,795,000 remaining of approved and unissued authorizations from the \$1.6 billion 2015 Bond Authorization, and \$45,000,000 remaining of the \$75 million 2018 Bond Authorization.

In December 2019, the District issued \$311,975,000 in "Unlimited Tax School Building Bonds, Series 2019B" with interest rates ranging from 3.00% to 5.00%. The District received a net premium of \$39,127,754. The total proceeds, less issuance costs and underwriter's discount of \$829,931 and \$272,822, respectively, were used for school building construction and renovation. Principal and interest payments are due every February 15 and August 15, beginning February 15, 2021 until February 15, 2040. The total interest requirements of these bonds aggregate \$133,533,006, as of June 30, 2020. The proceeds were invested in local government investment pools, commercial paper, or US government agencies. The debt is subject to federal arbitrage regulations and is serviced by the Debt Service Fund.

The District's underlying debt rating was last changed on November 22, 2019, an increase by Standard & Poor's from AA to AA+ with outlook stable.

Dallas Independent School District
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The following is a summary of the changes in the District's long-term debt for the year ended June 30, 2020:

Description	Long-Term Liabilities Outstanding July 1, 2019 (in thousands)	Additions and Interest Accretion (in thousands)	Retired/ Refunded (in thousands)	Long-Term Liabilities Outstanding June 30, 2020 (in thousands)	Amount Due Within One Year from June 30, 2020 (in thousands)
General Obligation Bonds:					
Series 2010	\$ 52,905	\$ -	\$ 24,345	\$ 28,560	\$ 28,560
Series 2010C	920,570	-	29,630	890,940	22,135
Series 2011	164,985	-	2,910	162,075	15,630
Series 2012	339,835	-	10,065	329,770	10,210
Series 2012A	40,570	-	1,155	39,415	1,285
Series 2014A	303,475	-	2,670	300,805	3,395
Series 2015	206,735	-	6,540	200,195	-
Series 2016A	305,785	-	-	305,785	-
Series 2016B	139,645	-	74,330	65,315	-
Series 2017 QZAB	4,405	-	-	4,405	-
Series 2019	68,025	-	3,150	64,875	3,310
Series 2019B	-	311,975	-	311,975	9,780
Total General Obligation Bonds	\$ 2,546,935	\$ 311,975	\$ 154,795	\$ 2,704,115	\$ 94,305
Maintenance Tax Notes Payable:					
Series 2013-QSCB	\$ 143,340	\$ -	\$ -	\$ 143,340	\$ -
Total Maintenance Tax Notes	\$ 143,340	\$ -	\$ -	\$ 143,340	\$ -
Total Bonds and Notes Payable	\$ 2,690,275	\$ 311,975	\$ 154,795	\$ 2,847,455	\$ 94,305
Commercial Paper	\$ 800	\$ 30,000	\$ 800	\$ 30,000	\$ 30,000
Other Long-Term Obligations:					
Workers Compensation	\$ 9,389	\$ 4,089	\$ 3,678	\$ 9,801	\$ 3,519
Premium on Bonds	144,420	39,127	28,389	155,158	-
Net Pension Liability	628,057	88,353	(121,214)	595,196	-
Net OPEB Liability	716,209	87,508	(113,602)	690,115	-
	\$ 1,498,074	\$ 219,077	\$ (202,749)	\$ 1,450,269	\$ 3,519
Totals	\$ 4,189,149	\$ 561,052	\$ (47,154)	\$ 4,327,724	\$ 127,824

For fiscal year ending June 30, 2020, the legal debt margin of the District is \$10,291,936,531.

Debt Service Requirements. The annual requirements to pay principal and interest on the bond obligations and notes payable outstanding as of June 30, 2020, are as follows:

General Obligation Bonds

Year Ended June 30,	Principal (in thousands)	Interest (in thousands)	Total Requirements (in thousands)
2021	\$ 94,305	\$ 135,443	\$ 229,748
2022	104,060	128,895	232,955
2023	115,495	123,219	238,714
2024	132,000	117,070	249,070
2025	160,460	110,380	270,840
2026-2030	838,085	437,064	1,275,149
2031-2035	1,130,200	207,664	1,337,864
2036-2040	129,510	10,177	139,687
Totals	\$ 2,704,115	\$ 1,269,912	\$ 3,974,027

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Maintenance Tax Notes

Year Ended June 30,	Principal (in thousands)	Interest (in thousands)	Total Requirements (in thousands)
2021	\$ -	\$ 7,237	\$ 7,237
2022	-	7,237	7,237
2023	-	7,237	7,237
2024	-	7,237	7,237
2025	-	7,237	7,237
2026-2030	-	36,187	36,187
2031-2035	143,340	25,330	168,670
Totals	<u>\$ 143,340</u>	<u>\$ 97,702</u>	<u>\$ 241,042</u>

The District legally defeased certain bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for these defeased bonds are not included in the District's basic financial statements. There are currently \$71,430,000 defeased bonds that remain in escrow at June 30, 2020 that have not met their redemption date.

Arbitrage. The Federal Tax Reform Act of 1986 requires issuers of tax exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2020, the District had no liability for arbitrage.

NOTE J: SHORT TERM OBLIGATIONS

Short Term Debt. In August 2018, the Board approved the issuance of Dallas Independent School District Commercial Paper Notes, Series A (Commercial Paper) in an aggregate principal amount not to exceed \$299,200,000. The purpose of the Commercial Paper is constructing, improving, renovating and equipping school buildings of the District and acquiring real property as authorized in the 2015 Bond Election; purchasing school buses and constructing and equipping bus maintenance and operating facilities for the District as authorized in the 2018 Bond Election; and refinancing, renewing or refunding outstanding Notes and Loans from time to time. The Commercial Paper Notes mature in not more than 270 days from issuance and are supported by a standby letter of credit with JPMorgan Chase Bank, National Association. Series B (Commercial Paper) was issued in the amount of \$800,000 to pay \$800,000 in issuance costs of the Series A (Commercial Paper). Thirty million (\$30,000,000) of the Commercial Paper, Series A was offered on June 25, 2020 under the 2018 bond authorization. The sale closed on June 26, 2020, and the proceeds of the sale were received on June 26, 2020. This Commercial Paper was issued at a rate of 0.25% for 100 days and will mature on October 5, 2020.

The Commercial Paper is secured by a pledge of the proceeds of future general obligation bonds or loans issued by the District to pay the principal of the Commercial Paper or proceeds from ad valorem property taxes. As of June 30, 2020, the District had \$30,000,000 outstanding balance of Commercial Paper issued.

Changes in the Commercial Paper are as follows:

Description	June 30, 2020	June 30, 2019
Beginning of the Period Liability	\$ 800,000	\$ -
Bonds Issued	-	-
Transfers In to retire Commercial Paper	(800,000)	-
Commercial Paper Issuances	30,000,000	800,000
End of the Period Liability	<u>\$ 30,000,000</u>	<u>\$ 800,000</u>

**Dallas Independent School District
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NOTE K: DEFERRED INFLOWS OF RESOURCES

Governmental funds report an amount that represents an acquisition of net position for a future period that will not be recognized as revenue until that time. As of June 30, 2020, the District had the following Deferred Inflows of Resources reported in the General Fund and Debt Service Fund:

	General	Debt Service	Total
Property Taxes	\$ 20,872,678	\$ 3,881,803	\$ 24,754,481
Medicaid/SHARS	31,283,251	-	31,283,251
Totals	<u>\$ 52,155,929</u>	<u>\$ 3,881,803</u>	<u>\$ 56,037,732</u>

NOTE L: GENERAL FUND FEDERAL SOURCE REVENUE

Federal revenues recorded in the General Fund consist of the following:

Build America Bonds Subsidy	\$ 18,570,946
E-Rate	323,805
Medicaid/School Health and Related Services	30,301,624
Qualified School Construction Bonds Subsidy	6,807,526
Indirect Cost Reimbursement	3,040,730
Junior Reserve Officer Training Corps	2,361,113
Total	<u>\$ 61,405,743</u>

NOTE M: DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting *About TRS* then *Publications* then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total

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at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May, 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions. Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Applications Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. SB12 in the 86th Legislature set higher contribution rates for fiscal year 2020 and fiscal year 2021. Beginning September 1, 2019, all employers are required to pay the Public Education Employer contribution of 1.5%. This "surcharge" was previously only charged to employers not participating in social security. Contribution Rates can be found in the TRS 2019 CAFR, Note 11, on page 76.

Contribution Rates

	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Dallas ISD 2020 Employer Contributions	\$ 43,761,017	
Dallas ISD 2020 Member Contributions	\$ 88,042,467	
Dallas ISD 2020 NECE On-Behalf Contributions	\$ 104,654,385	

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

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- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non(OASDI) surcharge that was in effect in fiscal year 2019.
- In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.
- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

Actuarial Assumptions. Roll Forward. A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.

The following table discloses the assumptions that were applied to this measurement period:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	2.63% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary Increases	3.05% to 9.05% Including Inflation
Ad Hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the TRS actuarial valuation report dated November 9, 2018.

Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 (see page 52 of the TRS CAFR) are summarized below:

Asset Class	FY 2019 Target Allocation*	New Target Allocation**	Long-Term Expected Geometric Real Rate of Return***
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	0.0%	0.0%
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries****	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return (including Credit Sensitive Investments)	0.0%	0.0%	0.0%
Real Return			
Global Inflation Linked Bonds****	3.0%	0.0%	0.0%
Real Estate	14.0%	15.0%	8.5%
Energy, Natural Resources, and Infrastructure	5.0%	6.0%	7.3%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5%*****
Asset Allocation Leverage Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	0.0%	-6.0%	2.7%
Expected Return	100.0%	100.0%	7.23%

* FY 2019 Target Allocations are based on the Strategic Asset Allocation dated October 1, 2018.

** New Target Allocation based on Asset Allocation dated October 1, 2019.

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.

**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.

***** 5.8%/6.5% return expectation corresponds to Risk Parity with a 10%/12% target volatility.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability. The discount rate can be found in the 2019 TRS CAFR, Note 11, page 77.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
DISD's proportionate share of the net pension liability	\$ 914,902,211	\$ 595,195,671	\$ 336,171,665

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2020, Dallas Independent School District reported a liability of \$595,195,671 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for state pension support provided to Dallas Independent School District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 595,195,671
State's proportionate share that is associated with the District	667,880,494
Total	<u>\$ 1,263,076,165</u>

The net pension liability was measured as of August 31, 2018, and rolled forward to August 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019, the employer's proportion of the collective net pension liability was 1.1449786011%. In the prior year, this was 1.1410411517%. This year there was an increase of 0.0039374394% from the previous proportion measured as of August 31, 2018.

Changes Since the Prior Actuarial Valuation. Assumptions, methods, and plan changes, which are specific to the Pension Trust Fund, were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2019, was developed using a roll-forward method from the August 31, 2018 valuation.
- The single discount rate of as of August 31, 2018, was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

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

For the year ended June 30, 2020, Dallas Independent School District recognized pension expense of \$218,020,244, and revenue of \$104,914,616 for support provided by the state in the Government-wide Statement of Activities.

At June 30, 2020, Dallas Independent School District's proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources. (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,500,354	\$ 20,666,138
Changes in actuarial assumptions	184,658,928	76,309,806
Difference between projected and actual investment earnings	5,976,451	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	27,842,936	16,028,502
Contributions paid to TRS subsequent to the measurement date	37,034,781	-
Total	<u>\$ 258,013,450</u>	<u>\$ 113,004,446</u>

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The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions (not including the deferred contribution paid subsequent to the measurement date) will be recognized by TRS in pension expense as follows:

Year Ended June 30:	Pension Expense Amount
2021	\$ 26,928,534
2022	20,341,943
2023	29,516,259
2024	27,262,976
2025	9,321,362
Thereafter	(5,396,851)
Total	<u>\$ 107,974,223</u>

NOTE N: OTHER POST- EMPLOYMENT BENEFITS

Texas Public School Retired Employees Group Insurance Program Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

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

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2019 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 48,583,247,239
Less: Plan Fiduciary Net Position	1,292,022,349
Net OPEB Liability	<u>\$ 47,291,224,890</u>
Net Position as percentage of Total OPEB Liability	2.66%

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

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The premium rates for retirees are presented in the following table:

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Contributions. Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate, which is 0.75% of each active employee's pay for fiscal year 2019, is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>2019</u>	<u>2020</u>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Dallas ISD 2020 Employer Contributions	\$ 11,081,106	
Dallas ISD 2020 Member Contributions	\$ 7,430,189	
Dallas ISD 2020 NECE On-Behalf Contributions	\$ 24,168,572	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree, when the retiree is enrolled.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions. The total OPEB liability in the August 31, 2018 actuarial valuation was rolled forward to August 31, 2019. The actuarial valuation was determined by actuarial assumptions. The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2018 TRS pension actuarial valuation that was rolled forward to August 31, 2019:

Rates of Mortality	Rates of Termination	Rates of Disability Incidence
Rates of Retirement	Wage Inflation	Expected Payroll Growth
General Inflation		

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of healthcare benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%
Ad Hoc Post Employment Benefit Changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023, has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25-basis point addition to the long-term trend rate assumption.

Discount Rate. A single discount rate of 2.63% was used to measure the total OPEB liability. There was a decrease of 1.06% in the discount rate since the previous year. The Discount Rate can be found in the 2019 TRS CAFR on page 70. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
DISD's proportionate share of the net OPEB liability	\$ 833,190,018	\$ 690,114,814	\$ 578,186,950

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the Net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
DISD's proportionate share of the net OPEB liability	\$ 562,971,456	\$ 690,114,814	\$ 860,428,529

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, Dallas Independent School District reported a liability of \$690,114,814 for its proportionate share of TRS's net OPEB liability. This liability reflects a reduction for state OPEB support provided to Dallas Independent School District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 690,114,814
State's proportionate share that is associated with the District	917,008,223
Total	<u>\$ 1,607,123,037</u>

The Net OPEB Liability was measured as of August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019, the employer's proportion of the collective Net OPEB Liability was 1.4592872454% compared to the 1.434399742% as of August 31, 2018. This is an increase of 0.024887503%.

Changes Since the Prior Actuarial Valuation. The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability since the prior measurement period:

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the Total OPEB Liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the Total OPEB Liability.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the Total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the Total OPEB Liability.

Changes in Benefit Terms. There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2020, Dallas Independent School District recognized OPEB expense of \$44,624,451, and revenue of \$24,168,572 for support provided by the state.

At June 30, 2020, Dallas Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 33,855,997	\$ 112,929,970
Changes in actuarial assumptions	38,330,497	185,623,947
Net difference between projected and actual investment earnings	74,453	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	13,767,582	6,173,121
Contributions paid to TRS subsequent to the measurement date (to be calculated by employer)	9,361,546	-
Total	<u>\$ 95,390,075</u>	<u>\$ 304,727,038</u>

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

The net amounts of the employer's balances of deferred outflows and inflows of resources (not including the deferred contribution paid subsequent to the measurement date) related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount
2021	\$ (37,241,027)
2022	(37,241,027)
2023	(37,265,126)
2024	(37,278,909)
2025	(37,275,136)
Thereafter	(32,397,284)
Total	<u>\$ (218,698,509)</u>

NOTE O: RISK MANAGEMENT / AUTO LIABILITY

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District purchases commercial insurance to cover property losses. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

Workers' Compensation. Beginning in 1989, the District moved from a self-insured workers' compensation program administered by a third party to a self-insured program administered by the District. The District currently reports all of its risk management activities in its Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The provision for reported claims and for claims incurred but not yet reported is determined by an actuary for the District management. The District has an agreement with a third party administrator to contract directly with medical providers for their workers' compensation program and their injured employees. At June 30, 2020, the accrued liability for workers' compensation self-insurance of \$9.8 million includes incurred but not reported claims.

This liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not necessarily result in an exact amount. This liability is the District's best estimate based on available information and management's estimate of administration costs necessary to provide future claims management.

Auto Liability. On July 1, 2018, the District established an internal service fund to accumulate and allocate all externally incurred liability expenses relating to student transportation and white fleet vehicle accidents such as physical damage, third party medical claims, and third party administrator costs, as well as contracted services and parts to repair district buses damaged in such incidents.

Changes in the reported accrued liability for Risk Management and Auto Liability resulted from the following:

Fiscal Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Year
2019 - 2020	\$ 9,389,172	\$ 4,089,249	\$ (3,677,830)	\$ 9,800,591
2018 - 2019	\$ 8,829,091	\$ 4,086,224	\$ (3,526,143)	\$ 9,389,172

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

Health Insurance. The Board of Trustees approved the District's participation in the Teacher Retirement System (TRS) Active Care Health Insurance Program as sponsored by the Teacher Retirement System. From September 1, 2014 until August 31, 2020, the TRS-ActiveCare Health Insurance Program was administered by Aetna and CVS/Caremark Pharmacy. Effective September 1, 2020, the TRS-ActiveCare Health Insurance Program will be administered by Blue Cross Blue Shield of Texas (BCBSTX). This is a premium based plan. Employees pay for the insurance on a monthly basis.

Medicare Part D. 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 Part 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. For the years ended June 30, 2020 and 2019, these on-behalf payments were \$5,431,266 and \$3,984,319, respectively, and were recorded as equal revenues and expenditures in the General Fund.

NOTE P: LITIGATION, CONTINGENCIES AND COMMITMENTS

The District participates in a number of federal and state financial assistance programs. These programs are governed by various statutory rules and regulations, and amounts received and receivable under the funding programs are subject to periodic audit and adjustment by the funding agencies. The District is also subject to audit by the Texas Education Agency, including student attendance data upon which many payments from the agency are based. Any non-compliance could result in questioned costs or refunds to be paid back to the granting agencies. The District has established appropriate liabilities for these items.

There are other claims and lawsuits arising principally in the normal course of operations. In the opinion of the District's management, the potential losses, after insurance coverage, on all allegations, claims, and lawsuits will not have a material effect on the District's financial position, results of operations, or liquidity.

NOTE Q: NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 84: *Fiduciary Activities*. Statement 84 was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

GASB Statement No. 87: *Leases*. Statement 87 was issued in June 2017. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 89: *Accounting for Interest Cost Incurred Before the End of a Construction Period*. Statement 89 was issued in June 2018. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 90: *Majority Equity Interests – an Amendment to GASB Statements No. 14 and No. 61*. Statement 90 was issued in August 2018. The primary objectives of this Statement is to improve

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statements information for certain component units. The Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. This standard becomes effective for the District in fiscal year 2021. The implementation had no significant effect on the District's financial statements.

GASB Statement No. 91: *Conduit Debt Obligations*. Statement 91 was issued in May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 92: *Omnibus 2020*. Statement 92 was issued in January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 93: *Replacement of Interbank Offered Rates*. Statement 93 was issued in March 2020. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

GASB Statement No. 94: *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Statement 94 was issued in March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 95: *Postponement of Effective Dates of Certain Authoritative Guidance*. Statement 95 was issued in May 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. This standard became effective for the District in fiscal year 2020. The implementation had no significant effect on the District's financial statements.

GASB Statement No. 96: *Subscription-Based Information Technology Arrangements*. Statement 96 was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

**Dallas Independent School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020**

GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Statement 97 was issued in June 2020. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

NOTE R: EXTRAORDINARY ITEMS

Extraordinary items are defined as events that are both unusual in nature and infrequent in occurrence. In October 2019, three District schools were damaged by a tornado. The District recognized the extraordinary items in the General Fund. Extraordinary Items (Sources) for \$37.6 million are the insurance proceeds received for tornado damage. Extraordinary Items (Uses) are expenditures of \$12.0 million related to tornado damage.

NOTE S: SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally. Potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District's operations and financial results at this time.

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2020 through November 6, 2020, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

On August 5, 2020, the District issued the Unlimited Tax School (ULT) Building Bonds, Series 2020, in the amount of \$278,345,000. Proceeds from the sale of the bonds will be used (1) to construct, improve, renovate, and equip school buildings in the District, and to acquire real property therefore, and (2) to pay the costs associated with the sale of the bonds.

On August 13, 2020, the Board of Trustees approved an order to hold a bond election on the uniform election date of November 3, 2020. There will be five propositions on the ballot, totaling \$3,694,500,000. Senate Bill 30 authorizes one proposition for general purposes and requires separate propositions for special purposes. "School districts may use one general-purpose proposition for construction, acquisition and equipment of school buildings, including necessary sites, and the purchase of new school buses, unless all or a portion of the bonds include certain special purposes." Bonds for each of the following special purposes must be stated in a separate proposition.

1. The construction, acquisition, or equipment of school buildings, and the purchase of necessary sites
2. The construction, acquisition, or equipment of a stadium with seating capacity for more than 1,000 spectators
3. The construction, acquisition, or equipment of a natatorium
4. The construction, acquisition, or equipment of a performing arts facility
5. An acquisition or update of technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility.

On October 5, 2020, the District rolled \$30 million of commercial paper for an additional 270 days to finance the purchase of school buses and the construction and equipping of bus maintenance and operating facilities for the District as authorized in the 2018 Bond Election.

Dallas Independent School District

REQUIRED SUPPLEMENTARY INFORMATION

Dallas Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(GAAP BASIS)	Final Budget
REVENUES				
5700 Local and Intermediate Sources	\$ 1,312,887,566	\$ 1,340,391,526	\$ 1,353,825,622	\$ 13,434,096
5800 State Program Revenues	226,036,493	161,770,291	185,828,936	24,058,645
5900 Federal Program Revenues	68,382,641	60,507,713	61,405,743	898,030
5020 Total Revenues	1,607,306,700	1,562,669,530	1,601,060,301	38,390,771
EXPENDITURES				
Current				
11 Instruction	891,270,820	829,767,292	781,441,167	48,326,125
12 Instructional Resources and Media Services	19,170,822	18,991,942	18,060,295	931,647
13 Curriculum and Instructional Staff Development	20,545,406	19,963,388	18,341,280	1,622,108
21 Instructional Leadership	48,050,313	48,784,203	40,614,012	8,170,191
23 School Leadership	108,170,233	110,575,773	106,572,663	4,003,110
31 Guidance, Counseling and Evaluation Services	65,018,087	65,007,734	57,717,853	7,289,881
32 Social Work Services	2,267,889	2,523,728	2,091,359	432,369
33 Health Services	22,524,373	22,876,913	22,843,395	33,518
34 Student (Pupil) Transportation	54,726,027	60,875,092	59,411,999	1,463,093
35 Food Services	-	303,000	239,282	63,718
36 Cocurricular/Extracurricular Activities	36,582,938	33,726,303	30,942,455	2,783,848
41 General Administration	55,193,985	58,604,674	47,184,803	11,419,871
51 Facilities Maintenance and Operations	148,740,934	167,289,321	165,276,000	2,013,321
52 Security and Monitoring Services	23,687,924	29,263,601	22,989,332	6,274,269
53 Data Processing Services	38,301,662	40,760,995	35,164,199	5,596,796
61 Community Services	3,599,885	3,385,218	2,842,578	542,640
Debt Service				
72 Interest on Long Term Debt	7,237,237	7,237,237	7,237,237	-
73 Bond Fees and Charges	15,000	65,000	2,200	62,800
Capital Outlay				
81 Facilities Acquisition and Construction	16,270,000	19,456,641	1,219,778	18,236,863
Intergovernmental				
91 Contracted Instructional Services Between Schools	12,321,760	20,217,550	18,509,704	1,707,846
95 Payments to Juvenile Justice Alternative Ed. Prg.	86,300	86,300	10,296	76,004
97 Payments to Tax Increment Fund	95,326	95,326	-	95,326
99 Other Intergovernmental Charges	5,892,907	5,892,907	5,891,556	1,351
6030 Total Expenditures	1,579,769,828	1,565,750,138	1,444,603,443	121,146,695
1100 Excess (Deficiency) of Revenues Over Expenditures	27,536,872	(3,080,608)	156,456,858	159,537,466
OTHER FINANCING SOURCES (USES)				
7912 Sale of Real and Personal Property	-	-	599,782	599,782
7915 Transfers In	-	-	10,000,000	10,000,000
8911 Transfers Out (Use)	(7,167,000)	(7,389,000)	(7,676,165)	(287,165)
7080 Total Other Financing Sources (Uses)	(7,167,000)	(7,389,000)	2,923,617	10,312,617
7919 Extraordinary Item - Resource	-	12,900,000	9,003,947	(3,896,053)
8913 Extraordinary Item - (Use)	-	(12,900,000)	(11,977,604)	922,396
1200 Net Change in Fund Balances	20,369,872	(10,469,608)	156,406,818	166,876,426
0100 Fund Balance - Beginning	712,993,216	712,993,216	712,993,216	-
3000 Fund Balance - Ending	\$ 733,363,088	\$ 702,523,608	\$ 869,400,034	\$ 166,876,426

See Notes of Required Supplementary Information.

**Dallas Independent School District
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020**

The District uses Generally Accepted Accounting Principles (GAAP) as the budget basis.

1. Before June 30 of the preceding fiscal year, 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.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Before July 1, the Board legally adopts the budget through passage of a resolution.

After budget approval, amendments (transfers between functions within a campus or organization) will be subject to approval by the Budget Services Department. The Board must approve budget amendments affecting the District's overall functional alignment. All budget amendments are reported to the Board on a monthly basis by the Chief Financial Officer. Additionally, fund level amendments which impact the fund balance require approval of majority of the members of the Board. Fund balance transactions are executed following the approval by the Board of Trustees, and reflected in the official minutes.

The budget manager at the expenditure function/object level controls each budget. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are re-appropriated in the next year.

TEA requires the budgets for the governmental fund types to be filed with the TEA. The expenditure should not exceed the budget in any functional category under TEA requirements. For the year ended June 30, 2020, expenditures did not exceed the budget in any functional category.

Dallas Independent School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher Retirement System
For the Fiscal Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
District's Proportionate Share of Net Pension Liability (Asset)	\$ 595,195,671	\$ 628,056,748	\$ 371,237,578	\$ 459,885,905	\$ 427,149,463	\$ 248,867,951
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	667,880,494	711,627,494	445,725,181	536,455,724	521,628,830	418,542,854
Total	\$ 1,263,076,165	\$ 1,339,684,242	\$ 816,962,759	\$ 996,341,629	\$ 948,778,293	\$ 667,410,805
District's Proportion of the Net Pension Liability (Asset)	1.1449786%	1.1410412%	1.1610385%	1.2169992%	1.2083891%	0.9316925%
District's Covered Payroll	\$ 1,068,981,717	\$ 1,029,193,387	\$ 1,034,387,378	\$ 1,024,643,933	\$ 980,349,284	\$ 913,475,811
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	55.68%	61.02%	35.89%	44.88%	43.57%	27.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016, and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**Dallas Independent School District
Schedule of District Contributions
Teacher Retirement System
For the Fiscal Year Ended June 30, 2020**

	2020	2019	2018	2017	2016	2015
Contractually Required Contribution (Current Fiscal Year)	\$ 43,761,017	\$ 38,563,940	\$ 37,597,460	\$ 36,836,790	\$ 36,370,962	\$ 33,027,288
Contribution in Relation to the Contractually Required Contribution	(43,761,017)	(38,563,940)	(37,597,460)	(36,836,790)	(36,370,962)	(33,027,288)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,143,025,181	\$ 1,063,626,066	\$ 1,028,852,109	\$ 1,037,266,640	\$ 1,020,185,302	\$ 969,551,901
Contributions as a Percentage of Covered Payroll	3.83%	3.63%	3.65%	3.55%	3.57%	3.41%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Dallas Independent School District
Schedule of the District's Proportionate Share of the Net OPEB Liability
Teacher Retirement System
For the Fiscal Year Ended June 30, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportionate Share of Net Post Employment Benefit Liability (Asset)	\$ 690,114,814	\$ 716,208,922	\$ 629,337,928
State's Proportionate Share of the Net Post Employment Benefit Liability (Asset) associated with the District	917,008,223	832,185,726	766,999,910
Total	<u>\$ 1,607,123,037</u>	<u>\$ 1,548,394,648</u>	<u>\$ 1,396,337,838</u>
District's Proportion of the Net Liability (Asset) for Other Post Employment Benefits	1.4592872%	1.4343997%	1.4472114%
District's Covered Payroll	\$ 1,068,981,717	\$ 1,029,193,387	\$ 1,034,387,378
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	64.56%	69.59%	60.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore, the amounts reported for FY 2020 are for the measurement date August 31, 2019, the amounts reported for FY 2019 are for the measurement date August 31, 2018, and the amounts reported for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

Dallas Independent School District
Schedule of District Contributions for Other Post Employment Benefits (OPEB)
Teacher Retirement System
For the Fiscal Year Ended June 30, 2020

	2020	2019	2018
Contractually Required Contribution (Current Fiscal Year)	\$ 11,081,106	\$ 10,269,166	\$ 9,642,810
Contribution in Relation to the Contractually Required Contribution	(11,081,106)	10,269,166	9,642,810
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 1,143,025,181	\$ 1,063,626,066	\$ 1,028,852,109
Contributions as a Percentage of Covered Payroll	0.97%	0.97%	0.94%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years, as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually, 10 years of data should be presented.

**Dallas Independent School District
Notes to Teacher Retirement System and Post Employment Benefits Schedules
Required Supplementary Information
For the Fiscal Year Ended June 30, 2020**

Pension Changes of Benefit Terms

There were no changes of benefit terms that affected measurement of the Total Pension Liability during the measurement period.

Pension Changes of Assumptions

There were no changes in the actuarial assumptions used in the determination of the Total Pension Liability during the measurement period.

The single discount rate was a blended rate of 6.907% as of August 31, 2018, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.

With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries.

Other Post Employment Benefits Changes of Benefit Terms

There were no changes of benefit terms during the measurement period that affected measurement of the Total OPEB Liability .

Other Post Employment Benefits Changes of Assumptions

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018, to 2.63 percent as of August 31, 2019. This change increased the Total OPEB Liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the Total OPEB Liability.
- The participation rate for pre-65 retirees was lowered from 75 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. Twenty-five percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the Total OPEB Liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the Total OPEB Liability.

COMBINING AND OTHER STATEMENTS

Non-Major Governmental Funds

The Non-Major Governmental Funds, which are made up of Special Revenue Funds, are used to account for funds that are legally restricted for specified purposes excluding capital projects.

ESEA Title X, Part C Homeless (Fund 206) – These funds are to be used to account for, on a project basis, allocation to local educational agencies to provide a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. They also facilitate the identification, enrollment, attendance, and academic success of homeless children and youth by removing barriers and promoting school stability for students experiencing homelessness. This program is authorized under P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement as amended by ESSA of 2015, Title X, Part C and Subtitle VII-B, reauthorized by Title IX, Part A, of ESSA (42 U.S.C. 11431 et seq.).

ESSA Title I, Part A, D, SIP, School Redesign and Transformation Fund Planning/Implementation (Fund 211) – These funds are to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills to meet the challenging State performance standards developed for all children. The funds also implement the redesign model that supports the aggressive improvement of learning environments that can substantially increase student achievement. This program is authorized under P.L. 107-110 and 107-11, ESEA of 1965.

IDEA – Part B, Formula (Fund 224) – These funds are to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This funding also includes capacity building and improvement (silver) sub-grants. This program is authorized under P.L. 108-446.

IDEA – Part B, Preschool (Fund 225) – These funds are to be used to account, on a project basis, for funds granted for preschool children with disabilities. This program is authorized under P.L. 105-17.

IDEA – Part B, High Cost EDI and Evaluation Capacity Award (Fund 226) – High Cost Funds (HCF) are used to account for, on a project basis, the financial impact on districts that provide educational services to high-need children with disabilities. High-need children with disabilities receive educational services which exceed three times the average per pupil expenditure (APPE). HCF cover only costs identified in the child's Individualized Education Program (IEP) and associated with providing direct special education and related services. Evaluation Capacity Funds are used to secure appropriately certified and/or licensed staff for the purpose of completing evaluations for eligibility for special education services.

Food Services Program (Fund 240) – This fund is used to account for allowable expenditures, as determined under the National School Lunch Program, for the operation and improvement of the National Breakfast and Lunch Programs.

Career and Technical – Basic Grant (Fund 244) – These funds are to be used to account, on a project basis, for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations. This program is authorized by P.L. 109-270.

ESSA Title II, Part A – Improving Teacher Quality and Principal Preparation Grant, Cycle II (Fund 255) – These funds are used to provide financial assistance to LEAs 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 in schools, and hold LEAs accountable for improving student academic achievement. They also afford the opportunity to build strong campus leaders and help support internal leadership pipelines through full-time, year-long principal residencies. This program is authorized under P.L. 107-110.

Title III, Part A – English Language Acquisition (Fund 263) – These funds are used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet State academic content and student academic achievement standards. This program is authorized under P.L. 107-110.

Medicaid Administrative Claiming Program – MAC (Fund 272) – These funds are used to account, on a project basis, for funds allocated to local education agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

Other Federal Special Revenue Funds (Fund 289) – These funds are to be used to account, on a project basis, for federally funded special revenue funds that have not been previously mentioned. This fund includes the Indian Education; Refugee School Impact; Home Instruction for Parents of Preschool Youngsters (HIPPY); Industry Cluster/P-TECH; Title IV, Part A, Subpart I; Summer School LEP; and i3 Spurwink BARR Grant. These programs are designed to address the unique and culturally related needs of students.

SSA IDEA, Part B – Discretionary Deaf (Fund 315) – These funds are used to account, on a project basis, for funds used to support an Education Service Center (“ESC”) special education component, priority projects in secondary special education, and adaptive/assertive devices component through ESCs, private residential placements, state school student support, support of student in care and treatment or hospital facilities, enhanced Braille production, and other emerging needs.

SSA IDEA, Part C – Deaf - Early Intervention (Fund 340) – These funds are used to account, on a project basis, for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers, age’s birth through two years of age. This program provides supplemental and appropriate series to eligible students that are provided by a certified and trained teacher. This program is authorized under P.L. 101-119.

Texas Successful Schools Program (Fund 393) – This fund classification is used to account, on a project basis, for grant monies applied for by school districts after being notified by TEA of their eligibility based on Academic Excellence Indicator System (AEIS) criteria. (TEC 39.091)

Advanced Placement Incentives (Fund 397) – This fund classification is used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

State Instructional Materials (Fund 410) – This fund classification is used to account, on a project basis, for funds awarded to school districts under the textbook allotment (see 411 Technology Allotment). (TEC Chapter 31, Subchapter B).

Other State Special Revenue Funds (Fund 429) – These are state funded special revenue funds not otherwise listed. This fund includes the Educator Excellence Innovation Program, Math and Literacy Achievement Academies, SSI Community Partnership Planning, P-TECH, and Math Innovative Zones. The goal of these programs is to improve educator effectiveness in Texas public schools and to create a transformative school model to equip students with STEM based knowledge and skills needed to qualify for 21st Century careers. The programs will improve student performance by fostering open, supportive and collaborative campus cultures that allow teachers and students to seek and attain growth within their field.

SSA Regional Day School - Deaf (Fund 435) – These funds are used by the fiscal agent of a shared services arrangement to account, on a project basis, for funds allocated for staff and activities of the Regional Day School Program for the Deaf.

Campus Activity Funds (Fund 461) – This fund classification is used to account for transactions related to a principal’s activity fund if the monies generated are not subject to recall by the school district’s board of trustees into the General Fund. Gross revenues from sales are recorded in revenue object code 5755. The cost of goods sold is recorded in Function 36, using the appropriate expenditure object code.

Other Local Special Revenue Funds (Fund 499) – These are locally funded special revenue funds not otherwise listed. These funds include Advanced Placement Incentive Program; Dallas Education Foundation: HIPP; Autism: A+; Head Start; More Time for Learning Initiative/Summer Camp; CRIS-Bill & Melinda Gates; NextGen-Personalized Learning; King Foundation; Baron & Blue; Texas Instruments; Korean Education; PLTW; and New School Venture. These programs are designed to address expanded learning time programs for poor city children, enhance college readiness through development of performance metrics, and the pursuance of personalized, rigorous, and relevant learning experiences.

**Dallas Independent School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020**

		206	211	224
Data Control Codes		ESEA Title X, Pt. C Homeless	ESSA Title I Part A, D, SIP, School Redesign/ Transformation	IDEA - Part B Formula
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	15,680	12,166,692	6,042,332
1290	Other Receivables, Net	-	-	-
1300	Inventories	-	-	-
1410	Prepayments	-	-	-
1000	Total Assets	15,680	12,166,692	6,042,332
LIABILITIES				
2110	Accounts Payable	-	181,077	58,828
2120	Short Term Debt Payable - Current	-	-	-
2150	Payroll Deductions and Withholdings Payable	46	1,069,081	560,232
2160	Accrued Wages and Benefits Payable	372	6,441,096	3,327,312
2170	Due to Other Funds	14,350	4,344,673	2,083,266
2180	Due to Other Governments	-	-	-
2190	Due to Student Groups	-	-	-
2200	Accrued Expenditures	912	130,765	12,694
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	15,680	12,166,692	6,042,332
FUND BALANCES				
	Nonspendable Fund Balance			
3410	Inventories	-	-	-
3430	Prepaid Items	-	-	-
	Restricted Fund Balance			
3450	Federal or State Funds Grant Restriction	-	-	-
3490	Other Restricted Fund Balance	-	-	-
	Assigned Fund Balance			
3590	Other Assigned Fund Balance	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 15,680	\$ 12,166,692	\$ 6,042,332

225	226	240	244
IDEA - Part B Preschool	IDEA - Part B High Cost EDI Evaluation Capacity	Food Services Program	Career and Technical - Basic Grant
\$ -	\$ -	\$ -	\$ -
50,940	323,112	5,471,168	144,574
-	-	-	-
-	-	7,296,836	-
-	-	-	-
50,940	323,112	12,768,004	144,574
-	-	1,209,002	27,979
-	-	-	-
2,872	-	349,452	500
18,438	-	2,051,550	4,020
29,630	323,112	1,367,973	91,755
-	-	-	-
-	-	-	-
-	-	-	20,320
-	-	75,649	-
50,940	323,112	5,053,626	144,574
-	-	7,296,836	-
-	-	-	-
-	-	417,542	-
-	-	-	-
-	-	-	-
-	-	7,714,378	-
\$ 50,940	\$ 323,112	\$ 12,768,004	\$ 144,574

Dallas Independent School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

		255	263
Data Control Codes		ESSA Title II, Part A Improving Teacher Quality and Principal Preparation	Title III, Part A English Lang. Acquisition
ASSETS			
1110	Cash and Cash Equivalents	\$ -	\$ -
1240	Receivables from Other Governments	927,919	768,136
1290	Other Receivables, Net	-	-
1300	Inventories	-	-
1410	Prepayments	-	-
1000	Total Assets	927,919	768,136
LIABILITIES			
2110	Accounts Payable	328,418	24,687
2120	Short Term Debt Payable - Current	-	-
2150	Payroll Deductions and Withholdings Payable	21,023	35,266
2160	Accrued Wages and Benefits Payable	128,689	218,346
2170	Due to Other Funds	437,289	462,065
2180	Due to Other Governments	-	-
2190	Due to Student Groups	-	-
2200	Accrued Expenditures	12,500	27,772
2300	Unearned Revenues	-	-
2000	Total Liabilities	927,919	768,136
FUND BALANCES			
	Nonspendable Fund Balance		
3410	Inventories	-	-
3430	Prepaid Items	-	-
	Restricted Fund Balance		
3450	Federal or State Funds Grant Restriction	-	-
3490	Other Restricted Fund Balance	-	-
	Assigned Fund Balance		
3590	Other Assigned Fund Balance	-	-
3000	Total Fund Balances	-	-
4000	Total Liabilities and Fund Balances	\$ 927,919	\$ 768,136

EXHIBIT H-1 (Cont'd)

272	289	315	340	393
Medicaid Admin. Claim MAC	Other Federal Special Revenue Funds	SSA IDEA, Part B Discretionary Deaf	SSA - IDEA Part C Deaf - Early Intervention	Texas Successful Schools Prog.
\$ 3,618,601	\$ 30,667	\$ 212,732	\$ -	\$ 26,682
-	1,084,544	-	190	-
-	-	-	-	-
-	-	-	-	-
3,618,601	1,115,211	212,732	190	26,682
532	180,488	11,465	-	-
-	-	-	-	-
-	5,322	23,373	-	-
-	37,620	135,597	-	-
-	755,954	1,424	190	-
-	35,352	40,873	-	-
-	-	-	-	-
-	100,419	-	-	-
-	56	-	-	-
532	1,115,211	212,732	190	-
-	-	-	-	-
-	-	-	-	-
3,618,069	-	-	-	26,682
-	-	-	-	-
-	-	-	-	-
3,618,069	-	-	-	26,682
\$ 3,618,601	\$ 1,115,211	\$ 212,732	\$ 190	\$ 26,682

**Dallas Independent School District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020**

	397	410	429
Data Control Codes	Advanced Placement Incentives	State Instructional Materials	Other State Special Revenue Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 143,207	\$ 183,308	\$ 498,958
1240 Receivables from Other Governments	-	4,655,105	98,924
1290 Other Receivables, Net	-	-	-
1300 Inventories	-	-	-
1410 Prepayments	-	-	-
1000 Total Assets	<u>143,207</u>	<u>4,838,413</u>	<u>597,882</u>
LIABILITIES			
2110 Accounts Payable	-	4,838,308	-
2120 Short Term Debt Payable - Current	-	-	-
2150 Payroll Deductions and Withholdings Payable	-	-	2,492
2160 Accrued Wages and Benefits Payable	-	-	15,180
2170 Due to Other Funds	-	-	81,252
2180 Due to Other Governments	-	-	-
2190 Due to Student Groups	-	-	-
2200 Accrued Expenditures	-	105	-
2300 Unearned Revenues	-	-	465,600
2000 Total Liabilities	<u>-</u>	<u>4,838,413</u>	<u>564,524</u>
FUND BALANCES			
Nonspendable Fund Balance			
3410 Inventories	-	-	-
3430 Prepaid Items	-	-	-
Restricted Fund Balance			
3450 Federal or State Funds Grant Restriction	143,207	-	2,268
3490 Other Restricted Fund Balance	-	-	-
Assigned Fund Balance			
3590 Other Assigned Fund Balance	-	-	31,090
3000 Total Fund Balances	<u>143,207</u>	<u>-</u>	<u>33,358</u>
4000 Total Liabilities and Fund Balances	<u>\$ 143,207</u>	<u>\$ 4,838,413</u>	<u>\$ 597,882</u>

EXHIBIT H-1 (Cont'd)

435	461	499	
SSA Regional Day School - Deaf	Campus Activity Funds	Other Local Special Revenue Funds	Total Non-Major Governmental Funds
\$ (561,950)	\$ 6,132,419	\$ 5,477,803	\$ 15,762,427
1,598,370	-	-	33,347,686
-	-	14,244	14,244
-	-	-	7,296,836
-	-	299,985	299,985
1,036,420	6,132,419	5,792,032	56,721,178
115	54,197	129,239	7,044,335
-	-	3,445	3,445
71,242	137	-	2,141,038
435,295	1,168	-	12,814,683
529,078	186,766	14,244	10,723,021
-	-	56	76,281
-	994	-	994
690	124,274	17,364	447,815
-	-	1,975,479	2,516,784
1,036,420	367,536	2,139,827	35,768,396
-	-	-	7,296,836
-	-	299,985	299,985
-	-	-	4,207,768
-	-	3,135,974	3,135,974
-	5,764,883	216,246	6,012,219
-	5,764,883	3,652,205	20,952,782
\$ 1,036,420	\$ 6,132,419	\$ 5,792,032	\$ 56,721,178

Dallas Independent School District
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020

Data Control Codes	206	211	224
	ESEA Title X, Pt. C Homeless	ESSA Title I Part A, D, SIP, School Redesign/ Transformation	IDEA - Part B Formula
REVENUES			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	205,407	72,529,182	28,752,778
5020 Total Revenues	205,407	72,529,182	28,752,778
EXPENDITURES			
Current			
11 Instruction	1,372	26,791,989	16,678,860
12 Instructional Resources and Media Services	-	63,860	-
13 Curriculum and Instructional Staff Development	-	31,751,519	663,875
21 Instructional Leadership	-	2,960,188	591,907
23 School Leadership	-	85,806	-
31 Guidance, Counseling and Evaluation Services	-	1,969,572	9,872,687
32 Social Work Services	-	432,431	436,141
33 Health Services	-	-	16,837
34 Student (Pupil) Transportation	-	-	-
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	-	1,985,848	32,586
51 Facilities Maintenance and Operations	-	451	-
52 Security and Monitoring Services	-	90,936	-
53 Data Processing Services	-	-	455,957
61 Community Services	204,035	6,396,582	3,928
Capital Outlay			
81 Facilities Acquisition and Construction	-	-	-
Intergovernmental			
99 Other Intergovernmental Charges	-	-	-
6030 Total Expenditures	205,407	72,529,182	28,752,778
1100 Excess (Deficiency) of Revenues Over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
7915 Transfers In	-	-	-
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - Beginning	-	-	-
3000 Fund Balance - Ending	\$ -	\$ -	\$ -

225	226	240	244
IDEA - Part B Preschool	IDEA - Part B High Cost EDI Evaluation Capacity	Food Services Program	Career and Technical - Basic Grant
\$ -	\$ -	\$ 2,604,060	\$ -
-	-	473,678	-
441,374	323,112	99,594,372	1,895,607
441,374	323,112	102,672,110	1,895,607
243,986	323,112	-	1,063,319
-	-	-	-
20,840	-	-	168,697
176,548	-	-	663,591
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	110,365,936	-
-	-	-	-
-	-	-	-
-	-	1,716,780	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
441,374	323,112	112,082,716	1,895,607
-	-	(9,410,606)	-
-	-	1,059,038	-
-	-	(8,351,568)	-
-	-	16,065,946	-
\$ -	\$ -	\$ 7,714,378	\$ -

Dallas Independent School District
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

		255	263
Data Control Codes		ESSA Title II, Part A Improving Teacher Quality and Principal Preparation	Title III, Part A English Lang. Acquisition
REVENUES			
5700	Local and Intermediate Sources	\$ -	\$ -
5800	State Program Revenues	-	-
5900	Federal Program Revenues	8,216,991	6,523,265
5020	Total Revenues	8,216,991	6,523,265
EXPENDITURES			
Current			
11	Instruction	-	2,911,262
12	Instructional Resources and Media Services	-	-
13	Curriculum and Instructional Staff Development	5,284,710	2,714,925
21	Instructional Leadership	1,003,723	-
23	School Leadership	40,759	-
31	Guidance, Counseling and Evaluation Services	3,693	-
32	Social Work Services	-	-
33	Health Services	-	-
34	Student (Pupil) Transportation	-	-
35	Food Services	-	-
36	Cocurricular/Extracurricular Activities	-	-
41	General Administration	1,884,106	37,968
51	Facilities Maintenance and Operations	-	3,589
52	Security and Monitoring Services	-	321
53	Data Processing Services	-	-
61	Community Services	-	855,200
Capital Outlay			
81	Facilities Acquisition and Construction	-	-
Intergovernmental			
99	Other Intergovernmental Charges	-	-
6030	Total Expenditures	8,216,991	6,523,265
1100	Excess (Deficiency) of Revenues Over Expenditures	-	-
OTHER FINANCING SOURCES (USES)			
7915	Transfers In	-	-
1200	Net Change in Fund Balance	-	-
0100	Fund Balance - Beginning	-	-
3000	Fund Balance - Ending	\$ -	\$ -

EXHIBIT H-2 (Cont'd)

272	289	315	340
Medicaid Admin. Claim MAC	Other Federal Special Revenue Funds	SSA IDEA, Part B Discretionary Deaf	SSA - IDEA Part C Deaf - Early Intervention
\$ -	\$ -	\$ -	\$ -
-	-	-	-
831,873	7,186,645	777,376	246
831,873	7,186,645	777,376	246
-	1,728,710	768,387	246
-	-	-	-
-	1,714,453	-	-
-	670,367	-	-
-	-	-	-
-	2,376,498	1,972	-
-	-	-	-
430,497	-	-	-
-	-	-	-
-	44,354	-	-
-	-	-	-
-	269,181	7,017	-
-	3,639	-	-
-	1,329	-	-
-	-	-	-
-	378,114	-	-
-	-	-	-
-	-	-	-
430,497	7,186,645	777,376	246
401,376	-	-	-
-	-	-	-
401,376	-	-	-
3,216,693	-	-	-
\$ 3,618,069	\$ -	\$ -	\$ -

Dallas Independent School District
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	393	397	410
Data Control Codes	Texas Successful Schools Prog.	Advanced Placement Incentives	State Instructional Materials
REVENUES			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	15,524	34,069,796
5900 Federal Program Revenues	-	-	-
5020 Total Revenues	-	15,524	34,069,796
EXPENDITURES			
Current			
11 Instruction	-	-	34,069,796
12 Instructional Resources and Media Services	-	-	-
13 Curriculum and Instructional Staff Development	-	1,972	-
21 Instructional Leadership	-	-	-
23 School Leadership	-	-	-
31 Guidance, Counseling and Evaluation Services	-	-	-
32 Social Work Services	-	-	-
33 Health Services	-	-	-
34 Student (Pupil) Transportation	-	-	-
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	-	-	-
51 Facilities Maintenance and Operations	-	-	-
52 Security and Monitoring Services	-	-	-
53 Data Processing Services	-	-	-
61 Community Services	-	-	-
Capital Outlay			
81 Facilities Acquisition and Construction	-	-	-
Intergovernmental			
99 Other Intergovernmental Charges	-	-	-
6030 Total Expenditures	-	1,972	34,069,796
1100 Excess (Deficiency) of Revenues Over Expenditures	-	13,552	-
OTHER FINANCING SOURCES (USES)			
7915 Transfers In	-	-	-
1200 Net Change in Fund Balance	-	13,552	-
0100 Fund Balance - Beginning	26,682	129,655	-
3000 Fund Balance - Ending	\$ 26,682	\$ 143,207	\$ -

EXHIBIT H-2 (Cont'd)

429	435	461	499	
Other State Special Revenue Funds	SSA Regional Day School - Deaf	Campus Activity Funds	Other Local Special Revenue Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 3,570,292	\$ 3,320,983	\$ 9,495,335
860,688	4,677,815	-	-	40,097,501
-	-	-	-	227,278,228
860,688	4,677,815	3,570,292	3,320,983	276,871,064
528,680	4,417,829	1,234,301	648,381	91,410,230
675	-	219,853	999	285,387
224,221	7,286	37,104	777,148	43,366,750
2,899	866	648	627,455	6,698,192
87,560	-	873,371	25,456	1,112,952
2,044	-	7,727	17,331	14,251,524
-	-	-	-	868,572
-	-	3,234	-	450,568
-	-	971	-	971
-	-	-	-	110,410,290
-	-	736,257	60,467	796,724
-	251,834	-	329,382	4,797,922
-	-	20,760	159,041	1,904,260
-	-	13,701	12,076	118,363
-	-	19	129,977	585,953
6,196	-	2,205	171,967	8,018,227
-	-	-	26,270	26,270
-	-	2,221	-	2,221
852,275	4,677,815	3,152,372	2,985,950	285,105,376
8,413	-	417,920	335,033	(8,234,312)
-	-	-	222,000	1,281,038
8,413	-	417,920	557,033	(6,953,274)
24,945	-	5,346,963	3,095,172	27,906,056
\$ 33,358	\$ -	\$ 5,764,883	\$ 3,652,205	20,952,782

Internal Service Funds

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost reimbursement basis. These funds are as follows:

Graphics Shop – This fund is used to account for printing services.

Risk Management – This fund is used to account for the costs associated with the worker's compensation self-funded program.

Auto Liability Insurance – This fund is used to account for all externally incurred liability expenses relating to student transportation and white fleet vehicle accidents, as well as contracted services and parts to repair vehicles damaged in such incidents.

Dallas Independent School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

Data Control Codes	752 Graphics Shop	753 Risk Management	771 Auto Liability Insurance	Total Internal Service Funds
ASSETS				
Current Assets				
1110 Cash and Cash Equivalents	\$ 253,686	\$ 21,426,708	\$ 1,518,073	\$ 23,198,467
1260 Due from Other Funds	-	1,599,420	-	1,599,420
1290 Other Receivables, Net	-	30,000	-	30,000
Total Current Assets	253,686	23,056,128	1,518,073	24,827,887
Noncurrent Assets				
Capital Assets				
1530 Furniture and Equipment, Net	234,569	1,663	-	236,232
Total Noncurrent Assets	234,569	1,663	-	236,232
Total Assets	488,255	23,057,791	1,518,073	25,064,119
LIABILITIES				
Current Liabilities				
2110 Accounts Payable	180,397	2,216,958	-	2,397,355
2120 Accrued Liabilities - Short Term	-	3,282,867	236,095	3,518,962
2150 Payroll Deductions and Withholdings Payable	337	-	-	337
2160 Accrued Wages and Benefits Payable	16,823	508	-	17,331
2170 Due to Other Funds	96	-	-	96
2200 Accrued Expenses	22,819	2,601	27,732	53,152
Total Current Liabilities	220,472	5,502,934	263,827	5,987,233
Noncurrent Liabilities				
2590 Accrued Liabilities - Long Term	-	5,682,561	599,068	6,281,629
Total Noncurrent Liabilities	-	5,682,561	599,068	6,281,629
Total Liabilities	220,472	11,185,495	862,895	12,268,862
NET POSITION				
3200 Net Investment in Capital Assets	234,569	1,663	-	236,232
3900 Unrestricted Net Position	33,214	11,870,633	655,178	12,559,025
Total Net Position	\$ 267,783	\$ 11,872,296	\$ 655,178	\$ 12,795,257

**Dallas Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2020**

	752 Graphics Shop	753 Risk Management	771 Auto Liability Insurance	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 2,162,934	\$ 12,513,608	\$ 1,679,393	\$ 16,355,935
Total Operating Revenues	<u>2,162,934</u>	<u>12,513,608</u>	<u>1,679,393</u>	<u>16,355,935</u>
OPERATING EXPENSES				
Personnel Services	1,209,933	6,646,167	-	7,856,100
Contractual Services	764,374	706,291	359,307	1,829,972
Supplies	457,636	313,953	-	771,589
Other Operating Expenses	8,671	92,153	1,461,071	1,561,895
Depreciation Expense	40,354	3,326	-	43,680
Total Operating Expenses	<u>2,480,968</u>	<u>7,761,890</u>	<u>1,820,378</u>	<u>12,063,236</u>
Operating Income (Loss)	<u>(318,034)</u>	<u>4,751,718</u>	<u>(140,985)</u>	<u>4,292,699</u>
NON-OPERATING REVENUES (EXPENSES)				
Transfer In	287,165	-	-	287,165
Transfers Out	-	(11,059,038)	-	(11,059,038)
Total Non-Operating Revenues(Expenses)	<u>287,165</u>	<u>(11,059,038)</u>	<u>-</u>	<u>(10,771,873)</u>
Change in Net Position	<u>(30,869)</u>	<u>(6,307,320)</u>	<u>(140,985)</u>	<u>(6,479,174)</u>
Total Net Position - Beginning	<u>298,652</u>	<u>18,179,616</u>	<u>796,163</u>	<u>19,274,431</u>
Total Net Position - Ending	<u>\$ 267,783</u>	<u>\$ 11,872,296</u>	<u>\$ 655,178</u>	<u>\$ 12,795,257</u>

**Dallas Independent School District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020**

	752	753	771	Total
	Graphics Shop	Risk Management	Auto Liability Insurance	Internal Service Funds
Cash Flows from Operating Activities				
Cash Received from User Charges	\$ 2,162,934	\$ 12,435,837	\$ 1,679,393	\$ 16,278,164
Cash Payments to Employees for Services	(1,220,102)	(1,038,945)	-	(2,259,047)
Cash Payments for Insurance Claims	-	(6,031,058)	-	(6,031,058)
Cash Payments for Suppliers	(1,174,070)	(1,110,879)	(985,761)	(3,270,710)
Cash Payments for Accrued Expenses	-	(1,265)	-	(1,265)
Cash Received - Change in Unemployment Insurance Payable	-	1,957,791	-	1,957,791
Net Cash Provided by (Used for) Operating Activities	(231,238)	6,211,481	693,632	6,673,875
Cash Flows from Non-Capital Financing Activities				
Operating Transfer Out	-	(11,059,038)	-	(11,059,038)
Transfers In	287,165	-	-	287,165
Net Cash Provided by (Used for) Non-Capital Activities	287,165	(11,059,038)	-	(10,771,873)
Cash Flows from Capital & Related Financing Activities				
Acquisition of Capital Assets	(82,413)	-	-	(82,413)
Net Cash Provided by (Used for) Capital & Related Financing Activities	(82,413)	-	-	(82,413)
Net Increase (Decrease) in Cash and Cash Equivalents	(26,486)	(4,847,557)	693,632	(4,180,411)
Cash and Cash Equivalents at Beginning of Year	280,172	26,274,265	824,441	27,378,878
Cash and Cash Equivalents at End of Year	<u>\$ 253,686</u>	<u>\$ 21,426,708</u>	<u>\$ 1,518,073</u>	<u>\$ 23,198,467</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(318,034)	4,751,718	(140,985)	4,292,699
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Depreciation	40,354	3,326	-	43,680
Effect of Increases and Decreases in Current Assets and Liabilities				
Decrease (increase) in Due from Other Funds	-	(77,771)	-	(77,771)
Decrease (increase) in Accounts Payable	56,716	1,519	(27,210)	31,025
Increase (decrease) in Accounts Payable for Unemployment Insurance	-	1,957,791	-	1,957,791
Increase (decrease) in Payroll Deductions	(298)	-	-	(298)
Increase (decrease) in Accrued Wages Payable	(9,966)	(93)	-	(10,059)
Increase (decrease) in Due to Other Funds	96	-	-	96
Decrease (increase) in Accrued Liabilities Short-Term	-	(172,606)	-	(172,606)
Decrease (increase) in Accrued Liabilities Long Term	-	(252,403)	-	(252,403)
Increase (decrease) in Accrued Expenses	(106)	-	861,827	861,721
Net Cash Provided by (Used for) Operating Activities	\$ (231,238)	\$ 6,211,481	\$ 693,632	\$ 6,673,875

Dallas Independent School District

Agency Funds

Agency Funds are established to account for assets received and held by the District in the capacity of trustee, agent, or custodian. Expenditures are made only in accordance with the purpose for which assets are received.

Student Activity Fund - This fund accounts for the receipt and disbursement of monies from student activity organizations.

Dallas Independent School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2020

	BALANCE JULY 1 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2020
STUDENT ACTIVITY FUND				
ASSETS				
Cash and Cash Equivalents	2,592,216	25,777,008	25,370,448	2,998,776
Other Receivables	214	136,280	136,494	-
Total Assets	\$ 2,592,430	\$ 25,913,288	\$ 25,506,942	\$ 2,998,776
LIABILITIES				
Accounts Payable	47,291	2,715,345	2,669,560	93,076
Due to Student Groups	2,360,635	5,497,333	5,130,607	2,727,361
Accrued Expenses	184,504	2,164,109	2,170,274	178,339
Total Liabilities	\$ 2,592,430	\$ 10,376,787	\$ 9,970,441	\$ 2,998,776

**TEXAS EDUCATION AGENCY
REQUIRED SCHEDULES**

**DALLAS INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Exhibit J-1

	1	2	3	10	20	31	32	40	50
	Tax Rates								
Fiscal year (1)	Maintenance	Debt Service	Net Assessed/ Appraised Value for School Tax Purposes	Beginning Balance	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance
2011	(2) 1.04000-1.50000	0.109500-0.231293	561,735,100,076	\$ 12,471,308	-	\$ 965,976	\$ 127,587	\$ (725,953)	\$ 10,651,792
2012	1.040050	0.250297	74,661,069,947	1,865,032	-	131,746	31,706	(28,670)	1,672,910
2013	1.040050	0.250297	76,274,060,956	2,204,172	-	179,592	43,221	(29,120)	1,952,239
2014	1.040050	0.242035	80,040,860,095	2,673,186	-	227,963	53,050	(25,684)	2,366,489
2015	1.040050	0.242035	85,633,556,319	4,195,885	-	357,856	83,278	(405,324)	3,349,427
2016	1.040050	0.242035	91,173,609,390	4,940,145	-	481,316	112,009	(36,305)	4,310,515
2017	1.040050	0.242035	100,935,505,829	6,176,800	-	706,450	164,401	(162,121)	5,143,828
2018	1.040050	0.242035	108,482,803,909	9,332,391	-	624,292	145,281	(1,808,458)	6,754,360
2019	1.170000	0.242035	119,329,737,566	26,985,546	-	(1,525,409)	(315,557)	(16,671,627)	12,154,885
2020	1.068350	0.242035	128,350,910,821		1,629,618,768	1,314,822,363	297,873,374	11,389,160	28,312,191
Wilmer Hutchins (1)				470,992	-	40,435		(37,831)	392,726
1000 Totals				<u>\$ 71,315,457</u>	<u>\$ 1,629,618,768</u>	<u>\$ 1,317,012,580</u>	<u>\$ 298,318,350</u>	<u>\$ (8,541,933)</u>	<u>\$ 77,061,362</u>

(1) Wilmer Hutchins ISD was annexed by the District effective July 1, 2007.

(2) Highest and lowest level for 10 years (1999-2009)

Dallas Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Food Services Program
For the Fiscal Year Ended June 30, 2020

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 3,174,996	\$ 3,173,098	\$ 2,604,060	\$ (569,038)
5800	State Program Revenues	775,070	775,070	473,678	(301,392)
5900	Federal Program Revenues	116,550,104	116,552,002	99,594,372	(16,957,630)
5020	Total Revenues	120,500,170	120,500,170	102,672,110	(17,828,060)
EXPENDITURES					
Current					
6035	Food Services	118,495,170	118,511,240	110,365,936	8,145,304
6041	General Administration	15,000	-	-	-
6051	Facilities Maintenance and Operations	1,990,000	1,988,930	1,716,780	272,150
6030	Total Expenditures	120,500,170	120,500,170	112,082,716	8,417,454
1100	Excess (Deficiency) of Revenues Over Expenditures	-	-	(9,410,606)	(9,410,606)
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	-	-	1,059,038	1,059,038
7080	Total Other Financing Sources (Uses)	-	-	1,059,038	1,059,038
1200	Net Change in Fund Balances	-	-	(8,351,568)	(8,351,568)
0100	Fund Balance - Beginning	16,065,946	16,065,946	16,065,946	-
3000	Fund Balance - Ending	\$ 16,065,946	\$ 16,065,946	\$ 7,714,378	\$ (8,351,568)

Dallas Independent School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Fiscal Year Ended June 30, 2020

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget		
	Original	Final				
REVENUES						
5700	Local and Intermediate Sources		\$ 299,858,471	\$ 299,858,471	\$ 302,138,350	\$ 2,279,879
5800	State Program Revenues		-	-	1,989,780	1,989,780
5020	Total Revenues		299,858,471	299,858,471	304,128,130	4,269,659
EXPENDITURES						
Debt Service						
71	Principal on Long Term Debt		285,934,819	155,595,000	155,595,000	-
72	Interest on Long Term Debt		-	132,901,933	132,896,136	5,797
73	Bond Fees and Charges		-	119,178	105,351	13,827
6030	Total Expenditures		285,934,819	288,616,111	288,596,487	19,624
1100	Excess (Deficiency) of Revenues Over Expenditures		13,923,652	11,242,360	15,531,643	4,289,283
OTHER FINANCING SOURCES (USES)						
7915	Transfers In		7,167,000	7,167,000	7,167,000	-
7080	Total Other Financing Sources (Uses)		7,167,000	7,167,000	7,167,000	-
1200	Net Change in Fund Balances		21,090,652	18,409,360	22,698,643	4,289,283
0100	Fund Balance - Beginning		181,765,194	181,765,194	181,765,194	-
3000	Fund Balance - Ending		\$ 202,855,846	\$ 200,174,554	\$ 204,463,837	\$ 4,289,283

Dallas Independent School District

Dallas Independent School District

Index for Statistical Section

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the Dallas Independent School District's overall financial health.

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Dallas Independent School District

Dallas Independent School District

Government-wide Changes in Net Position Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
Expenses				
Governmental Activities:				
Instruction	\$ 1,095,737,419	\$ 972,334,416	\$ 650,662,754	\$ 956,576,387
Instructional Resources and Media Services	21,402,181	21,169,253	14,203,567	24,430,222
Curriculum and Staff Development	70,424,170	63,888,041	35,993,922	51,704,106
Instructional Leadership	52,236,843	42,121,680	26,067,193	37,602,700
School Leadership	123,359,013	110,067,219	64,548,864	106,125,020
Guidance, Counseling and Evaluation Services	81,244,094	74,521,153	45,798,249	72,535,828
Social Work Services	3,349,661	2,931,749	1,609,764	2,997,092
Health Services	26,438,683	21,876,353	12,806,971	21,451,753
Student (Pupil) Transportation	70,395,894	66,868,011	49,670,287	55,779,292
Food Services	127,056,390	124,943,934	103,681,948	123,592,132
Cocurricular/Extracurricular Activities	37,457,609	37,551,758	29,291,340	38,266,030
General Administration	53,816,493	48,798,452	34,962,724	51,693,840
Facilities Maintenance and Operation	174,138,069	141,865,719	119,466,649	157,815,314
Security and Monitoring Services	24,592,052	21,494,308	13,495,855	23,036,834
Data Processing Services	44,976,107	48,959,455	38,018,316	45,348,246
Community Services	12,978,647	12,029,540	8,209,966	12,992,401
Debt Service - Interest and Fees on Long-Term Debt	122,613,896	121,968,174	124,140,537	126,555,232
Debt Service - Bond Issuance Cost and Fees	107,552	1,944,555	49,021	85,007
Facilities Acquisition and Construction	18,944,454	1,613,647	2,831,109	1,078,436
Contracted Instructional Services Between Schools	18,509,704	67,373,116	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	10,296	3,000	7,332	8,814
Payments to Tax Increment Fund	-	64,955	65,673	7,476
Other Intergovernmental Charges	5,893,777	5,445,908	5,069,208	4,919,416
Total Primary Government Program Expenses	2,185,683,004	2,009,834,396	1,380,651,249	1,914,601,578
Program Revenues				
Governmental Activities:				
Charges for Service:				
Instruction	437,708	541,675	2,592	-
Curriculum and Staff Development	-	-	382,990	446,980
Instructional Leadership	-	-	42,554	49,664
Food Services	1,615,674	1,646,080	1,587,248	1,464,642
Cocurricular/Extracurricular Activities	963,354	973,006	1,135,602	909,673
Facilities Maintenance and Operations	2,131,009	2,555,272	3,748,263	4,672,484
Operating Grants and Contributions	460,333,166	345,125,422	49,994,516	334,916,110
Total Primary Government Program Revenues	465,480,911	350,841,455	56,893,765	342,459,553
Net (Expense)/Revenue				
Total Primary Government Expenses	(1,720,202,093)	(1,658,992,941)	(1,323,757,484)	(1,572,142,025)
General Revenues				
Governmental Activities				
Taxes				
Property Taxes Levied for General Purposes	1,319,796,489	1,330,674,650	1,086,494,144	1,003,755,255
Property Taxes Levied for Debt Services	299,013,041	275,270,197	253,771,120	233,607,228
State Aid not Restricted to Specific Purpose	47,717,109	82,073,509	150,206,649	257,588,928
Grants, Contributions and Other Revenue not Restricted	130,924,356	151,059,331	109,392,657	70,160,602
Investment Earnings	29,195,172	33,470,753	20,599,310	10,901,449
Gain (loss) on Sale of Equipment	-	-	-	-
Miscellaneous	21,773,101	9,079,224	49,183,203	34,387,827
Extraordinary Items	9,218,116	-	41,512,474	-
Total Primary Government	1,857,637,384	1,881,627,664	1,711,159,557	1,610,401,289
Change in Net Position				
Total primary government	\$ 137,435,291	\$ 222,634,723	\$ 387,402,073	\$ 38,259,264

Source: Statement of Activities for the Dallas Independent School District

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
\$ 998,278,934	\$ 918,378,917	\$ 838,734,964	\$ 837,619,961	\$ 842,891,794	\$ 918,670,306
25,176,186	24,268,027	23,293,647	23,618,126	22,736,721	24,732,131
58,250,759	50,396,457	48,023,182	36,333,128	38,062,123	45,017,015
36,526,926	31,039,518	26,485,116	21,583,374	21,705,813	28,885,789
107,487,393	94,868,296	86,999,537	82,180,544	79,358,915	84,065,159
73,248,880	66,733,501	58,852,078	59,251,653	54,901,981	63,488,723
3,313,751	2,965,574	2,775,531	2,485,963	2,745,665	2,844,122
21,511,094	20,099,689	17,948,403	18,162,354	17,813,557	18,252,622
53,830,113	46,322,785	35,812,881	25,497,358	22,738,339	24,350,694
118,626,758	107,517,917	101,484,589	93,529,323	90,910,150	84,684,667
36,421,282	30,184,490	28,452,778	23,425,259	21,786,201	20,002,925
53,243,020	48,175,732	39,655,687	34,292,907	40,363,776	53,147,300
166,498,335	145,367,996	142,000,753	147,466,378	148,301,564	155,963,647
21,386,056	23,283,265	19,989,832	19,098,721	18,912,935	21,348,002
46,293,855	44,278,942	38,590,780	41,618,908	41,579,518	40,833,190
13,166,512	12,067,736	9,614,304	8,371,779	7,341,491	8,833,215
199,431,914	27,515,111	124,428,173	128,536,048	136,081,451	112,597,583
4,410,076	4,427,183	1,259,936	-	-	-
1,336,580	33,668	2,145,951	5,047,018	2,242,121	231,271
-	-	-	-	-	-
5,622	6,762	2,736	10,488	302,328	709,194
-	-	69,898	3,749,780	3,327,159	3,610,740
4,791,696	4,578,190	4,410,880	3,835,557	3,738,645	3,916,117
<u>2,043,235,742</u>	<u>1,702,509,756</u>	<u>1,651,031,636</u>	<u>1,615,714,627</u>	<u>1,617,842,247</u>	<u>1,716,184,412</u>
309,722	172,766	233,006	261,509	2,870	272,629
629,792	1,611,367	1,817,454	1,278,066	-	-
69,977	179,041	201,939	127,807	-	-
1,600,005	2,821,535	3,801,181	5,558,516	6,391,706	6,321,941
946,391	1,152,755	1,160,349	1,167,991	727,573	676,784
2,026,208	1,917,887	1,413,139	6,482,941	1,297,529	1,279,344
361,222,410	356,499,886	293,878,890	286,311,657	256,242,350	364,591,060
<u>366,804,505</u>	<u>364,355,237</u>	<u>302,505,958</u>	<u>301,188,487</u>	<u>264,662,028</u>	<u>373,141,758</u>
<u>(1,676,431,237)</u>	<u>(1,338,154,519)</u>	<u>(1,348,525,678)</u>	<u>(1,314,526,140)</u>	<u>(1,353,180,219)</u>	<u>(1,343,042,654)</u>
910,501,189	854,963,342	801,098,678	767,724,171	752,839,796	753,628,541
211,887,005	198,979,050	186,427,489	184,313,028	180,706,403	143,306,604
345,639,301	346,230,033	334,227,912	337,558,928	416,548,421	417,317,962
81,703,893	87,298,011	53,752,263	41,041,051	56,229,252	35,162,278
8,457,518	3,084,819	2,478,190	2,439,424	3,995,586	3,125,832
-	-	-	-	549,733	-
36,477,865	25,615,604	19,352,649	10,052,203	3,845,898	636,479
-	-	-	-	-	-
<u>1,594,666,771</u>	<u>1,516,170,859</u>	<u>1,397,337,181</u>	<u>1,343,128,805</u>	<u>1,414,715,089</u>	<u>1,353,177,696</u>
<u>\$ (81,764,466)</u>	<u>\$ 178,016,340</u>	<u>\$ 48,811,503</u>	<u>\$ 28,602,665</u>	<u>\$ 61,534,870</u>	<u>\$ 10,135,042</u>

Dallas Independent School District

Government-wide Net Position by Component Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
Governmental Activities:				
Net Investment in Capital Assets	\$ 396,154,426	\$ 353,356,942	\$ 322,930,292	\$ 268,379,771
Restricted	114,584,087	110,047,571	102,613,514	79,484,886
Unrestricted	<u>(354,442,214)</u>	<u>(444,543,505)</u>	<u>(629,317,521)</u>	<u>165,806,871</u>
Total Governmental Activities Net Position	<u>\$ 156,296,299</u>	<u>\$ 18,861,008</u>	<u>\$ (203,773,715)</u>	<u>\$ 513,671,528</u>

Source: Statement of Net Position for the Dallas Independent School District

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
\$ 19,321,452	\$ 222,450,356	\$ 169,438,211	\$ 226,638,835	\$ 285,655,589	\$ 301,973,476
254,277,208	154,385,740	76,265,991	84,729,743	75,926,853	66,518,906
201,813,604	180,340,634	419,545,825	326,193,821	247,377,292	178,932,482
<u>\$ 475,412,264</u>	<u>\$ 557,176,730</u>	<u>\$ 665,250,027</u>	<u>\$ 637,562,399</u>	<u>\$ 608,959,734</u>	<u>\$ 547,424,864</u>

Dallas Independent School District

All Governmental Funds Changes in Fund Balances Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
Revenues				
Local Sources:				
Property Taxes	\$ 1,625,503,526	\$ 1,613,635,986	\$ 1,350,404,734	\$ 1,250,216,214
Interest	29,195,172	33,470,753	20,588,573	10,901,450
Other	16,613,086	18,710,996	38,782,856	26,561,577
State Sources	227,916,217	234,689,340	271,922,516	349,845,527
Federal Sources	349,753,100	341,258,766	305,326,146	288,871,749
Total Revenue	<u>2,248,981,101</u>	<u>2,241,765,841</u>	<u>1,987,024,825</u>	<u>1,926,396,517</u>
Expenditures				
Instruction	949,551,494	855,476,205	881,359,309	865,829,893
Instructional Resources and Media Services	18,345,682	18,647,553	19,599,778	22,121,284
Curriculum and Staff Development	61,708,030	57,630,975	51,168,167	50,470,310
Instructional Leadership	47,312,204	38,923,482	38,663,853	36,084,991
School Leadership	107,685,615	97,849,280	94,023,624	96,313,120
Guidance, Counseling, and Evaluation Services	71,969,377	67,602,079	67,279,886	67,754,706
Social Work Services	2,959,931	2,678,416	2,689,889	2,936,775
Health Services	23,293,963	19,581,946	18,841,269	19,656,153
Student Transportation	59,412,970	50,587,137	39,054,459	55,743,237
Food Services	110,649,572	111,700,306	111,415,975	113,862,535
Co-Curricular/Extra-Curricular Activities	31,739,179	32,910,709	33,982,948	34,406,552
General Administration	51,982,725	46,894,385	47,070,338	51,678,899
Plant Maintenance and Operations	167,180,260	134,010,205	142,814,234	151,122,084
Security and Monitoring Services	23,107,695	20,042,705	20,161,322	21,502,684
Data Processing Services	35,750,152	32,629,639	30,131,468	34,409,262
Community Services	10,860,805	10,474,922	11,087,568	12,274,936
Debt Service				
Principal	155,595,000	133,245,000	108,605,000	122,795,000
Interest	141,343,679	145,421,341	145,742,468	148,002,335
Facilities Acquisition & Construction	331,562,770	312,342,228	230,582,630	174,827,546
Intergovernmental Charges	24,413,777	72,886,979	5,142,213	4,935,706
Total Expenditures	<u>2,426,424,880</u>	<u>2,261,535,492</u>	<u>2,099,416,398</u>	<u>2,086,728,008</u>
Other Financing Sources (uses)				
Proceeds from Bonds and Notes	341,975,000	800,000	-	4,405,000
Proceeds from Refunding Bonds	-	68,025,000	-	-
Transfers In /Out	10,771,873	-	29,824,208	(822,930)
Premium on Bonds	39,127,754	8,135,755	-	-
Sale of Real & Personal Property	599,782	325,751	21,084,897	5,843,740
Payments to Refunded Bond Escrow Agent	-	(75,000,000)	-	-
Total Other Financing Sources (uses)	<u>392,474,409</u>	<u>2,286,506</u>	<u>50,909,105</u>	<u>9,425,810</u>
Extraordinary Items				
Extraordinary Items	25,601,329	-	-	-
Net Changes in Fund Balances	<u>\$ 240,631,959</u>	<u>\$ (17,483,145)</u>	<u>\$ (61,482,468)</u>	<u>\$ (150,905,681)</u>
Debt service as a percentage of noncapital expenditures (1)	13.98%	14.31%	13.36%	14.18%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds for the Dallas Independent School District

(1) In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the facilities acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures (Exhibit C-2).

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
\$ 1,131,070,782	\$ 1,063,513,416	\$ 993,116,637	\$ 953,024,424	\$ 935,396,723	\$ 909,373,008
8,457,520	3,084,819	2,490,870	2,439,424	3,995,586	3,125,832
35,340,417	27,919,560	23,424,643	26,212,625	23,244,360	24,982,675
442,535,971	451,066,685	393,745,055	395,145,649	448,804,079	446,899,911
295,517,788	314,513,874	287,146,679	260,503,088	256,263,965	358,718,768
<u>1,912,922,478</u>	<u>1,860,098,354</u>	<u>1,699,923,884</u>	<u>1,637,325,210</u>	<u>1,667,704,713</u>	<u>1,743,100,194</u>
893,271,045	853,166,619	767,476,755	763,008,812	790,166,496	881,493,362
22,795,374	22,882,147	21,771,417	22,064,026	21,611,547	23,922,133
55,812,949	50,784,870	47,505,300	35,686,203	37,498,502	45,312,833
34,576,624	30,866,857	26,110,168	21,138,257	21,278,216	28,781,240
96,774,330	88,767,725	80,506,607	75,202,435	74,572,714	80,601,956
67,753,209	64,816,543	56,672,484	56,862,691	53,261,191	62,515,390
3,263,195	2,924,614	2,731,254	2,442,091	2,694,685	2,833,886
19,639,366	19,164,696	16,943,543	17,033,913	17,042,684	17,716,810
53,924,053	46,315,857	35,805,953	25,528,534	22,718,745	24,352,369
111,672,916	101,308,709	95,659,982	89,271,199	86,553,720	82,325,328
32,731,001	27,157,237	25,677,557	20,414,477	19,355,947	18,268,645
52,691,371	50,648,623	40,191,375	33,884,965	39,910,323	52,663,314
161,679,314	143,121,525	136,554,325	141,159,026	144,858,033	151,471,848
22,256,194	23,542,452	19,823,365	18,871,512	18,551,089	21,161,663
33,838,248	36,450,445	31,179,276	30,837,025	32,175,475	39,253,756
12,364,415	11,643,071	9,135,120	7,813,628	6,936,427	8,553,002
103,990,000	50,515,000	62,595,000	54,095,000	54,351,003	39,936,273
133,348,140	142,354,189	133,689,215	134,757,695	153,717,458	98,944,160
153,844,110	95,996,507	80,870,347	278,132,001	374,511,644	420,924,235
4,797,318	4,584,952	4,483,514	7,595,825	7,368,132	8,236,051
<u>2,071,023,172</u>	<u>1,867,012,638</u>	<u>1,695,382,557</u>	<u>1,835,799,315</u>	<u>1,979,134,031</u>	<u>2,109,268,254</u>
647,230,000	590,875,000	143,340,000	-	-	950,300,000
-	-	-	437,060,000	197,935,000	226,810,000
(926,624)	(351,439)	(25,719,847)	(234,982)	(509,141)	(126,134)
76,488,994	85,253,985	-	64,753,841	29,856,060	46,505,823
484,990	1,402,794	413,206	31,942	619,397	636,479
-	(671,684,268)	-	(498,445,267)	(226,330,345)	(259,446,830)
<u>723,277,360</u>	<u>5,496,072</u>	<u>118,033,359</u>	<u>3,165,534</u>	<u>1,570,971</u>	<u>964,679,338</u>
-	-	-	-	-	-
<u>\$ 565,176,666</u>	<u>\$ (1,418,212)</u>	<u>\$ 122,574,686</u>	<u>\$ (195,308,571)</u>	<u>\$ (309,858,347)</u>	<u>\$ 598,511,278</u>
11.46%	10.33%	12.22%	12.21%	13.04%	8.31%

Dallas Independent School District

All Governmental Funds Revenues as a Percentage of Total Revenue and Expenditures as a Percentage of Total Expenditures Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
Revenues				
Local Sources:				
Property Taxes	72.3%	72.0%	68.0%	64.9%
Interest	1.3%	1.5%	1.0%	0.6%
Other	0.7%	0.8%	2.0%	1.4%
State Sources	10.1%	10.5%	13.7%	18.1%
Federal Sources	15.6%	15.2%	15.3%	15.0%
Total Revenue	100%	100%	100%	100%
Expenditures				
Instruction	39.1%	37.8%	42.0%	41.5%
Instructional Resources and Media Services	0.8%	0.8%	0.9%	1.1%
Curriculum and Staff Development	2.5%	2.5%	2.4%	2.4%
Instructional Leadership	1.9%	1.8%	1.9%	1.8%
School leadership	4.4%	4.3%	4.5%	4.6%
Guidance, Counseling, and Evaluation Services	3.0%	3.1%	3.2%	3.2%
Social Work Services	0.1%	0.1%	0.1%	0.1%
Health Services	1.0%	0.9%	0.9%	0.9%
Student Transportation	2.4%	2.2%	1.9%	2.7%
Food Services	4.6%	4.9%	5.3%	5.5%
Co-Curricular/Extra-Curricular Activities	1.3%	1.5%	1.6%	1.6%
General Administration	2.1%	2.1%	2.3%	2.5%
Plant Maintenance and Operations	6.9%	5.9%	6.8%	7.2%
Security and Monitoring Services	1.1%	0.9%	1.0%	1.1%
Data Processing Services	1.5%	1.4%	1.4%	1.6%
Community Services	0.4%	0.5%	0.5%	0.6%
Debt Service				
Principal	6.4%	5.9%	5.2%	5.9%
Interest	5.8%	6.4%	6.9%	7.1%
Facilities Acquisition & Construction	13.7%	13.8%	11.0%	8.4%
Intergovernmental Charges	1.0%	3.2%	0.2%	0.2%
Total expenditures	100%	100.0%	100%	100%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds for the Dallas Independent School District

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
59.1%	57.2%	58.4%	58.2%	56.1%	52.2%
0.5%	0.2%	0.1%	0.1%	0.2%	0.2%
1.9%	1.5%	1.4%	1.7%	1.4%	1.4%
23.1%	24.2%	23.2%	24.1%	26.9%	25.6%
15.4%	16.9%	16.9%	15.9%	15.4%	20.6%
100%	100%	100%	100%	100%	100%
43.1%	45.7%	45.3%	41.6%	39.9%	41.8%
1.1%	1.2%	1.3%	1.2%	1.1%	1.1%
2.7%	2.7%	2.8%	1.9%	1.9%	2.1%
1.8%	1.7%	1.5%	1.2%	1.1%	1.4%
4.7%	4.8%	4.7%	4.1%	3.8%	3.8%
3.3%	3.5%	3.3%	3.1%	2.7%	3.0%
0.2%	0.2%	0.2%	0.2%	0.1%	0.1%
0.9%	1.0%	1.0%	0.9%	0.9%	0.8%
2.6%	2.5%	2.1%	1.4%	1.1%	1.2%
5.4%	5.4%	5.6%	4.9%	4.4%	3.9%
1.6%	1.5%	1.5%	1.1%	1.0%	0.8%
2.5%	2.7%	2.4%	1.8%	2.0%	2.5%
7.8%	7.7%	8.1%	7.7%	7.3%	7.2%
1.1%	1.2%	1.2%	1.0%	0.9%	1.0%
1.6%	2.0%	1.8%	1.7%	1.6%	1.9%
0.6%	0.6%	0.5%	0.4%	0.4%	0.4%
5.0%	2.7%	3.7%	2.9%	2.7%	1.9%
6.4%	7.6%	7.9%	7.3%	7.8%	4.7%
7.4%	5.1%	4.8%	15.2%	18.9%	20.0%
0.2%	0.2%	0.3%	0.4%	0.4%	0.4%
100%	100%	100%	100%	100%	100%

Dallas Independent School District

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All Governmental Funds Fund Balances Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016	2015	2014
General Fund:							
Non-Spendable	\$ 17,650,395	\$ 14,330,669	\$ 8,905,030	\$ 8,797,676	\$ 8,394,857	\$ 7,699,359	\$ 8,230,314
Assigned	189,990,513	107,882,093	112,386,017	117,970,598	275,845,332	186,647,485	175,667,574
Unassigned	661,759,126	590,780,454	251,241,835	133,385,186	98,359,896	163,184,173	158,942,100
Total General Fund	869,400,034	712,993,216	372,532,882	260,153,460	382,600,085	357,531,017	342,839,988
Non-spendable:							
Non-major	7,596,821	4,293,710	5,398,933	6,803,027	6,770,618	4,061,426	4,970,382
Capital Projects	718,264	-	-	-	-	-	-
Restricted:							
Debt Service	154,294,866	138,763,223	124,926,486	112,323,141	134,439,298	135,296,606	112,388,437
Capital Projects	265,124,250	197,362,742	497,016,453	693,887,626	803,033,746	258,889,822	305,824,929
Federal or State Funds (1)	4,207,768	15,147,086	18,177,820	15,511,302	16,703,404	21,809,316	13,329,755
Local Special Revenue Funds	3,135,974	3,003,934	3,340,021	2,815,603	2,254,115	2,635,520	2,843,937
Assigned - Debt Service	50,168,971	42,999,353	110,832,353	103,668,000	-	-	-
Assigned - Other	6,012,219	5,461,326	5,282,788	3,828,045	4,094,620	4,495,513	3,940,004
Total All Governmental Funds	\$ 1,360,659,167	\$ 1,120,024,590	\$ 1,137,507,736	\$ 1,198,990,204	\$ 1,349,895,886	\$ 784,719,220	\$ 786,137,432

Fiscal Year Ended June 30:	2013	2012	2011
General Fund:			
Non-Spendable	\$ 11,499,868	\$ 6,219,819	\$ 6,757,739
Assigned	6,009,210	7,197,978	6,633,164
Unassigned	263,644,498	187,702,582	121,707,356
Total General Fund	281,153,576	201,120,379	135,098,259
Non-spendable:			
Capital Projects	-	-	34,056
Non-major	3,592,519	3,743,344	2,146,651
Restricted:			
Debt Service	117,974,957	112,510,850	100,210,068
Capital Projects	244,003,261	519,356,980	889,997,668
Food Service	13,862,032	11,945,805	18,044,165
Grants and Donations	2,626,439	5,014,837	6,219,675
Assigned - Other	349,962	-	11,800,000
Total All Governmental Funds	\$ 663,562,746	\$ 853,692,195	\$ 1,163,550,542

(1) As of June 30, 2013, the District has included Food Services within this category.
Beginning with 2011, Fund Balance Categories are reported as required by GASB Statement No. 54
Source: Balance Sheet of Governmental Funds for the Dallas Independent School District

Dallas Independent School District

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Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Tax Levy Year	Original Levy	Current Year's Adjustments	Adjusted Levy (1)	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent years (3)	Total Collections and Adjustments to Date	
				Amount (2)	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2019	1,629,618,768	11,389,160	1,641,007,928	1,612,695,737	99.0%	-	1,612,695,737	98.3%
2018	1,629,922,730	(2,756,087)	1,627,166,643	1,600,181,097	98.2%	14,830,661	1,615,011,758	99.3%
2017	1,353,804,329	(2,411,057)	1,351,393,272	1,332,222,292	98.4%	9,838,589	1,342,060,881	99.3%
2016	1,261,569,031	(11,545,712)	1,250,023,319	1,230,797,382	97.6%	10,208,923	1,241,006,305	99.3%
2015	1,141,622,891	(7,680,046)	1,133,942,845	1,114,744,687	97.6%	10,739,458	1,125,484,145	99.3%
2014	1,073,042,354	(7,988,994)	1,065,053,360	1,047,228,110	97.6%	8,531,377	1,055,759,487	99.1%
2013	1,005,329,915	(9,160,548)	996,169,367	978,736,529	97.4%	8,990,875	987,727,404	99.2%
2012	959,655,168	(4,362,562)	955,292,606	936,816,774	97.6%	9,335,129	946,151,903	99.0%
2011	936,131,014	(1,620,377)	934,510,637	915,380,068	97.8%	9,853,035	925,233,103	99.0%
2010	912,283,518	(5,679,828)	906,603,690	884,253,126	96.9%	12,019,256	896,272,382	98.9%

(1) Current year total levy plus current year adjustments.

(2) Current year maintenance and debt service collections.

(3) Prior year collections and adjustments.

Source: Schedule of Delinquent Taxes Receivable (Exhibit J-1)

Dallas Independent School District

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Schedule of Tax Rate Distribution Per \$100 Valuation Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Tax Rates			Tax Levies		
	Maintenance	Debt Service	Total	General Fund	Debt Service Fund	Total
2020	1.068350	0.242035	1.310385	1,328,619,612	300,999,156	1,629,618,768
2019	1.170000	0.242035	1.412035	1,350,537,675	279,385,055	1,629,922,730
2018	1.040050	0.242035	1.282085	1,098,229,987	255,574,342	1,353,804,329
2017	1.040050	0.242035	1.282085	1,023,407,506	238,161,525	1,261,569,031
2016	1.040050	0.242035	1.282085	926,105,038	215,517,853	1,141,622,891
2015	1.040050	0.242035	1.282085	870,471,272	202,571,082	1,073,042,354
2014	1.040050	0.242035	1.282085	815,541,387	189,788,528	1,005,329,915
2013	1.040050	0.250297	1.290347	773,504,617	186,150,551	959,655,168
2012	1.040050	0.250297	1.290347	754,543,597	181,587,418	936,131,015
2011	1.040050	0.197760	1.237810	766,530,717	145,752,801	912,283,518

Source: Schedule of Delinquent Taxes Receivable (Exhibit J-1)

Dallas Independent School District

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Assessed and Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Real Property			Net Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial Property	Personal Property		
2020	54,691,226,302	58,663,264,662	14,996,419,857	128,350,910,821	1.310385
2019	50,114,377,285	54,876,366,945	14,338,993,336	119,329,737,566	1.412035
2018	44,939,988,730	49,306,233,826	14,236,581,353	108,482,803,909	1.282085
2017	41,787,366,404	45,427,477,998	13,720,661,427	100,935,505,829	1.282085
2016	38,743,465,578	40,529,662,355	13,166,711,763	92,439,839,696	1.282085
2015	36,107,563,490	36,598,495,511	12,927,497,318	85,633,556,319	1.282085
2014	33,952,512,664	33,210,609,987	12,877,737,444	80,040,860,095	1.282085
2013	33,327,472,247	30,636,514,329	12,310,074,380	76,274,060,956	1.290347
2012	33,665,394,542	28,337,566,510	11,838,691,761	73,841,652,813	1.290347
2011	34,456,380,302	29,760,504,666	11,769,064,077	75,985,949,045	1.237810

Source: Dallas Central Appraisal District and Dallas ISD records

Dallas Independent School District

Property Tax Rates - Direct and Overlapping Governments Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Town of Addison	City of Balch Springs	City of Carrollton	City of Cockrell Hill	City of Dallas	City of DeSoto	City of Duncanville	City of Farmers Branch	City of Garland
2020	0.58350	0.80300	0.58997	0.94713	0.77660	0.70155	0.74345	0.59951	0.76960
2019	0.55000	0.80300	0.59497	0.98895	0.77670	0.72139	0.74845	0.59951	0.70460
2018	0.55000	0.80300	0.59970	1.05883	0.78040	0.73990	0.75845	0.60227	0.70460
2017	0.56047	0.80300	0.60370	1.11941	0.78250	0.74490	0.75845	0.60227	0.70460
2016	0.57915	0.80300	0.61288	1.13244	0.79700	0.74990	0.75845	0.60227	0.70460
2015	0.56180	0.80300	0.61538	0.81166	0.79700	0.75740	0.75845	0.60227	0.70460
2014	0.57180	0.77000	0.61788	0.81191	0.79700	0.75740	0.75845	0.55310	0.70460
2013	0.58000	0.80300	0.61788	0.82315	0.79700	0.75740	0.73769	0.52950	0.70460
2012	0.58000	0.78000	0.61788	0.81109	0.79700	0.75740	0.73769	0.52950	0.70460
2011	0.53000	0.76000	0.61788	0.81109	0.79700	0.73512	0.73769	0.52950	0.70460

Source: Dallas Central Appraisal District and Dallas ISD records

Dallas Independent School District

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City of Glenn Heights	City of Hutchins	City of Lancaster	City of Mesquite	City of Seagoville	Dallas County and School Equalization	Dallas County Hospital	Dallas County Community College	Dallas Independent School District
0.83352	0.68246	0.84093	0.73400	0.78880	0.25310	0.26950	0.12400	1.31039
0.87918	0.68246	0.86750	0.73400	0.74380	0.25310	0.27940	0.12400	1.41204
0.88543	0.68246	0.86750	0.68700	0.74380	0.25310	0.27940	0.12424	1.28209
0.93553	0.68246	0.86750	0.68700	0.74380	0.25237	0.27940	0.12293	1.28209
0.79340	0.68246	0.86750	0.64000	0.71380	0.25310	0.28600	0.12365	1.28209
0.79500	0.71091	0.86750	0.64000	0.71380	0.25310	0.28600	0.12478	1.28209
0.79500	0.69091	0.86750	0.64000	0.71379	0.25310	0.27600	0.12470	1.28209
0.79500	0.66091	0.86750	0.64000	0.69085	0.25304	0.27100	0.11938	1.29035
0.79500	0.60672	0.86750	0.64000	0.69085	0.25310	0.27100	0.09967	1.29035
0.79500	0.58100	0.86750	0.64000	0.66500	0.25310	0.27100	0.09923	1.23781

Dallas Independent School District

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Principal Property Tax Payers Current Year and Nine Years Ago (Unaudited)

Principal Taxpayers	2020			2011		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 837,174,580	1	0.65%	\$ 564,569,640	2	0.74%
Northpark Land Partners	733,710,730	2	0.57%	530,065,080	3	0.70%
Southwest Airlines Co	655,325,249	3	0.51%	473,596,374	4	0.62%
AT&T Mobility LLC	546,979,650	4	0.43%	733,307,090	1	0.97%
FM Village Fixed Rate LLC	514,687,490	5	0.40%			
Post Apartment Homes LP	500,659,800	6	0.39%			
Galleria Mall Investors LP	353,121,990	7	0.28%	326,980,760	6	0.43%
Atmos Energy	347,802,160	8	0.27%			
Gaedeke Holdings II LTD	316,656,570	9	0.25%			
Teachers Insurance Fund	314,407,360	10	0.24%	210,988,170	9	0.28%
Crescent Real Estate Group				353,059,560	5	0.46%
PC Village Apts Dallas LP				289,505,120	7	0.38%
YPI Central Expy LP				262,680,830	8	0.35%
Hines 68 LP				194,518,650	10	0.26%
Total Ten Principal Taxpayers	\$ 5,120,525,579		3.99%	\$ 3,939,271,274		5.19%
Total Taxable Assessed Value	\$ 128,350,910,821			\$ 75,985,949,045		

Source: Dallas Central Appraisal District and Dallas ISD records

Dallas Independent School District

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Computation of Direct and Overlapping Debt (Unaudited)

Taxing Jurisdiction	Net Bonded Debt	Overlapping	
		Percent (1)	Amount
Addison, Town of	\$ 75,026,715	90.83%	\$ 68,146,765
Balch Springs, City of	8,235,869	27.85%	2,293,690
Carrollton, City of	188,370,668	8.57%	16,143,366
Cockrell Hill, City of	4,835,000	98.00%	4,738,300
Combine, City of	666,000	11.30%	75,258
Dallas County	145,630,000	45.62%	66,436,406
Dallas County CCD	135,375,000	45.62%	61,758,075
Dallas Co Hosp Dist	586,302,184	45.62%	267,471,056
Dallas County Schools	27,204,352	45.62%	12,410,625
Dallas, City of	1,897,955,416	70.14%	1,331,225,929
DeSoto, City of	49,851,908	22.41%	11,171,813
Duncanville, City of	19,282,728	0.21%	40,494
Farmers Branch, City of	51,154,325	35.73%	18,277,440
Garland, City of	209,471,870	1.23%	2,576,504
Grand Prairie, City of	279,104,969	**	-
Hutchins, City of	8,269,831	82.01%	6,782,088
Irving, City of	222,860,155	100.00%	222,860,155
Lancaster, City of	58,128,923	4.24%	2,464,666
Mesquite, City of	173,681,067	2.18%	3,786,247
Seagoville, City of	7,294,309	82.68%	6,030,935
Wilmer, City of	6,946,000	100.00%	6,946,000
Total Estimated Overlapping Debt			<u>2,111,635,812</u>
Dallas ISD Premium on Bonds			155,157,792
Dallas ISD Direct Debt			<u>2,697,449,417</u>
Total Direct and Overlapping Bonded Debt			<u><u>\$ 4,964,243,021</u></u>

**Less than 0.01%

Source: Texas Municipal Reports (TMR)

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The overlapping percentage represents an estimate of the overlapping geographic area between the District and the respective governments listed above. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses within the boundaries of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Dallas 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 Ended June 30:	Estimated Population*	Taxable Assessed Value	Gross Bonded Debt Outstanding at Year End	Bond Premium Amortization	Amounts Available for Retirement of Bonds	Net General Bonded Debt Outstanding at Year End
2020	1,377,641	128,350,910,821	2,697,449,417	155,157,792	154,294,866	143,340,000
2019	1,356,896	119,329,737,566	2,690,275,000	144,419,510	138,763,223	143,340,000
2018	1,281,031	108,482,803,909	2,830,495,000	164,355,890	124,926,486	218,340,000
2017	1,283,763	100,935,505,829	2,939,100,000	192,207,755	112,323,141	218,340,000
2016	1,281,031	92,439,839,696	3,057,490,000	221,917,322	134,439,298	219,460,000
2015	1,257,676	85,633,556,319	2,604,313,196	90,063,196	135,296,606	151,340,000
2014	1,241,162	80,040,860,095	2,573,747,354	115,233,953	112,388,437	152,972,000
2013	1,223,378	76,274,060,956	2,492,731,000	130,915,785	117,974,957	11,346,000
2012	1,207,420	73,841,652,813	2,567,329,111	90,909,530	112,510,850	14,574,000
2011	1,200,530	75,985,949,045	2,626,924,745	77,385,786	112,010,068	17,665,000

Sources: Dallas ISD Records

*Dallas Economic Development Profile 2019

St. Louis Federal Reserve

Dallas Independent School District

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Net Bonded Debt Outstanding at Year End	Ratio Net Bonded Debt to Taxable Assessed Valuation	Ratio Net General Bonded Debt to Taxable Assessed Valuation	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita	Per Capita Personal Income	Total Personal Income To Outstanding Debt at Year End	Net Bonded Debt To Personal Income
2,542,996,493	1.98%	0.11%	1,846	93,167	32,804	6,925	5.63%
2,551,511,777	2.14%	0.12%	1,880	87,943	31,007	6,547	6.06%
2,705,568,514	2.49%	0.20%	2,112	84,684	28,771	5,855	7.34%
2,826,776,859	2.80%	0.22%	2,202	78,625	28,584	5,368	7.70%
2,923,050,702	3.16%	0.24%	2,282	72,161	28,771	4,932	7.93%
2,469,016,590	2.88%	0.18%	1,963	68,089	28,522	5,706	6.88%
2,461,358,917	3.08%	0.19%	1,983	64,489	26,032	5,498	7.62%
2,374,756,043	3.11%	0.01%	1,941	62,347	25,757	5,663	7.54%
2,454,818,261	3.32%	0.02%	2,033	61,157	25,449	5,426	7.99%
2,514,914,677	3.31%	0.02%	2,095	63,294	25,024	5,039	8.37%

Dallas Independent School District

Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
Debt Limit - 10% of Assessed Valuation	\$ 12,835,091,082	\$ 11,932,973,757	\$ 10,848,280,391	\$ 10,093,550,583
Amount of Debt Applicable to Debt Limit:				
Gross Bonded Debt	2,697,449,417	2,690,275,000	2,830,495,000	2,939,100,000
Less - Fund Balance of Debt Service Fund	154,294,866	138,763,223	124,926,486	112,323,141
Total Net Debt Applicable to Debt Limit	<u>2,543,154,551</u>	<u>2,551,511,777</u>	<u>2,705,568,514</u>	<u>2,826,776,859</u>
Legal Debt Margin:	<u>\$ 10,291,936,531</u>	<u>\$ 9,381,461,980</u>	<u>\$ 8,142,711,877</u>	<u>\$ 7,266,773,724</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.81%	21.38%	24.94%	28.01%

Source: Dallas ISD Records

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
\$ 9,243,983,970	\$ 8,563,355,632	\$ 8,004,086,010	\$ 7,627,406,096	\$ 7,466,106,995	\$ 7,598,594,905
3,057,490,000	2,604,313,196	2,573,747,354	2,492,731,000	2,567,329,111	2,626,924,745
134,439,298	135,296,606	115,233,953	130,915,785	112,510,850	112,010,068
2,923,050,702	2,469,016,590	2,458,513,401	2,361,815,215	2,454,818,261	2,514,914,677
<u>\$ 6,320,933,268</u>	<u>\$ 6,094,339,042</u>	<u>\$ 5,545,572,609</u>	<u>\$ 5,265,590,881</u>	<u>\$ 5,011,288,734</u>	<u>\$ 5,083,680,228</u>
31.62%	28.83%	30.72%	30.96%	32.88%	33.10%

Dallas Independent School District

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Ratio of Annual Debt Service Expenditures For General Bonded Debt to Total Expenditures Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Principal	Interest and Other Charges	Total Bonded Debt Expenditures	Total Expenditures	Ratio of Total Bonded Debt Expenditures To Total Expenditures
2020	155,595,000	133,001,487	288,596,487	2,426,424,880	11.89%
2019	133,245,000	135,045,444	268,290,444	2,261,535,492	11.86%
2018	108,605,000	137,374,241	245,979,241	2,099,416,398	11.72%
2017	121,675,000	139,573,729	261,248,729	2,086,728,008	12.52%
2016	97,110,000	121,108,202	218,218,202	2,071,023,172	10.54%
2015	48,430,000	129,690,635	178,120,635	1,867,012,638	9.54%
2014	60,610,000	132,223,879	192,833,879	1,695,382,557	11.37%
2013	50,625,000	134,326,218	184,951,218	1,835,799,315	10.07%
2012	49,515,000	152,570,482	202,085,482	1,979,134,031	10.21%
2011	35,445,000	85,720,357	121,165,357	2,109,268,254	5.74%

Source: Dallas ISD Records

Dallas Independent School District

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Per Student Calculations (General Fund Only) Based on Revenues and Expenditures Last Five Fiscal Years (Unaudited)

	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Beginning Fund Equity	\$ 712,993,216	\$ 372,532,882	\$ 260,153,460	\$ 382,600,085	\$ 357,531,017
Revenues:					
From Ad Valorem Taxes	1,325,416,228	1,337,246,266	1,095,855,141	1,014,472,938	917,799,922
% of Total Revenue	82.78%	78.76%	75.62%	71.45%	64.45%
From State and Federal Funds	247,234,679	331,551,280	317,222,956	385,082,839	475,016,940
% of Total Revenue	15.44%	19.53%	21.89%	27.12%	33.35%
From Other Local Sources	28,409,394	29,004,569	36,120,172	20,202,846	31,323,388
% of Total Revenue	1.77%	1.71%	2.49%	1.42%	2.20%
Total Revenues	<u>1,601,060,301</u>	<u>1,697,802,115</u>	<u>1,449,198,269</u>	<u>1,419,758,623</u>	<u>1,424,140,250</u>
Total Expenditures	1,444,603,443	1,426,000,782	1,380,489,339	1,443,558,058	1,443,363,207
Total Other Financing Sources	2,923,617	68,659,001	43,670,492	(98,647,190)	44,292,025
Total Extraordinary Items	<u>(2,973,657)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Equity	<u><u>\$ 869,400,034</u></u>	<u><u>\$ 712,993,216</u></u>	<u><u>\$ 372,532,882</u></u>	<u><u>\$ 260,153,460</u></u>	<u><u>\$ 382,600,085</u></u>

Per Student Calculations:

Assessed Value Per Student	\$ 924,166	\$ 850,557	\$ 752,543	\$ 634,366	\$ 587,763
Ad Valorem Tax Revenue Per Student	\$ 9,543	\$ 9,532	\$ 7,602	\$ 6,962	\$ 6,300
State and Federal Funds Per Student	1,780	2,363	2,201	2,643	3,260
Other Local Sources Per Student	205	207	251	139	215
Total Revenue Per Student	<u>\$ 11,528</u>	<u>\$ 12,102</u>	<u>\$ 10,054</u>	<u>\$ 9,744</u>	<u>\$ 9,775</u>
Total Expenditures Per Student	\$ 10,402	\$ 10,164	\$ 9,576	\$ 9,906	\$ 9,907
Average Daily Attendance	138,883	140,296	144,155	145,720	145,694

Source: Dallas ISD Records

Dallas Independent School District

Demographic Data and Economic Statistics Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30: Year	Estimated Population (1)	Enrollment (2)	Average Daily Attendance (2)
2020	1,377,641	153,861	138,883
2019	1,356,896	155,119	140,296
2018	1,281,031	156,832	144,155
2017	1,283,763	157,886	145,720
2016	1,281,031	158,604	145,694
2015	1,257,676	160,253	147,660
2014	1,241,162	159,713	146,976
2013	1,223,378	158,932	146,205
2012	1,207,420	157,575	144,935
2011	1,200,530	157,162	141,900

(1) Information was obtained from the U.S. Census Bureau.

(2) Information was obtained from Dallas ISD records.

District Employees (2)	Median Household Income (1)	Per Capita Personal Income (1)	Unemployment Rate (1)
22,674	50,100	32,804	3.7%
22,222	48,628	31,007	3.3%
21,262	43,003	28,771	3.3%
20,757	44,016	28,584	3.7%
21,714	43,003	28,771	3.8%
21,715	41,978	28,522	4.0%
20,793	58,190	26,032	5.0%
19,838	40,585	25,757	7.3%
18,470	43,640	25,449	7.9%
20,194	42,911	25,024	8.7%

Dallas Independent School District

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North Texas Principal Employers Current Year and Nine Years Ago (Unaudited)

Principal Employers	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-mart Stores, Inc.	34,000	1	0.86%			
American Airlines Group, Inc.	33,000	2	0.83%			
Baylor Scott & White Health	23,865	3	0.60%	7,847	6	0.72%
Texas Health Resources	23,466	4	0.59%			
Dallas Independent School District	22,674	5	0.57%	18,868	1	0.81%
Lockheed Martin Aeronautics Co.	22,200	6	0.56%			
University of Texas Southwestern Medical Center	17,000	7	0.43%	13,053	2	
The Kroger Co.	15,397	8	0.39%			
AT&T Inc.	15,000	9	0.38%			
Medical City Healthcare	14,500	10	0.37%			
City of Dallas				12,219	3	0.51%
Texas Instruments Incorporated				10,025	4	0.56%
Parkland Health and Hospital System				9,500	5	0.49%
Dallas County Personnel/Civil Service				7,427	7	0.49%
Dallas County Community College District				6,001	8	
Presbyterian Hospital of Dallas				5,917	9	0.49%
Children's Medical Center Dallas				5,605	10	0.49%
Total	221,102		5.58%	96,462		4.56%

Estimated Total Employed Workforce in 2020

4.0 million

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial Records, Dallas City Hall, North Texas Commission, Dallas ISD Records as of February 26, 2020

Dallas Independent School District

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Expenditures, Enrollment and Per Student Costs Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	Expenditures (1)	Enrollment (2)	Per Student Costs	General Fund Expenditures	General Fund Per Student Costs	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2020	\$ 1,729,708,819	153,861	11,242	\$ 1,444,603,443	9,389	14.75	87%
2019	1,682,827,169	155,119	10,849	1,426,000,782	9,193	14.98	86%
2018	1,646,121,341	156,832	10,496	1,380,489,339	8,802	14.87	87%
2017	1,704,969,209	157,886	10,799	1,443,558,058	9,143	15.01	88%
2016	1,714,566,319	158,604	10,810	1,443,363,206	9,100	14.29	88%
2015	1,593,910,048	160,253	9,946	1,300,116,660	8,113	14.43	86%
2014	1,421,678,331	159,713	8,901	1,170,463,469	7,329	15.40	89%
2013	1,372,716,096	158,932	8,637	1,121,631,784	7,057	15.72	89%
2012	1,402,536,905	157,575	8,901	1,134,703,136	7,201	15.68	88%
2011	1,553,446,290	157,162	9,884	1,177,896,503	7,495	14.47	87%

(1) General fund and non-major governmental funds expenditures

(2) Data obtained from PEIMS

Source: Dallas ISD Records

**Teacher Salary
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Beginning Teacher Salary	Average Teacher Salary	Number of Teachers
2020	54,000	60,000	10,428
2019	52,000	57,630	10,353
2018	51,000	56,072	10,549
2017	50,000	56,072	10,518
2016	47,382	54,903	11,099
2015	47,382	53,135	11,103
2014	46,002	52,254	10,372
2013	45,100	51,485	10,112
2012	45,100	52,028	9,494
2011	45,350	53,940	10,864

Source: Dallas ISD Records

Dallas Independent School District

Dallas Independent School District

Full Time Equivalents by Function Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
FTE				
Instruction	12,787.2	12,598.0	12,771.3	12,976.1
Instructional Resources and Media Services	216.0	251.5	263.0	322.0
Curriculum and Staff Development	615.3	586.6	569.2	543.0
Instructional Leadership	477.7	419.2	407.6	369.5
School leadership	1,457.0	1,419.5	1,417.5	1,436.0
Guidance, Counseling, and Evaluation Services	776.8	479.1	741.3	752.3
Social Work Services	41.5	4.1	39.0	43.0
Health Services	311.1	308.1	306.1	328.3
Student Transportation	1,243.0	1,225.5	17.0	3.0
Food Services	1,801.0	1,843.0	1,790.0	1,785.0
Co-Curricular/Extra-Curricular Activities	68.0	70.1	71.1	72.1
General Administration	435.5	424.2	414.9	447.4
Plant Maintenance and Operations	1,559.5	1,526.5	1,577.3	1,538.1
Security and Monitoring Services	392.0	390.0	422.2	408.0
Data Processing Services	220.5	212.0	217.5	237.6
Community Services	191.5	174.8	190.9	184.6
Facilities Acquisition & Construction	50.5	48.5	43.5	41.5
Total FTE	22,644.1	21,980.7	21,259.4	21,487.5

Source: Dallas ISD Records as of June 30, 2020

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
13,129.0	13,168.7	12,688.1	12,476.3	11,035.9	12,174.3
320.0	320.5	316.0	316.0	315.5	336.0
608.4	624.2	567.8	362.1	343.0	352.6
339.2	321.3	291.7	245.9	232.0	322.9
1,460.0	1,428.0	1,368.0	1,329.5	1,314.9	1,361.4
774.1	757.0	666.6	656.9	669.9	745.9
45.0	48.0	43.0	38.0	39.0	44.5
315.6	314.0	304.0	294.9	302.9	299.7
3.0	3.0	3.0	3.0	9.0	9.0
1,783.0	1,771.0	1,770.0	1,461.0	1,461.0	1,439.0
72.0	73.0	71.4	45.4	39.0	39.0
457.9	457.2	373.6	300.3	302.3	400.7
1,541.7	1,545.5	1,547.1	1,535.0	1,656.6	1,815.5
407.0	400.0	391.0	403.0	392.0	432.0
226.5	210.5	223.6	221.6	219.1	261.7
186.8	189.1	147.6	128.6	117.2	141.4
26.0	21.0	20.5	20.5	20.9	18.6
21,695.2	21,652.0	20,793.0	19,838.0	18,470.1	20,194.1

Dallas Independent School District

General Operating Expenditures by Program Intent Code (PIC) Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended June 30:	2020	2019	2018	2017
PIC				
11 Basic Education Services	\$ 493,700,230	\$ 548,113,538	\$ 557,820,129	\$ 558,146,624
21 Gifted and Talented	10,043,338	9,249,264	6,620,726	7,245,967
22 Career and Technology	31,235,789	25,248,122	27,073,688	29,909,327
23 Special Education	121,435,208	109,861,721	108,453,937	116,644,342
24 Accelerated Education	18,132,649	11,668,228	11,708,860	10,318,273
25 Bilingual Education	11,031,052	18,880,836	19,996,800	19,762,792
26 AEP Services	719,604	1,585,799	1,955,490	3,364,526
28 DAEP Basic	3,004,607	2,799,797	3,571,120	3,688,059
29 DAEP Supplemental	3,649	17,465	13,141	80
30 Title I Part A	53,956,832	35,649,092	40,263,182	40,906,044
31 High School Allotment	12,633,153	13,791,872	14,361,020	13,620,305
32 Pre-Kindergarten Regular Education	6,246,893	9,398,130	7,781,747	6,716,867
33 PK Special Education	794	-	-	-
34 PK Comp Education	23,529,382	34,552,720	32,521,092	29,162,908
35 PK Bilingual Education	13,964,229	13,242,772	12,440,902	10,637,638
36 Early Education Allotment	34,510,070	-	-	-
37 Dyslexia	10,647,003	-	-	-
38 College, Career, and Military Readiness	3,931,360	-	-	-
91 Athletics and Related	18,180,634	18,699,047	18,971,028	20,276,170
99 Undistributed	577,696,967	573,242,379	516,936,476	573,158,136
Total	\$ 1,444,603,443	\$ 1,426,000,782	\$ 1,380,489,338	\$ 1,443,558,058

Source: Dallas ISD Records

Dallas Independent School District

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2016	2015	2014	2013	2012	2011
\$ 552,343,411	\$ 507,152,802	\$ 474,927,651	\$ 466,713,547	\$ 475,117,717	\$ 474,813,369
10,503,846	9,668,344	8,940,356	9,534,610	10,236,525	13,835,271
28,955,755	25,098,566	24,693,065	23,442,817	24,939,809	23,478,532
115,118,770	100,677,065	89,554,017	76,488,103	77,907,703	77,874,757
10,145,059	5,275,144	4,044,321	3,903,140	7,335,276	6,118,923
30,904,073	28,095,535	23,388,823	15,464,944	16,192,928	21,058,126
3,374,453	2,674,268	2,488,846	2,243,646	2,628,247	5,410,241
3,428,375	3,395,527	3,249,212	2,796,025	4,685,662	6,019,248
13,095	1,059	9,247	9,570	2,379	-
49,123,522	53,237,260	49,324,415	45,442,486	48,641,916	63,955,875
18,347,667	18,076,718	14,770,151	9,633,184	10,046,397	9,404,846
6,446,065	5,130,282	7,369,459	31,822,829	25,785,069	-
-	-	2	-	-	-
27,750,176	25,638,961	21,236,766	-	-	-
9,590,777	8,223,025	6,301,771	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,322,180	15,625,414	14,768,601	12,796,532	12,252,095	11,301,633
559,995,982	492,146,690	425,396,766	421,340,351	418,931,413	464,625,682
<u>\$ 1,443,363,206</u>	<u>\$ 1,300,116,660</u>	<u>\$ 1,170,463,469</u>	<u>\$ 1,121,631,784</u>	<u>\$ 1,134,703,136</u>	<u>\$ 1,177,896,503</u>

Dallas Independent School District

Dallas ISD Student/Teacher Ratio Ten Year Comparison (Unaudited)

Campus Level	2019-2020			2018-2019			2017-2018			2016-2017			2015-2016		
	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio
High	42,024	2,395.5	17.5	41,632	2,367.5	17.6	40,132	2,354.5	17.0	39,597	2,335.5	17.0	39,386	2,366.3	16.6
Middle	33,791	2,015.4	16.8	29,136	1,705.7	17.1	31,681	2,018.1	15.7	31,427	1,903.1	16.5	31,535	1,874.0	16.8
Elementary	78,046	4,706.8	16.6	84,351	5,080.7	16.6	85,019	5,084.3	16.7	86,862	5,438.7	16.0	87,683	5,674.1	15.5
District	153,861	9,117.7	16.9	155,119	9,153.9	16.9	156,832	9,456.9	16.6	157,886	9,677.3	16.3	158,604	9,914.4	16.0

Note: Does not include Special Education Teachers

*Data includes all Funds.

Dallas Independent School District

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2014-2015			2013-2014			2012-2013			2011-2012			2010-2011		
Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio
38,791	2,151.7	18.0	37,914	2,003.3	18.9	38,372	2,041.6	18.8	38,018	2,102.7	18.1	37,972	2,341.3	16.2
32,374	1,846.0	17.5	32,595	1,641.9	19.9	32,067	1,722.8	18.6	31,479	1,616.1	19.5	31,136	1,802.2	17.3
89,088	5,511.1	16.2	89,204	5,087.1	17.5	88,493	5,108.8	17.3	88,078	5,492.6	16.0	88,054	5,431.8	16.2
160,253	9,508.8	16.9	159,713	8,732.3	18.3	158,932	8,873.2	17.9	157,575	9,211.3	17.1	157,162	9,575.2	16.4

Dallas Independent School District

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Dallas ISD Enrollment Trend Last Ten Fiscal Years (Unaudited)

	Total Enrollment	Change	% Change	FTE's	Change	% Change
2019-2020	153,861	(1,258)	-0.81%	9,118	(36)	-0.40%
2018-2019	155,119	(1,713)	-1.09%	9,154	(303)	-3.20%
2017-2018	156,832	(1,054)	-0.67%	9,457	(220)	-2.28%
2016-2017	157,886	(718)	-0.45%	9,677	(237)	-2.39%
2015-2016	158,604	(1,649)	-1.03%	9,914	406	4.27%
2014-2015	160,253	540	0.34%	9,509	777	8.89%
2013-2014	159,713	781	0.49%	8,732	(141)	-1.59%
2012-2013	158,932	1,357	0.86%	8,873	(338)	-3.67%
2011-2012	157,575	413	0.26%	9,211	(364)	-3.80%
2010-2011	157,162	51	0.03%	9,575	79	0.83%

Source: PEIMS Data

Dallas Independent School District

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School Building Information (Unaudited)

Form of Government: Independent School District

Geographic Area: 384 square miles

<u>Instruction Sites:</u>	<u>Number</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
High Schools	40	6,441,082	583.94
Middle Schools	36	5,134,145	637.69
Elementary Schools	153	10,994,672	1,334.85
Administration Facilities	24	1,671,338	213.49
Athletics & Pool Facilities	12	573,989	233.41
Totals	<u>265</u>	<u>24,815,226</u>	<u>3,003.38</u>

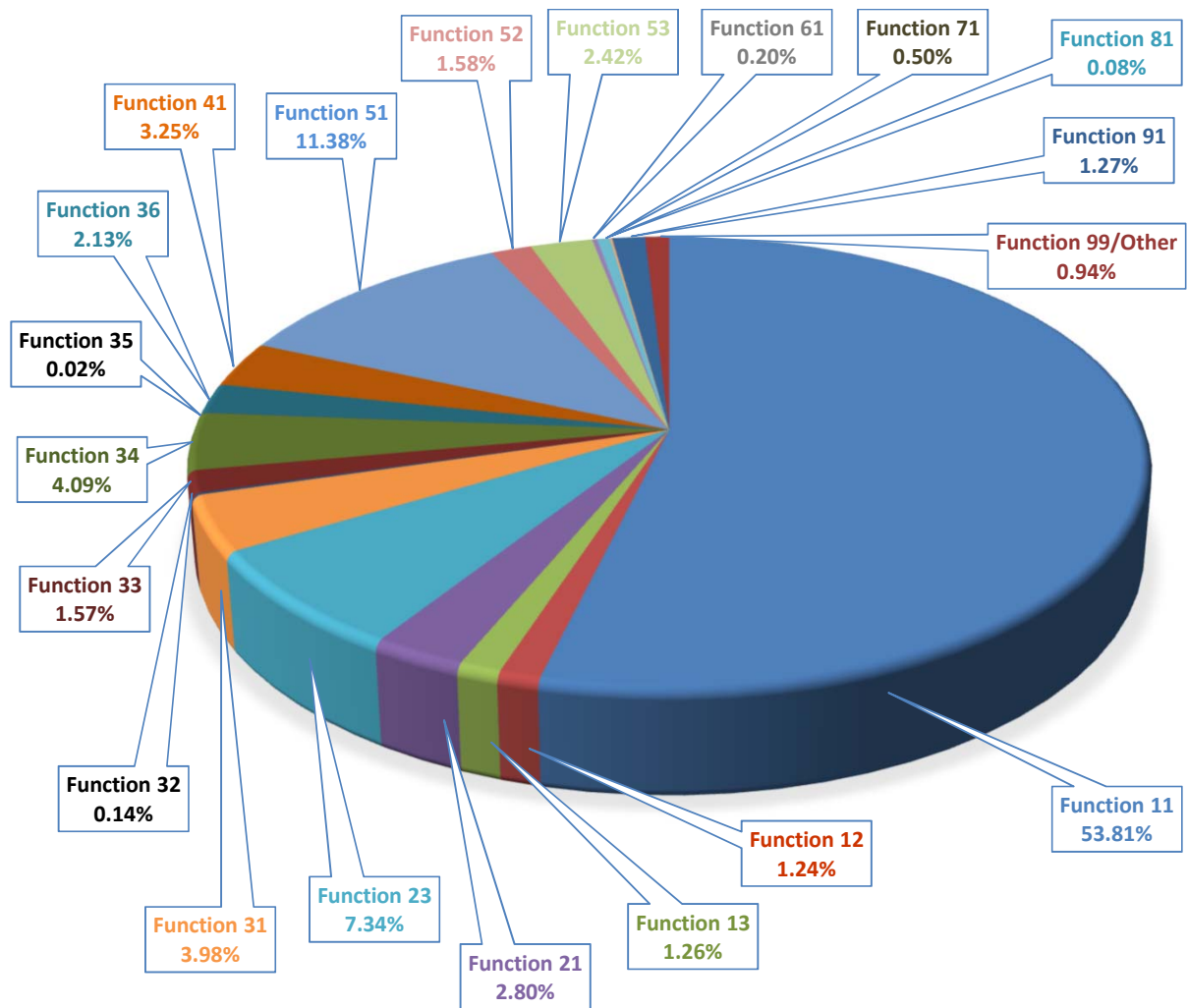
Source: Dallas ISD Records

Dallas Independent School District

General Operating Expenditures (Unaudited)

Function	Name	Amount by Group	Amount by Group	Function Percent of Total	Group Percent of Total
11	Instruction	\$ 781,441,168		53.81%	
12	Instructional Resources and Media Services	18,060,294		1.24%	
13	Curriculum and Instructional Staff Development	18,341,280		1.26%	
	Instruction and Instructional Related		\$ 817,842,742		56.31%
21	Instructional Leadership	40,614,012		2.80%	
23	School Leadership	106,572,663		7.34%	
	Instructional and School Leadership		147,186,675		10.14%
31	Guidance, Counseling and Evaluation Services	57,717,853		3.98%	
32	Social Work Services	2,091,359		0.14%	
33	Health Services	22,843,395		1.57%	
34	Student (Pupil) Transportation	59,411,999		4.09%	
35	Food Services	239,282		0.02%	
36	Cocurricular/Extracurricular Activities	30,942,455		2.13%	
	Student Support Services		173,246,343		11.93%
41	General Administration	47,184,803		3.25%	
	Administrative Support Services		47,184,803		3.25%
51	Facilities Maintenance and Operations	165,276,000		11.38%	
52	Security and Monitoring Services	22,989,332		1.58%	
53	Data Processing Services	35,164,199		2.42%	
	Support Services		223,429,531		15.38%
61	Community Services	2,842,578		0.20%	
	Ancillary Services		2,842,578		0.20%
71	Principal on Long Term Debt	7,239,437		0.50%	
	Debt		7,239,437		0.50%
81	Facilities Acquisition and Construction	1,219,778		0.08%	
	Capital Outlay		1,219,778		0.08%
91	WADA Purchase	18,509,704		1.27%	
95	Payments to Juvenile Justice Alternative Ed. Prg.	10,296		-	
99	Other Governmental Charges	5,891,556		0.41%	
00	Non-Operating Expense	7,676,165		0.53%	
	Intergovernmental Charges		32,087,721		2.21%
		<u>\$ 1,452,279,608</u>	<u>\$ 1,452,279,608</u>	<u>100.00%</u>	<u>100.00%</u>

General Operating Expenditures by Function
(Unaudited)



Instruction - 11

Instructional Resources and Media Services - 12

Curriculum and Instructional Staff Development - 13

Instructional Leadership - 21

School Leadership - 23

Guidance, Counseling and Evaluation Services - 31

Social Work Services - 32

Health Services - 33

Student (Pupil) Transportation - 34

Food Services - 35

Cocurricular/Extracurricular Activities - 36

General Administration - 41

Facilities Maintenance and Operations - 51

Security and Monitoring Services - 52

Data Processing Services - 53

Community Services - 61

Principal on Long Term Debt - 71

Facilities Acquisition and Construction - 81

WADA Purchase - 91

Payments to Juvenile Justice Alternative Ed. Prg. - 95

Other Governmental Charges - 99

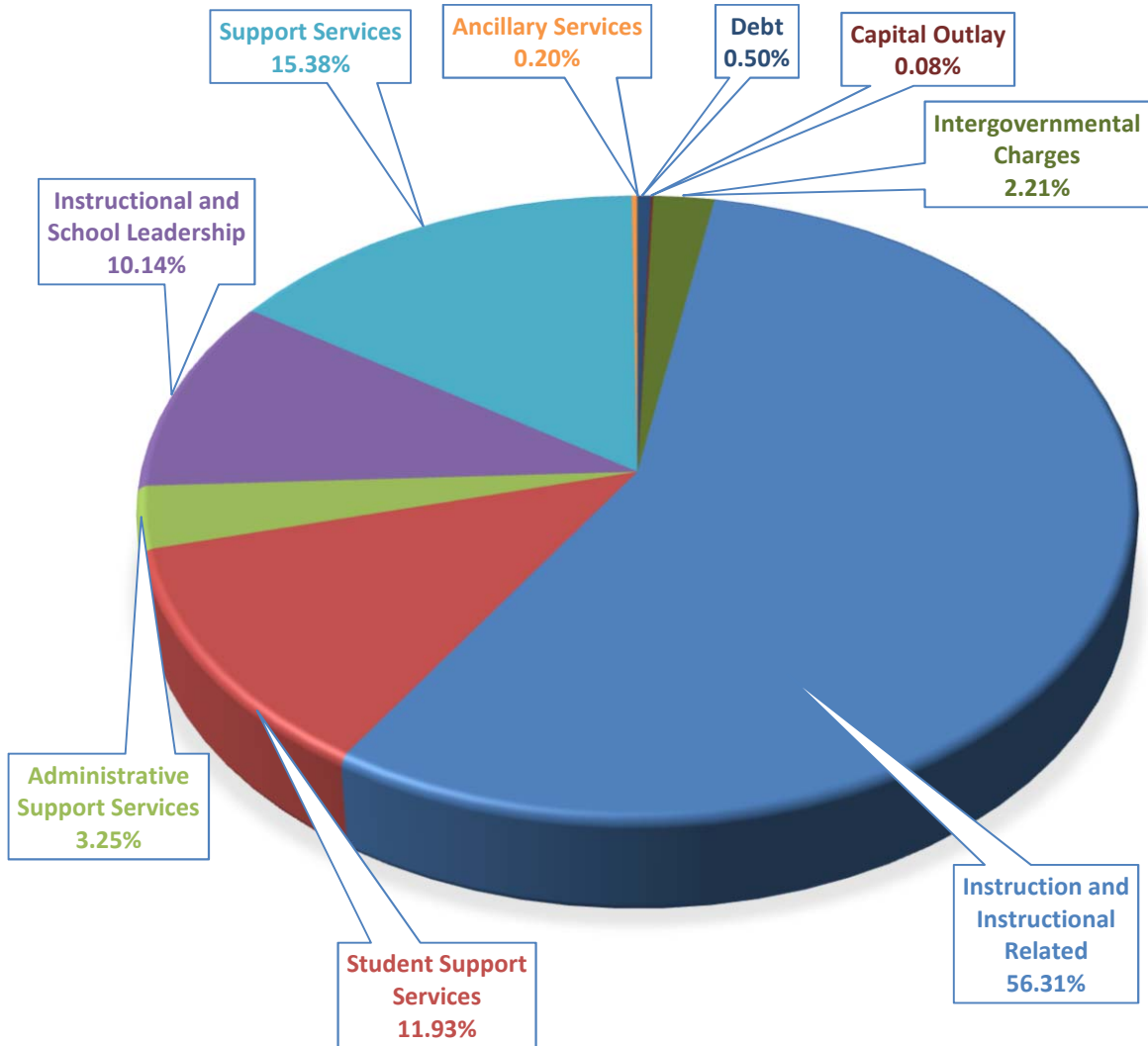
Dallas Independent School District

S-25 (cont'd)

General Operating Expenditures by Group (Unaudited)

Functional Analysis

Instruction and Instructional Related	56.31%
Student Support Services	11.93%
Administrative Support Services	3.25%
Instructional and School Leadership	10.14%
Support Services	15.38%
Ancillary Services	0.20%
Debt	0.50%
Capital Outlay	0.08%
Intergovernmental Charges	2.21%
	<u>100.00%</u>



Dallas Independent School District

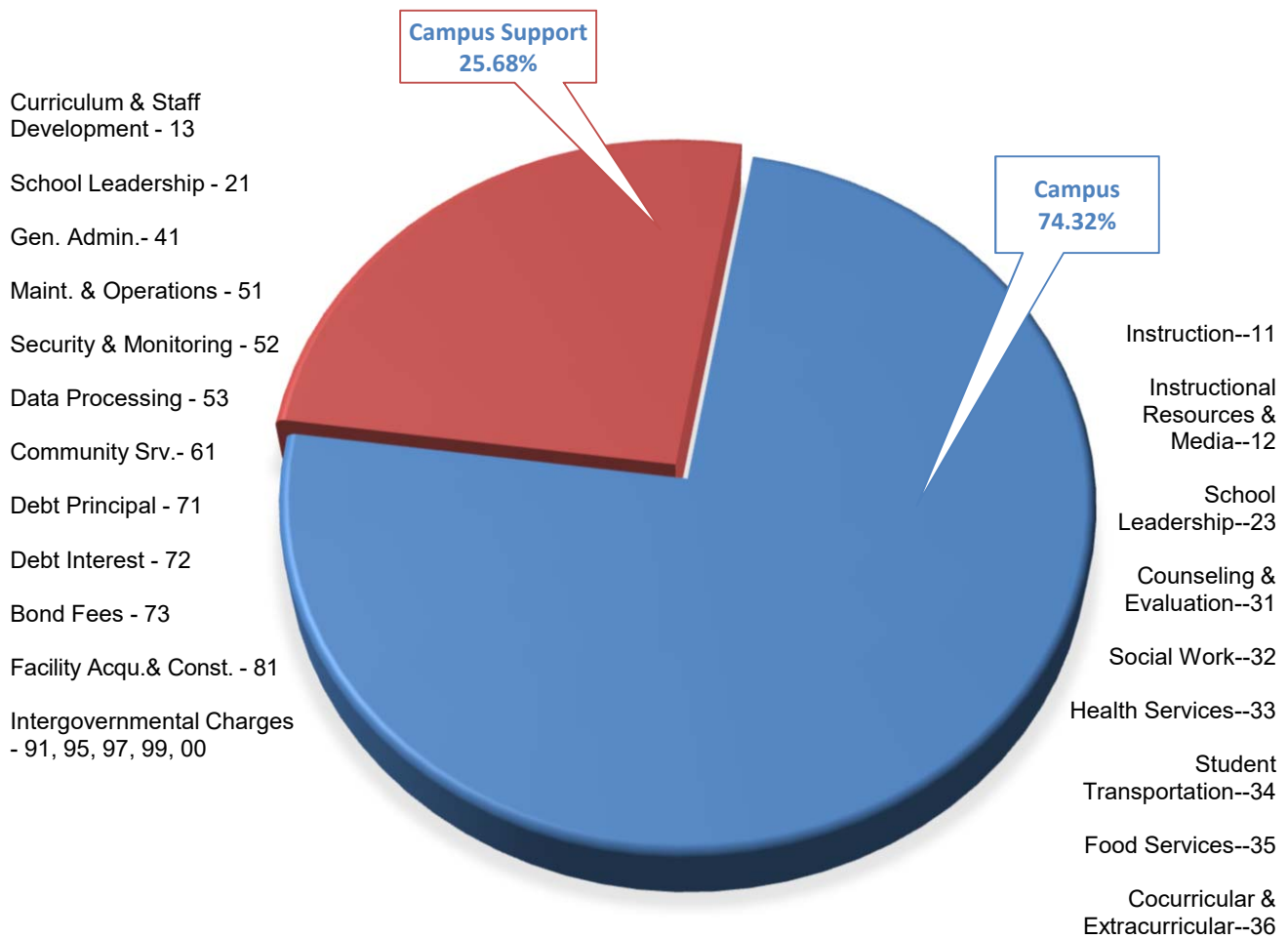
S-25 (cont'd)

General Operating Expenditures Campus and Non-Campus (Unaudited)

Function 11	53.81%
Function 12	1.24%
Function 23	7.34%
Function 31	3.98%
Function 32	0.14%
Function 33	1.57%
Function 34	4.09%
Function 35	0.02%
Function 36	2.13%
	<u>74.32%</u>

Function 13	1.26%
Function 21	2.80%
Function 41	3.25%
Function 51	11.38%
Function 52	1.58%
Function 53	2.42%
Function 61	0.20%
Function 71	0.50%
Function 81	0.08%
Function 99/Other	2.21%
	<u>25.68%</u>

Campus	74.32%
Campus Support	25.68%
	<u>100.00%</u>



Dallas Independent School District

**Independent Auditor's 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***

Board of Trustees
Dallas Independent School District
Dallas, 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 Dallas Independent School District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2020.

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) as a basis for designing 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 entity'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 financial statements. 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.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 / Dallas, Texas 75201
Main: 972.490.1970

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Board of Trustees
Dallas Independent School District

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2020

**Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

Board of Trustees
Dallas Independent School District
Dallas, Texas

Report on Compliance for Each Major Federal Program

We have audited Dallas Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 / Dallas, Texas 75201
Main: 972.490.1970

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Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
November 6, 2020

Dallas Independent School District

**Dallas Independent School District
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			
Passed Through University of North Texas			
Texas HIPPY - AmeriCorps	94.006	18ACHTX0010003	\$ 24,864
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			24,864
U.S. DEPARTMENT OF DEFENSE			
Direct Program			
JROTC	12.357	N/A	2,361,113
TOTAL U.S. DEPARTMENT OF DEFENSE			2,361,113
U.S. DEPARTMENT OF LABOR			
Passed Through Texas Education Agency			
P-TECH and ICIA Success Grant	17.258	183925027110002,3,4,5	215,864
TOTAL U.S. DEPARTMENT OF LABOR			215,864
U.S. DEPARTMENT OF EDUCATION			
Direct Programs			
Title VII - Indian Educational Formula Grant	84.060A	S060A180194	302
Title VII - Indian Educational Formula Grant	84.060A	S060A190194	143,766
Total Direct Programs			144,068
Passed Through Southern Methodist University			
Research Partnership to Improve the Quality of Pre-K Classroom Practices	84.305H	G001731-75001	10,215
Total Passed through Southern Methodist University			10,215
Passed Through Spurwink Services, Inc.			
i3-Spurwink BARR Grant	84.411B	U411A160001	796
Total Passed through Spurwink Services, Inc.			796
Passed Through Texas Education Agency			
ESSA, School Redesign	84.010A	18610101057905	5,532
ESSA, Title I, Part A, Part D	84.010A	19610101057905	2,049,367
ESSA, Title I, Part A, School Transformation Fund Planning Cluster	84.010A	20610101057905	72,979,757
Total Title I, Part A, Part D, SIP School Redesign and Transformation Fund Planning Cluster			75,034,656
IDEA - Part B Formula	84.027A	186600010579056600	1,609,230
IDEA - Part B Formula	84.027A	196600010579056600	(778,504)
IDEA - Part B Formula	84.027A	206600010579056600	27,922,052
SSA - IDEA - Part B Discretionary - Deaf	84.027A	196600110579056673	6,674
SSA - IDEA - Part B Discretionary - Deaf	84.027A	206600110579056673	770,702
IDEA - Disc. (Deaf)	84.027A	206600110579056600	323,112
Total CFDA Number 84.027A			29,853,266
IDEA - Part B Preschool	84.173A	186610010579056610	(1,041)
IDEA - Part B Preschool	84.173A	196610010579056610	26,691
IDEA - Part B Preschool	84.173A	206610010579056610	415,724
Total CFDA Number 84.173A			441,374
IDEA C - Early Intervention (Deaf)	84.181A	203911010579053911	246
Total CFDA Number 84.181A			246
Total Special Education Cluster (IDEA)			30,294,886
Career and Technical - Basic Grant (Perkins IV)	84.048A	19420006057905	196,798
Career and Technical - Basic Grant (Perkins IV)	84.048A	20420006057905	1,732,735
Total CFDA Number 84.048A			1,929,533
Title III, Part A - English Language Acquisition	84.365A	19671001057905	259,582
Title III, Part A - English Language Acquisition	84.365A	20671001057905	5,377,926
Title III, Part A - Immigrant	84.365A	19671003057905	11,650
Title III, Part A - Immigrant	84.365A	20671003057905	1,002,787
Total CFDA Number 84.365A			6,651,945

ESSA, Title II, Part A, Improving Teacher Quality	84.367A	19694501057905	118,678
ESSA, Title II, Part A, Improving Teacher Quality	84.367A	20694501057905	7,706,235
Principal Preparation Grant, Cycle II	84.367A	196945677110003	537,052
Total CFDA Number 84.367A			<u>8,361,965</u>
Title IV, Part A - Subpart 1	84.424A	19680101057905	552,241
Title IV, Part A - Subpart 1	84.424A	20680101057905	5,859,578
Total CFDA Number 84.424A			<u>6,411,819</u>
Texas Education for Homeless Children and Youth	84.196A	194600057110020	25,945
Texas Education for Homeless Children and Youth	84.196A	204600057110020	182,113
Total CFDA Number 84.196A			<u>208,058</u>
Summer School LEP	84.369A	69551902	17,655
School Transformation Fund-Implementation	84.377A	176107337110006	175,615
ESSER Grant	84.425D	20521001057905	61,069,129
Texas Hurricane Homeless Youth	84.938B	19513701057905	5,215
Total Passed through Texas Education Agency			<u>190,160,476</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>190,315,555</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00269	1,067,731
HIPPY - Texas Home Visiting	93.870	24486013	68,940
HIPPY - Texas Home Visiting	93.870	24486013	219,078
Total CFDA Number 93.870			<u>288,018</u>
Total Passed through Health and Human Services Commission			<u>1,355,749</u>
Passed Through United States Conference of Catholic Bishops/Migration and Refugee Services			
Refugee School Impact Program	93.566	1702TXRSOC	36,178
Refugee School Impact Program	93.566	2002TXRSOC	37,010
Total Passed through United States Conference of Catholic Bishops/Migration and Refugee Services			<u>73,188</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,428,937</u>
U.S. DEPARTMENT OF AGRICULTURE			
Direct Programs			
Food and Service Equipment Grant	10.579	6TX300355	44,354
Total Direct Programs			<u>44,354</u>
Passed Through Texas Department of Agriculture			
School Breakfast Program	10.553	806780706	20,866,387
National School Lunch Program	10.555	806780706	47,020,665
National School Lunch Program - Non-Cash Commodities	10.555	806780706	6,803,742
Summer Food Program - SSO	10.555	806780706	322,298
Summer Food Program - SSO COVID Meals	10.555	806780706	17,732,482
Total CFDA Number 10.555			<u>71,879,187</u>
Total Child Nutrition Cluster			<u>92,745,574</u>
Child and Adult Care Food Program	10.558	806780706	3,327,350
Child and Adult Care Food Program - COVID Meals	10.558	806780706	2,776,853
Total CFDA Number 10.558			<u>6,104,203</u>
Fresh Fruit and Vegetable Program	10.582	806780706	744,363
Fresh Fruit and Vegetable Program - COVID Program	10.582	806780706	231
Total CFDA Number 10.582			<u>744,594</u>
Total Passed through Texas Department of Agriculture			<u>99,594,371</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>99,638,725</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 293,985,058</u>

All amounts include indirect cost allocation.

DALLAS INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED June 30, 2020

1. The District utilizes the fund types specified in the Texas Education Agency Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards generally are accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the special revenue funds, which are governmental funds. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the governmental 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. Accordingly, when such funds are received, they are recorded as deferred revenues until earned. The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.

2. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with provisions in Section H: Period of Availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
3. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2020, may be impaired. The District has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.
4. The Schedule of Federal Awards includes funds received for Medicaid and JROTC recorded in general fund for \$2,596,971. The Schedule of Federal Awards also includes indirect costs in the amount of \$3,040,730.

The following table reconciles total expenditures per The Schedule of Expenditures of Federal Awards for federal program revenues in the Non-Major Governmental Funds and the ESSER Grant Emergency Relief Fund per Exhibit C-2:

Total federal programs revenue per Exhibit C-2	\$ 288,347,357
Indirect cost reimbursement	3,040,730
JROTC	2,361,113
Medicaid (Fund 180)	235,858
Total expenditures of federal awards	<u>\$ 293,985,058</u>

Dallas Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None reported
- c. Noncompliance material to financial statements noted. ☐ Yes ☒ No

Federal Awards

- d. Internal control over major federal programs:
- Material weakness(es) identified? ☐ Yes ☒ No
 - Significant deficiency(ies) identified that are not considered a material weakness? ☐ Yes ☒ None reported
- e. An unmodified opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a). ☐ Yes ☒ No
- g. Identification of major programs:
- | | |
|------------------------------|---------------------------|
| Special Education Cluster | 84.027A, 84.173A, 84.181A |
| Title IV, Part A – Subpart 1 | 84.424A |
| ESSER Grant | 84.425D |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$3,000,000
- i. Auditee qualified as a low-risk auditee. ☒ Yes ☐ No

Dallas Independent School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

None

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 1.f Above

None

Dallas Independent School District

Summary of Prior Year Audit Findings

Year Ended June 30, 2020

IV. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with *Generally Accepted Government Auditing Standards*.

2019-001 - Significant Deficiency in Internal Controls – Recording Bond-Related Accounts Payables

Responsible Party – Tim Strucely, Construction Services

Corrective Action – In response to Finding 2019-001, the District provided training for all staff involved in the payment of invoices with emphasis of the matching of service dates on invoices to the period the invoice is being recorded. An additional layer of review was implemented whereby the Accounting Manager performs an additional review and approval of invoices before processing the invoices. In addition, look-ahead emails are sent, and/or meetings held with all departments (e.g. Technology, Transportation, etc.) that use Bond funds so as to identify invoices received outside the fiscal period in advance.

Status – Corrected

2019-002 - Significant Deficiency in Internal Controls – Reconciling Benefits Related Liabilities

Responsible Party – Robert Abel, Human Capital Management

Corrective Action – In response to Finding 2019-002, Human Capital Management (HCM) has hired an employee to reconcile the benefits accounts. HCM requested refunds for any benefits overpayments. HCM ensured the benefits liability accounts were reconciled monthly.

Status – Corrected

2019-003 - 84.010A – Title 1, Part A Department of Education, passed through the State Department of Education

Responsible Party – Ed Sorola, Maria Prez-Gatell, Richard Straggas, Finance

Corrective Action – In response to Finding 2019-003, for instance number 1, an Oracle report that identifies employees whose salary and benefits have not both been charged to the federal fund was created and then run monthly, and the District's books were adjusted to reflect that determination. For instance number 2, Finance ensured timekeeper training included the verification of supplemental pay that uses an activity code created by an office manager and approved by Principals, and Finance tracked timekeepers' completion of any training directly provided by a Finance trainer.

Status – Corrected