

**Dallas Independent School District  
Dallas, Texas**



**Comprehensive Annual Financial Report**

**For The Fiscal Year Ended  
August 31, 2002**

**Prepared by  
Finance and Accounting**

**Dr. Larry Groppel  
Deputy Superintendent, Business Services**

**Karen Wilson  
Associate Superintendent, Financial Services**

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**Dallas Independent School District  
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August 31, 2002**

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\* These schedules are Not Major Funds

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## 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 auditors' report of the above named school district was reviewed and approved ✓ disapproved \_\_\_\_\_ for the year ended August 31, 2002, at a meeting of the board of school trustees of such school district on the 19 day of December, 2002.

Peggy Smith  
Signature of Executive Director, Board Services

Ken Zarnes  
Signature of Board President

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# BOARD OF TRUSTEES

## 2002-03

Dallas  
Independent  
School  
District



**Kenneth Zornes**  
President  
District 1  
Northwest Dallas



**Rafael Anchia**  
1st Vice President  
District 7  
Central Oak Cliff,  
West Dallas



**Lew Blackburn**  
2nd Vice President  
District 5  
East Oak Cliff,  
West Dallas



**Ron Price**  
Secretary  
District 9  
South Dallas,  
Downtown



**Jack Lowe**  
District 2  
North and Near  
East Dallas



**Lois Parrott**  
District 3  
Northeast Dallas



**George Williams**  
District 4  
Southeast Dallas,  
Seagoville



**Hollis Brashear**  
District 6  
Southwest Dallas



**Joe May**  
District 8  
Love Field, Northwest  
Dallas and Central  
Dallas



**Mike Moses, Ed.D.**  
General Superintendent

The Dallas Independent School District does not discriminate on the basis of sex, disability, race, religion, color, age, gender, sexual orientation, and/or national origin in educational programs or activities that it operates, and it is required by Title IX, Section 504, and Title VII not to discriminate in such a manner. For information about rights or grievance procedures, contact Luis Tamez at (972) 925-4270. For information about Title VII and Title IX, contact Mary McCants at (972) 925-3259.

3700 Ross Avenue • Dallas, TX 75204-5491 •  
(972) 925-3700 • [www.dallasisd.org](http://www.dallasisd.org)

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**Dallas Independent School District  
Principal Officials  
For The Year Ended August 31, 2002**

Mike Moses.....	General Superintendent
Carol Francois .....	Chief of Staff
Hector Montenegro .....	Deputy Superintendent - Instructional Services
Jim Scales .....	Deputy Superintendent - Administrative Services
Mary Rodriquez Roberts .....	Deputy Superintendent - Human Resources and Security Services
Larry Groppe.....	Deputy Superintendent, Business Services
Karen Wilson .....	Associate Superintendent - Financial Services
Peggy Smith .....	Executive Director - Board Services
Wesley Owens.....	Special Assistant to the Superintendent - Internal Audit

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# Dallas Independent School District

November 26, 2002

Board of Trustees  
Dallas Independent School District  
3700 Ross Avenue  
Dallas Texas 75204-5491

Dear Board Members:

The Comprehensive Annual Financial Report of the Dallas Independent School District (the District) for the fiscal year ended August 31, 2002, is submitted herewith. The report, which includes an opinion from our independent auditors, provides valuable management information. Copies will be made available to the Chamber of Commerce, major taxpayers, the public libraries in our District, the Texas Education Agency, financial rating services, and other interested parties. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. This report includes all funds of the District.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (md&a), the basic financial statements, required supplemental information other than md&a, and combining and individual fund presentations and supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The District is required to undergo an annual single audit in conformity with the provisions of the 1996 amendments to the Single Audit Act and U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The results of this audit are provided in a separate audit report in this report. The information in all three sections will be provided to the Texas Education Agency.

The District is one of fifteen public school districts located in Dallas County, Texas. It provides a program of public education from pre-kindergarten through grade twelve. The purpose and responsibility of the District is to provide a thorough and efficient educational system for the children in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to the regular educational program, the District offers programs in areas such as vocational education, special education, talented and gifted education, bilingual education, compensatory education, and adult education.

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## Texas School Performance Review

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In 2001, the Texas Comptroller's office issued their report on a review of the Dallas Independent School District. The report included 193 recommendations with projected saving of \$69.9 million over a five-year period, while reinvesting more than \$16.1 million to improve educational services and other operations. The Texas Comptroller's office estimated net savings to reach more than \$53.8 million.

*Mike Moses • General Superintendent*

3700 Ross Avenue • Dallas, Texas 75204-5491 • Telephone (972) 925-3700

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The District's response was overwhelmingly positive with the implementation of more than 90% of the recommendations. The Texas Comptroller's office performed a follow-up visit in September 2002. Their comments concerning the response by the District were very complimentary. The District expects to receive a passing grade of "A" from the Texas Comptroller's office on implementation of their recommendations.

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## **ECONOMIC CONDITION AND OUTLOOK**

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The Dallas Independent School District covers 351 square miles and contains almost all of the City of Dallas. The District is the tenth largest school district in the United States. The 163,760 urban students enrolled for the 2001-02 school year were 56.8 percent Hispanic, 34.3 percent African American, 7.2 percent Anglo, 1.3 percent Asian American and .4 percent Native American.

Dallas is a leader in high tech equipment manufacturing and support services.

- Dubbed the "Silicon Prairie," Dallas is among the largest technology employment centers in the U.S. The Dallas/Fort Worth area has 271,000 high-tech workers.
- The Telecom Corridor®, composed of over 600 high tech companies and predicted to add 4,000 jobs to the Dallas area by 2010, is situated along State Highway 190 and U.S. 75 in the Dallas suburb of Richardson and represents the largest concentration of telecommunications firms in the U.S. and possibly the world.
- The Dallas Infomart is the world's largest high-tech exhibition and information center.
- Biotechnology, the wave of the future, applies technological advances to living things, and The University of Texas Southwestern Medical Center of Dallas recently teamed up with the Dallas Plan to create a "biotech corridor" along Harry Hines Blvd. in Dallas. The project has already received \$82.7 million in grants from the National Institute of Health, and this is estimated to be enough money to create the first six biotechnology firms which will concentrate in molecular biology, genetic research, and a number of other biotech fields.

The City, the County Seat of Dallas County, is the third largest city in Texas and the ninth largest city in the United States. Dallas is the home to the regional office of the U.S. Department of Commerce, the district office of the U.S. Customs Service and a regional U.S. Export Assistance Center. Nine Fortune Global 500 companies are headquartered in the Dallas/Fort Worth area.

Dallas is a major hub for air and ground transportation. Dallas' central U.S. location is equally close to North America's five largest business centers; New York, Chicago, Los Angeles, Mexico City and Toronto. Dallas/Fort Worth (DFW) International Airport is the world's third busiest airport handling over 830,000 operations in 1999 and serving over 60 million passengers with an estimated 2,300 daily flights to approximately 174 destinations, including 36 foreign destinations.

The Dallas/Fort Worth Consolidated Metropolitan Statistical Area (the Metroplex) is becoming one of the nation's major medical centers. Over 60 hospitals are located in the Metroplex. There are two major educational and research institutions and ten nursing schools located in the City. Numerous major hospitals are in the City with over 13,000 beds.

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## MAJOR INITIATIVES

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In 2001-02, the District began implementation of an ORACLE based computer system. The District went live on the new computer system on October 1, 2002. The new ORACLE based computer system allows the District to have a state-of-the-art computer system compatible with the business environment and to more effectively manage the District resources.

The District successfully completed inventorying all equipment and capital items. The new inventory count was entered into the District's Government Fixed Assets Management (G-FAM) system. The District is now able to better control \$1.1 billion in fixed assets.

The District's registered voters approved a bond authorization for \$1.3 billion dollars. These funds will be used to build new schools and renovate existing schools. The new schools and renovation of existing schools will alleviate the overcrowding in schools across the district.

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## REPORTING ENTITY

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The Dallas Independent School District Board of Trustees (Board) is that level of government, which has fiscal accountability and control over all activities related to public education for students within the District's boundaries. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. However, the District is not included in any other governmental "reporting entity" as defined in the Codification of Governmental Accounting and Financial Reporting Standards issued by the Governmental Accounting Standards Board since Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. No other "reporting entity" is included in the general purpose financial statements.

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## FINANCIAL INFORMATION

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**Control Structure** – Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the District's assets are protected from loss, theft and misuse and to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP"). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived.
2. The valuation of costs and benefits requires estimates and judgments by management.

The District's internal control structure includes budgetary, as well as, accounting controls. The objective of the budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. The Board legally adopts fiscal year budgets for the General, Debt Service, Capital Projects, Food Services, and Special Revenue funds. In addition, the Board approves project budgets for all other Special Revenue Funds. The level of budgetary control, that is, the level at which expenditures can not legally exceed the appropriated budget, is established at the function level within each fund group. The District utilizes an encumbrance accounting system to facilitate budgetary control. By policy, the District may budget more in expenditures than revenues provided sufficient fund balance is available to cover such expenditures.

The District's accounting records for general governmental operations reflect the modified accrual method of accounting and comply with the provisions of the State of Texas, Texas Education Agency "Financial Accountability System Resource Guide," and are in accordance with GAAP for state and local governments.

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As a recipient of state and federal financial assistance the District is also responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to this assistance. This internal control structure is subject to periodic evaluation by Management, the District's Internal Audit Department and independent auditors.

As required by OMB A-133, the independent auditors' tests are designed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as, to determine that the District has complied with applicable laws and regulations. The results of the District's audit for the fiscal year ended August 31, 2002, disclosed instances of reportable conditions in the internal control structure. Each of these items is outlined in the Schedule of Findings and Questioned Costs along with Management's response to each item. As indicated by the responses, Management has already taken actions to eliminate some of the deficiencies noted. Detailed action plans to address all items noted have also been formulated and communicated to the Board.

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## **INDEPENDENT AUDIT**

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The laws of the State of Texas require an annual audit to be made of the books of account, financial records, and transactions of all budgeted funds of the School District by a certified public accountant selected by the Board of Trustees of the School District. We have complied with this requirement. The report of our independent certified public accountants, KPMG LLP appears on Page 1 of this report. Their audit of the basic financial statements was performed in accordance with generally accepted auditing standards.

The District complies with the requirements of the Single Audit Act of 1996 and OMB Circular A-133 for which separate reports are issued, and are included in this report.

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## **FINANCIAL REPORTING AWARD**

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Since 1981, our Comprehensive Annual Financial Report has earned the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International Certificate of Excellence in Financial Reporting Award.

### **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dallas Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

### **ASBO CERTIFICATE OF EXCELLENCE**

The Dallas Independent School District received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the fiscal year ended August 31, 2001. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended August 31, 2001, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials of the United States and Canada. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended August 31, 2002, which will be submitted to ASBO for review, also conforms to their principles and standards.

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## ACKNOWLEDGMENTS

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The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of Finance and Accounting and the Graphics Department. We want to express our appreciation to all members of these departments who assisted and contributed to its preparation. We would like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the School District in a responsible and progressive manner.



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Mike Moses  
General Superintendent



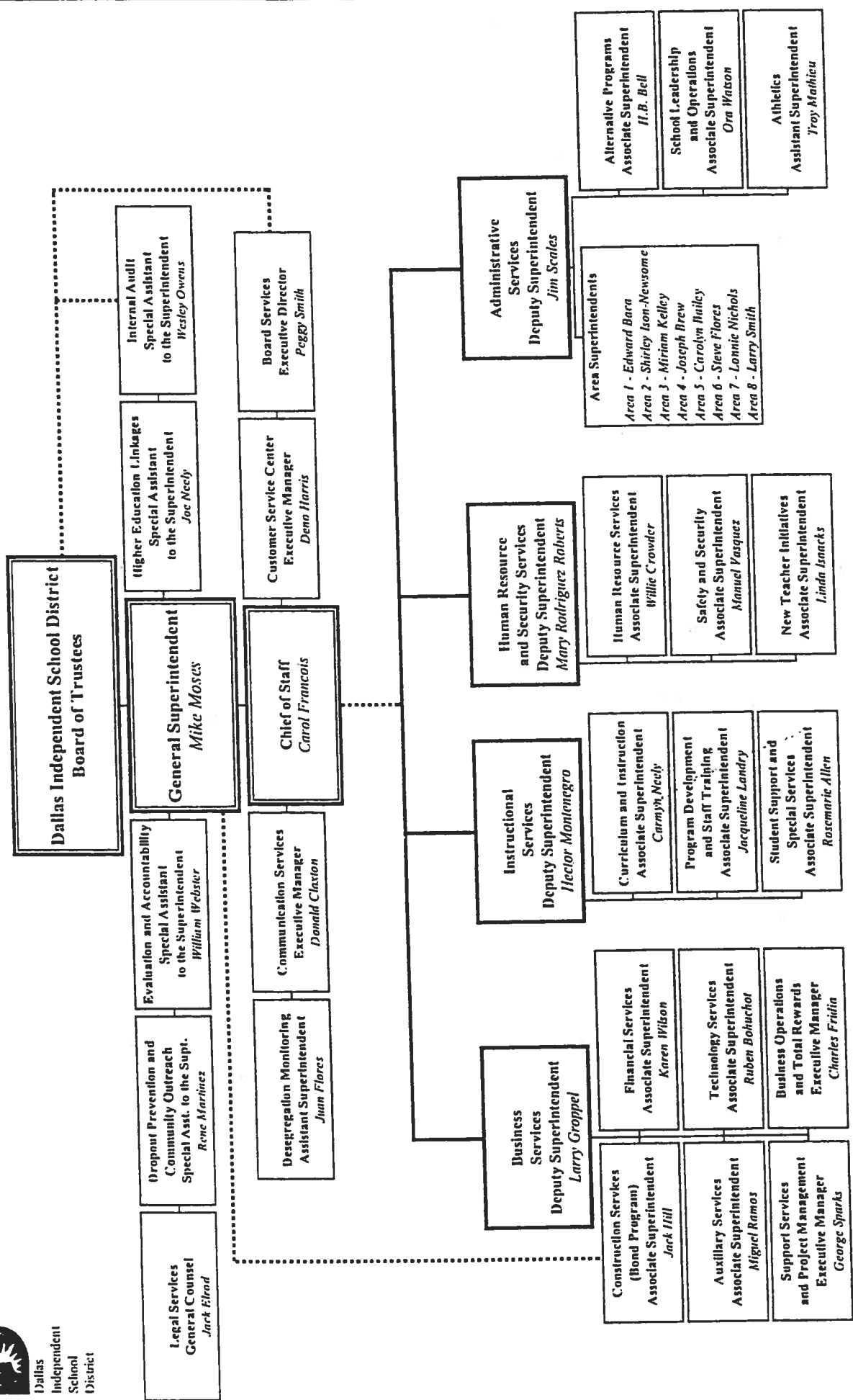
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Larry Groppe  
Deputy Superintendent, Business Services

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Dallas  
Independent  
School  
District



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# 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  
August 31, 2001

A Certificate of Achievement for Excellence in Financial  
Reporting is presented by the Government Finance Officers  
Association of the United States and Canada to  
government units and public employee retirement  
systems whose comprehensive annual financial  
reports (CAFRs) achieve the highest  
standards in government accounting  
and financial reporting.



*William Patrick Pate*  
President

*Jeffrey L. Essler*  
Executive Director

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This 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 August 31, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Clark J. Gohholl*  
President

*David A. Riden*  
Interim Executive Director

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717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

## **Independent Auditors' Report**

The Board of Trustees  
Dallas Independent School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dallas Independent School District (the District) as of and for the year ended August 31, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Dallas Independent School District, as of August 31, 2002, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 26, 2002 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As described in Note A, the District adopted the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*, effective September 1, 2001.



The management's discussion and analysis on pages 3 – 12 and the budgetary comparison schedule for the General Fund on page 45 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal and State Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Supplementary Information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information, except for that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

November 26, 2002

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dallas Independent School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2002. Please read it in conjunction with the District's financial statements, which follow this section.

The District did not restate its 2001 financial statements in this first year of implementation of GASB 34. In future years, comparative analysis of financial information will be provided.

### FINANCIAL HIGHLIGHTS

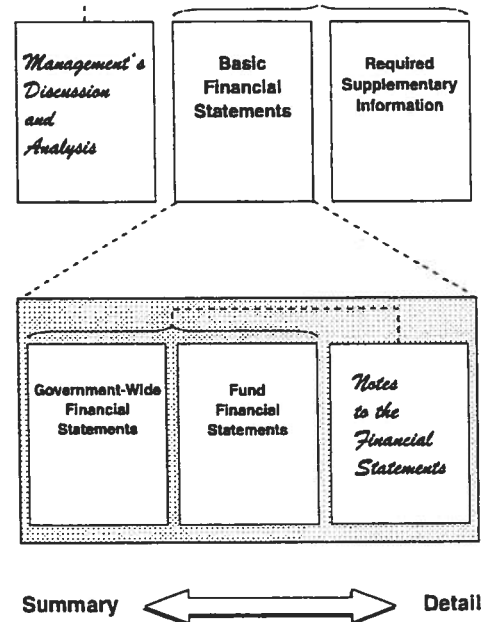
- The District's total net assets were \$178.3 million at August 31, 2002.
- During the year, the District's expenses were \$24.0 million less than the \$1.2 billion generated in taxes and other revenues for governmental activities. Total expenditures totaled \$1.0 billion after charges for services and operating grants revenue. Total revenue from property taxes, state aid, investment income and miscellaneous revenues is \$1.2 billion.
- The general fund reported a fund balance this year of \$94.5 million.
- The District issued approximately \$336 million in bonds during fiscal year 2002, which included a refunding totaling approximately \$38.7 million.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Figure A-1. Required Components of the District's Annual Financial Report



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 (on the previous page) shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District 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.

**Figure A-2 Major Features of the District's Government-wide and Fund Financial Statements**

<i>Type of Statement</i>	<b>Government-wide</b>	<b>Government Funds</b>	<b>Fiduciary Funds</b>
<i>Scope</i>	Entire District's government (except fiduciary funds)	The activities of the District that are not propriety or fiduciary	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"> <li>• Statement of net assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, &amp; changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary assets and liabilities</li> </ul>
<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
<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 short-term and long-term.
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues in the period when use of the resources is required or first permitted by time requirements, or at the same time as the assets if the District has not established time requirements. Resources received or recognized as receivable before the time requirements are met are reported as deferred revenues.	All revenues and expenses during year, regardless of when cash is received or paid

#### **Government-wide Statements**

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

The two government-wide statements report the District's *net assets* and how they have changed. Net assets, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*.

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

The government-wide financial statements of the District include the *Governmental activities*. All of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most 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 two 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* that 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 at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. These include debt financing and capital projects.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net assets.** The District's net assets were approximately \$178.3 million at August 31, 2002. (See Table A-1).

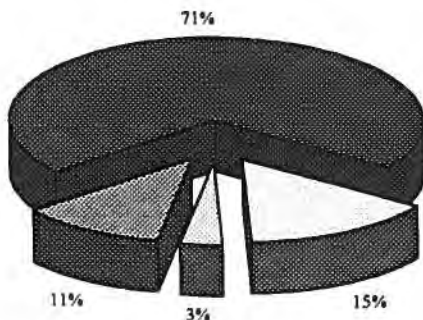
**Table A-1**  
**The District's**  
**Net Assets**  
*(in millions of dollars)*  
**Governmental**  
**Activities**

	<u><b>2002</b></u>
Current and Other Assets	592.2
Capital and Non-Current Assets	<u>392.8</u>
<b>Total Assets</b>	<b><u>985.0</u></b>
Current Liabilities	146.7
Long Term Liabilities	<u>660.0</u>
<b>Total Liabilities</b>	<b><u>806.7</u></b>
<b>Net Assets</b>	
Invested in Capital Assets net of related debt	17.8
Restricted	33.5
Unrestricted	<u>127.0</u>
<b>Total Net Assets</b>	<b><u><u>178.3</u></u></b>

The District spent \$16.2 million and \$13.4 million in building improvements and equipment respectively, resulting in an increase in capital and non-current assets in 2002.

**Changes in net assets.** The District's total revenues were \$1.2 billion. A significant portion, 71 percent, of the District's revenue comes from taxes. Fifteen percent comes from state aid formula grants, while 11% is related to other operating grants, with the remaining 3% from miscellaneous revenue sources. (See Figure A-3.)

**Figure A-3 District**  
**Sources of Revenue for Fiscal Year 2002**





The total cost of all programs and services was \$1.2 billion; 74% of these costs are for instructional and student services.

Five percent of all programs and services cost was for school leadership and 10% was for plant maintenance and operations.

**Table A-2**  
**Government Activities**  
*(in millions of dollars)*

<u>Program Revenues</u>	<u>2002</u>
Charges for Services	12.9
Operating Grants and Contributions	162.7
<u>General Revenues</u>	
Property Taxes	847.6
State aid - formula	151.8
Investment earnings	7.3
Other	21.9
<b>Total Revenues</b>	<b>1,204.2</b>
 <b>Expenses</b>	
Instruction and instructional related	658.0
Instructional resources and media related	19.3
Curriculum and staff development	37.1
Instructional leadership	24.3
School leadership	60.8
Guidance, counseling, and evaluation services	38.9
Social work services	2.3
Health services	11.2
Student transportation	16.9
Food services	53.7
Extracurricular activities	9.8
General administration	37.5
Plant maintenance and operations	118.5
Security and monitoring services	8.8
Data processing services	32.3
Community services	20.4
Interest on long-term debt	20.9
Facilities acquisition and constructions	.2
Payments to fiscal agent/member districts - shared service	9.3
<b>Total Expenses</b>	<b>1,180.2</b>
 <b>Increase in Net Assets</b>	<b>24.0</b>
<b>Beginning Net Assets</b>	<b>154.3</b>
<b>Ending Net Assets</b>	<b>178.3</b>

The District's revenue increased approximately \$65.6 million due primarily to an 8 percent increase in property tax revenues.

The District also shows an increase of \$57 million in grant revenues due to new grants.

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

- The cost of all *governmental* activities this year was \$1.2 billion.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$847.5 million.
- Some of the cost was paid by those who directly benefited from the programs (\$12.9 million), and by grants and contributions (\$162.7 million).

**Table A-3**  
**Net Cost of Selected District Functions**  
*(in millions of dollars)*

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
	<u><b>2002</b></u>	<u><b>2002</b></u>
Instruction	658.0	593.7
School Leadership	60.8	60.7
Food Services	53.7	(.5)
Plant Maintenance & Operations	118.5	116.0

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1.2 billion, an increase of 4% over the preceding year. The increase in local revenues is a result of state legislation that has shifted state funds away from school districts similar to the District and caused districts to increase local revenues each year. Additionally, student population growth necessitates increased local revenues to offset resulting increased local expenses. The increase in federal revenues is primarily due to an increase in federal program revenue distributed through other agencies.

At the end of the current fiscal year, the District's governmental funds reported ending fund balances of \$447,182,927. Of this amount, \$78,131,361 constitutes unreserved fund balance available for use in the general fund activities at the District's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to bond projects, debt service and other obligations of the District.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the general fund was \$78,131,361. As a measure of the general fund's liquidity, it may be useful to compare both unreserved and total fund balance to the total fund expenditures. Unreserved fund balance represents 8% of the total general fund expenditures, while total fund balance represents 10% of that same amount.

The fund balance of the general fund increased during the fiscal year primarily due to the increase in property values received after certification date and increased student enrollment.

The capital projects fund has a total fund balance of \$320,323,368. This is primarily composed of funds from the bond sale in the spring of 2002.

### **General Fund Budgetary Highlights (see Exhibit G-1)**

The major reasons for the increase between the original and final amended budget is due to an increase in appropriations for: data processing services of \$5.0 million for new computer equipment; facilities acquisition and construction for \$10.1 million for the purchase of a building; and payments to tax increment fund for \$9.3 million for the District's share for economic development.

A positive variance in curriculum and instructional staff development of \$3.5 million is due to lower than anticipated costs for supplies and extra duty pay for the Reading and summer school programs.

The positive variance of \$1.7 million in student transportation is due to lower than anticipated general fund costs for contracted transportation services provided by Dallas County Schools due to the re-negotiation of a contract.

The positive variance of \$2.9 million in general administration is due to lower than anticipated cost for professional services related to benefits management, election expense and other contracted services.

A positive variance in plant maintenance and operations of \$7.7 million is due to lower than anticipated salaries for support personnel, ground maintenance, vehicle, equipment and other professional contract services.

A positive variance in security and monitoring of \$1.1 million is due to a reduction in cost for contracted security services.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2002, the District had invested \$1.092 billion in a broad range of capital assets, including land, equipment, buildings, and vehicles. This amount represents a net increase (including additions and deductions) of \$34.6 million or 3 percent over last year. (See Table A-4.)

**Table A-4**  
**District's Capital Assets**  
*(in millions of dollars)*

	<b>Governmental Activities 2002</b>
Land	47.1
Buildings and improvements	953.5
Vehicles	29.1
Equipment	62.2
Other	0.3
Totals at historical cost	<u>1,092.2</u>
Total accumulated depreciation	<u>(699.4)</u>
Net capital assets	<u><u>392.8</u></u>

The District's fiscal year 2002 capital spending totaled \$34.6 million in buildings & improvements and capital equipment.

The most significant purchase by the District in 2002 was a building for additional space for \$10 million.

## Long-Term Debt

**Table A-5**  
**District's Long-Term Debt**  
*(in millions of dollars)*

<b>Governmental Activities</b>	
	<u><b>2002</b></u>
Leases Payable	22.7
Bonds payable	641.9
Workers Compensation	11.9
Notes Payable	<u>8.7</u>
Total bonds and notes payable	<u><b>685.2</b></u>

### **Bond Ratings**

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

At year-end, the District had \$685.2 million in long-term debt outstanding as shown in Table A-5. The District issued \$300 million in new bonded debt in 2002 and refunded \$38.7 million in old debt.

### **Economic Factors and Next Year's Budgets and Rates**

The taxable levy values for the 2001-2002 school year were \$56.8 billion up 8 percent from the previous year. The values for the upcoming school year are \$58.5 billion, an increase of 3 percent. Student enrollment was 163,760, a 1 percent increase, about the same as projected for the 2002-2003 school year.

Funding from the state is based on Average Daily Attendance (ADA). ADA for 2001-2002 was 150,742, an increase of just over 1 percent. For 2002-2003, the District projected an increase of approximately 1.4 percent for an ADA of 152,882.

General fund costs per student enrolled typically increase due to inflation factors such as teacher salary increases. Cost per student based on student enrollment for the 2001-2002 was \$6,000 an increase of almost 1 % while cost per student for 2002-2003 is budgeted at \$6,163 representing a 2% increase.

These assumptions were utilized in preparing the District's 2002-2003 budget. The District recognized more than \$3.7 million in additional general fund balance as a result of current year operations, generating a total fund balance of almost 10 percent of current expenditures. General fund revenues and others sources are projected to increase almost 2 percent, while projected expenditures reflect an increase of 2.6 percent, requiring a \$7.6 million use of fund balance.

The 3 percent increase in taxable values will generate additional property tax revenue while maintaining a \$1.47803 general fund tax rate. However, the state foundation funding will be decreased due to values increasing at a faster rate than student enrollment. The District decreased budgets in non-payroll categories to provide salary increases that offer among the highest salaries in the state for beginning teachers. The District provides signing bonuses for critical shortage subject areas, stipends to educators who become fluent in Spanish, and will furnish a laptop to every teacher and librarian during the next eighteen months.

## **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 money it receives. If you have questions about this report or need additional financial information, contact the District's Financial Services Department.

**Dallas Independent School District  
Government-wide Statement of Net Assets  
August 31, 2002**

**Exhibit A-1**

Data Control Codes		<u>Governmental Activities</u>
	<b>ASSETS</b>	
1110	Cash and cash equivalents	\$ 202,185
1120	Investments	497,274,258
1225	Property taxes receivables (net)	46,468,881
1240	Due from other governments	30,498,127
1250	Accrued interest	467,295
1290	Other receivables (net)	2,030,298
1490	Other current assets	3,021,467
1420	Bond issuance cost (net)	1,061,882
1300	Inventories	11,221,181
	Capital assets:	
1510	Land	47,091,907
1525	Building, furniture and equipment, net	345,374,233
1580	Construction in progress	284,654
1000	Total assets	<u>\$ 984,996,368</u>
	<b>LIABILITIES</b>	
	Current liabilities:	
2110	Accounts payable	\$ 45,996,746
2430	Interest payable	2,568,858
2150	Payroll deductions and withholdings	3,334,949
2160	Accrued wages payable	37,001,034
2180	Due to other governments	11,716,393
2191	Due to student groups	740
2300	Deferred revenue	7,804,003
2290	Other payables	4,752,117
2200	Accrued liabilities	3,345,796
	Current Portion:	
2121	Bonds and notes payable	24,162,828
2122	Loans Payable	2,240,635
2131	Lease purchases payable	3,866,830
	Noncurrent liabilities:	
	Long-Term Portion:	
2510	Bonds and notes payable	617,682,619
2531	Lease purchases payable	18,876,170
2210	Workers compensation	11,916,000
2521	Loans Payables	6,494,365
2512	Premium on Bond	3,725,591
2511	Gain/Loss on Refunding of bonds	1,250,905
2000	Total liabilities	<u>\$ 806,736,579</u>
	<b>NET ASSETS</b>	
3200	Invested in capital assets, net of related debt	\$ 17,773,797
3800	Restricted	33,468,982
3900	Unrestricted	127,017,010
3000	Total net assets	<u>\$ 178,259,789</u>

The accompanying notes are an integral part of this statement.

**Dallas Independent School District**  
**Government-wide Statement of Activities**  
**For the Year Ended August 31, 2002**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
11 Instruction	\$ 657,964,234	\$ 1,037,999	\$ 63,199,479	\$ (593,726,756)
12 Instructional resources and media services	19,276,924	-	1,536,470	(17,740,454)
13 Curriculum and staff development	37,049,471	-	19,976,920	(17,072,551)
21 Instructional leadership	24,259,931	-	10,293,417	(13,966,514)
23 School leadership	60,841,057	-	119,118	(60,721,939)
31 Guidance, counseling, and evaluation services	38,891,333	-	4,698,066	(34,193,267)
32 Social work services	2,329,771	-	171,289	(2,158,482)
33 Health services	11,236,356	-	952,918	(10,283,438)
34 Student transportation	16,925,053	-	115,622	(16,809,431)
35 Food services	53,719,671	10,330,312	43,861,605	472,246
36 Curriculum/extracurricular activities	9,815,744	1,154,300	724,959	(7,936,485)
41 General administration	37,447,203	-	751,280	(36,695,923)
51 Plant maintenance and operations	118,503,640	382,873	2,073,212	(116,047,555)
52 Security and monitoring services	8,847,056	-	152,687	(8,694,369)
53 Data processing services	32,336,892	-	218,862	(32,118,030)
61 Community services	20,414,284	-	13,874,305	(6,539,979)
71 Interest on long-term debt	20,905,252	-	-	(20,905,252)
81 Facilities acquisition & construction	169,578	-	10,000	(159,578)
97 Payments to tax increment fund	9,248,085	-	-	(9,248,085)
Total governmental activities	\$ 1,180,181,536	\$ 12,905,484	\$ 162,730,210	\$ (1,004,545,842)
Total	\$ 1,180,181,536	\$ 12,905,484	\$ 162,730,210	\$ (1,004,545,842)
General revenues:				
Taxes:				
Property taxes, levied and collected for general purposes				\$ 808,892,570
Property taxes, levied and collected for debt service				38,674,522
State aid-formula grants				151,752,063
Investment earnings				7,336,237
Miscellaneous				21,911,844
Total general revenues and special items				1,008,569,236
Change in net assets				24,023,394
Net assets—beginning				154,236,395
Net assets—ending				\$ 178,259,789

The accompanying notes are an integral part of this statement.



**Dallas Independent School District  
Balance Sheet  
Governmental Funds  
August 31, 2002**

Exhibit C-1

Data			Other	Total
Control		Capital	Governmental	Governmental
Codes		Projects	Funds	Funds
	ASSETS			
1110-50	Cash and cash equivalents	\$ 202,185	\$ -	\$ 202,185
1170	Investments	151,063,213	25,922,536	497,274,258
1210-30	Receivables, net	43,388,969	3,079,912	46,468,881
1250	Accrued interest	-	4,757	467,295
1260	Due from other funds	25,343,368	9,160,593	34,503,961
1240	Receivables from other governments	7,502,022	22,996,105	30,498,127
1290	Other receivables	1,845,462	184,836	2,030,298
1290	Prepaid— <i>Other Current Assets</i>	3,000,620	20,847	3,021,467
1300	Inventories	7,049,100	4,172,081	11,221,181
	Total assets	<u>\$ 239,394,939</u>	<u>\$ 65,541,667</u>	<u>\$ 625,687,653</u>
	LIABILITIES AND FUND BALANCES			
	Liabilities:			
2110	Accounts payable	\$ 45,305,959	\$ 571,108	\$ 45,996,746
2150	Payroll deduction & withholding	3,334,949	-	3,334,949
2160	Accrued wages payable	36,302,894	698,140	37,001,034
2170	Due to other funds	9,160,593	25,035,368	34,503,961
2180	Payable to other governments	11,716,393	-	11,716,393
2190	Due to students	740	-	740
2200	Accrued liabilities	3,345,796	-	3,345,796
2300	Deferred revenue	31,001,878	6,851,112	37,852,990
2400	Other payables	4,752,117	-	4,752,117
	Total liabilities	<u>\$ 144,921,319</u>	<u>\$ 33,155,728</u>	<u>\$ 178,504,726</u>
	Fund balances:			
	Reserved for:			
3410	Inventories	\$ 7,049,100	\$ 4,172,081	\$ 11,221,181
3430	Prepaid	3,000,620	-	3,000,620
3440	Encumbrances	3,564,889	15,048	3,579,937
3490	Debt service	-	17,787,297	17,787,297
3470	Capital projects funds	-	-	320,323,368
3450	Food services	-	9,376,587	9,376,587
	Unreserved			
3590	Designated for campus activity	2,727,650	-	2,727,650
3600	Unreserved, undesignated	78,131,361	1,034,926	79,166,287
	Total fund balances	<u>\$ 94,473,620</u>	<u>\$ 32,385,939</u>	<u>\$ 447,182,927</u>
	Total liabilities and fund balances	<u>\$ 239,394,939</u>	<u>\$ 65,541,667</u>	<u>\$ 625,687,653</u>

The accompanying notes are an integral part of this statement.

**Dallas Independent School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended August 31, 2002**

Exhibit C-2

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ 824,659,143	\$ 4,898,217	\$ 52,443,631	\$ 882,000,991
5800 State program revenues	151,752,063	-	28,336,464	180,088,527
5900 Federal program revenues	5,055,701	-	132,698,779	137,754,480
Total revenues	<u>\$ 981,466,907</u>	<u>\$ 4,898,217</u>	<u>\$ 213,478,874</u>	<u>\$ 1,199,843,998</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
11 Instruction	\$ 581,793,176	\$ -	\$ 63,199,479	\$ 644,992,655
12 Instructional resources and media services	17,343,477	-	1,536,470	18,879,947
13 Curriculum and staff development	16,713,837	-	19,976,920	36,690,757
21 Instructional leadership	13,686,295	-	10,293,417	23,979,712
23 School leadership	59,349,639	-	119,118	59,468,757
31 Guidance, counseling, and evaluation services	33,418,848	-	4,698,066	38,116,914
32 Social work services	2,109,094	-	171,289	2,280,383
33 Health services	10,058,324	-	952,918	11,011,242
34 Student transportation	15,837,457	-	115,622	15,953,079
35 Food Services	-	-	54,944,328	54,944,328
36 Extracurricular activities	8,996,439	-	724,959	9,721,398
41 General administration	35,632,294	329,083	751,280	36,712,657
51 Plant maintenance and operations	114,559,478	868,549	2,073,212	117,501,239
52 Security and monitoring services	8,632,834	-	152,687	8,785,521
53 Data processing services	22,618,824	20,507,576	218,862	43,345,262
61 Community services	6,431,253	-	13,874,305	20,305,558
71 Principal on long-term debt	7,693,345	-	24,485,000	32,178,345
171 Interest on long-term debt	2,687,110	-	16,011,510	18,698,620
81 Facilities Acquisition and Construction	15,804,622	518,347	10,000	16,332,969
97 Payments to Tax Increment Fund	9,248,085	-	-	9,248,085
Total expenditures	<u>\$ 982,614,431</u>	<u>\$ 22,223,555</u>	<u>\$ 214,309,443</u>	<u>\$ 1,219,147,429</u>
Deficiency of revenues over expenditures	<u>\$ (1,147,524)</u>	<u>\$ (17,325,338)</u>	<u>\$ (830,569)</u>	<u>\$ (19,303,431)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7911 Proceeds from Bonds	\$ -	\$ 306,880,000	\$ -	\$ 306,880,000
7911 Proceeds from Refunding Bonds	-	37,458,258	-	37,458,258
7914 Proceeds from Notes and Loans	6,000,000	-	-	6,000,000
8911 Transfers in (out)	(1,141,365)	-	1,141,365	-
8940 Payment to Bond Refunding Escrow Agent	-	(37,443,258)	-	(37,443,258)
Total other financing sources and uses	<u>\$ 4,858,635</u>	<u>\$ 306,895,000</u>	<u>\$ 1,141,365</u>	<u>\$ 312,895,000</u>
Net change in fund balances	<u>\$ 3,711,111</u>	<u>\$ 289,569,662</u>	<u>\$ 310,796</u>	<u>\$ 293,591,569</u>
Fund balances--beginning	<u>90,762,509</u>	<u>30,753,706</u>	<u>32,075,143</u>	<u>153,591,358</u>
Fund balances--ending	<u><u>\$ 94,473,620</u></u>	<u><u>\$ 320,323,368</u></u>	<u><u>\$ 32,385,939</u></u>	<u><u>\$ 447,182,927</u></u>

The accompanying notes are an integral part of this statement.

**Dallas Independent School District**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-wide Statement of Net Assets**  
**August 31, 2002**

Exhibit C-3

**Total fund balances—governmental funds (from C-1)** **\$ 447,182,927**

Amounts reported for governmental *activities* in the statement of net assets are different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital Assets, beginning of year	\$ 1,057,615,673	
Additions	45,851,662	
Transfers	(10,402,702)	
Removals	(815,149)	
Accumulated Depreciation	<u>(699,498,690)</u>	
Capital Assets, end of year		392,750,794

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Prepayment on bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (Note E)

(283,439,554)

Change deferred revenues due to conversion to full accrual method

30,048,987

Some liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the funds. (Note E)

(408,283,367)

**Total net assets—governmental activities (see A-1)** **\$ 178,259,789**

The accompanying notes are an integral part of this statement.

**Dallas Independent School District  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended August 31, 2002**

Exhibit C-4

Net change in fund balances—total governmental funds (from C-2)	\$ 293,591,569
Amounts reported for <i>governmental activities</i> in the statement of activities (B-1) are different because:	
Governmental funds reports capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. (This is the amount by which capital outlays (\$32,357,087) exceeded depreciation (\$21,860,907) in the current period.	10,496,180
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	
Bond Proceeds (344,338,258)	
Payment to Refunded Escrow Agent 37,443,258	
Premium on Bond Sale <u>197,677</u>	(306,697,323)
Loan proceeds are shown as other financing sources at the fund level but are a notes payable on the statement of activities.	(6,000,000)
Payments to long-term debt are shown as expenditures at the fund level but are a reduction to debt payable on the statement of activities.	28,661,370
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>3,971,598</u>
Change in net assets of governmental activities (B-1)	<u>\$ 24,023,394</u>

The accompanying notes are an integral part of this statement.

**Dallas Independent School District  
Statement of Fiduciary Net Assets and Liabilities  
Fiduciary Funds  
August 31, 2002**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 3,071,810</u>
Total assets	<u><u>\$ 3,071,810</u></u>
<b>LIABILITIES</b>	
Due to student groups	<u>3,071,810</u>
Total liabilities	<u><u>\$ 3,071,810</u></u>

The accompanying notes are an integral part of this statement.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

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**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

**A. Reporting Entity**

The Board of Trustees (the "Board"), a nine-member group constituting an on-going entity, is the level of government, which has governance responsibilities over all activities, related to public elementary and secondary school education within the jurisdiction of the District. The Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, issued by GASB, since 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 governmental organizations require inclusion in its reporting entity.

In 2002, the District implemented GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local governments and GASB No. 38, Certain Financial Statement Note Disclosures, which changes note disclosure requirements for governmental entities. GASB Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund or account group, but distinguish between the District's governmental activities and activities of its discretely presented component units on its statement of net assets and statement of activities.

Significantly, the District's statement of net assets will include both noncurrent assets and noncurrent liabilities of the District, which were previously recorded in the General Fixed Asset Account Group and the General Long-term Obligations Account Group. The District contracted with an external inventory firm to perform an inventory of its furniture and equipment capital asset records in 2002 and discovered that \$13,814,564 in capital assets that were classified as buildings should be classified as furniture and equipment and \$3,091,874 was unrecorded. The classification of furniture and equipment to building is related to initial building construction when the Food Service equipment was considered as building cost, GASB 34 reporting requirements for depreciation and asset life justified the change in classification. All adjustments are recorded in the 2002 fiscal year. The government-wide statement of activities reflects depreciation expense on the District's fixed assets.

Fund accounting, using the modified accrual basis of accounting and the current financial resources measurement focus, has and will continue to be essential in assisting governments to achieve fiscal accountability and should, therefore, be retained. Accordingly, the accounting and financial reporting for the District General Fund, and Capital Projects Fund is similar to that previously presented in the District's financial statements, although the format of financial statements has been modified by Statement No. 34.

Statement No. 34 also requires supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted and modified General Fund budget with actual results.

Statement No. 38 requires certain disclosures to be made in the notes to the financial statements concurrent with the implementation of Statement No. 34. While this statement did not affect amounts reported in the financial statements of the District, certain note disclosures have been added and or amended including descriptions of

**Dallas Independent School District  
Notes to the Financial Statements  
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activities of major funds, violations of legal or contractual provisions, future debt service and lease obligations, short-term obligations, interest rates, and interfund balances and transactions.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements consist of the statement of net assets and the statement of activities. These statements report information on all of the non-fiduciary activities of the District. The effect of the interfund activity has been removed from these statements. Governmental activities are 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 to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**C. Basis of Accounting/Measurement Focus**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the fiduciary fund financial statement. 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 imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This measurement focus means that only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present resources (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. Revenues are recognized, when they are susceptible to accrual, 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 fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases 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 \$13,148,325 and \$881,594, for the General Fund and Debt Service Fund, respectively.



**Dallas Independent School District  
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Grant revenues are recognized when reimbursable expenditures are made, except in the Food Services Fund where revenue is recognized based on the number of children served. Grant funds received in advance are recorded as deferred revenue until earned. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

In order to properly match revenues and expenditures for the fiscal year, the District has accrued Foundation School Program revenues of approximately \$4.2 million to reflect cash that will be received in fiscal year 2003 which was generated by attendance and related expenditures in fiscal year 2002.

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 to be accounted for in another fund.

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.

Additionally, the District reports the following non-major fund types:

**Special Revenue Funds** - The Special Revenue Funds, account for Food Services activities, federal and state financed programs, and other local programs where unused balances are returned to the grantor at the close of specified project periods. Project accounting is employed to maintain the integrity of the various sources of funds. The budget for the Food Services Fund is adopted by the board each fiscal year.

**Debt Service Fund** - The Debt Service Fund, a budgeted 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.

**Agency Fund (a fiduciary fund type)** - The Agency Fund is custodial in nature and is used to account for the activities of student groups. The student activity groups exist with the explicit approval of, and are subject to revocation, by the District's Board of Trustees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include operating grants and contributions, food services user charges, rentals and tuition, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Expenditures for Facilities Acquisition and Construction exceeded appropriations in the General Fund by \$682,333 and expenditures for debt service principal expenditures exceeded appropriations in the General Fund by \$333,320.

**D. Assets, Liabilities and Net Assets or Equity**

**Deposits 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 three months or less from the date of acquisition.

**Dallas Independent School District  
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Temporary investments are recorded at fair market value and consist of certificates of deposit, U.S. Treasury Instruments, U.S. Government agency obligations, Investments in the Texas Local Government Investment Pool ("TexPool") and investments in registered investment pools. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Statutes authorize the District to invest in obligations of the U.S. Treasury or the State of Texas, obligations of certain U.S. Government agencies, certificates of deposit, money market savings accounts, certain municipal securities, repurchase agreements, common trust funds and other investments specifically allowed by Chapter 2256 of the Texas Government Code and Sections 23.80 and 20.42 of the Texas Education Code. For the purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they mature within three months or less when purchased.

**Interfund Receivables and Payables**

Short-term loans between funds are accounted for in the appropriate interfund receivable and payable accounts, Due to/from Other Funds.

**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.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes.

**Inventories and Prepaid Items**

Supplies and materials are recorded as expenditures when requisitioned. Inventories of supplies and materials on the governmental fund balance sheet are generally recorded at cost, net of an allowance for obsolescence of approximately \$90,000. However, inventories of food commodities are recorded at market values on the date received as supplied by the Texas Department of Human Resources, although they are received at no cost. Inventory items are recorded as expenditures when they are consumed on the first-in, first-out basis. Supplies and materials are used for almost all functions of activity, and recorded as expenditures when consumed on a weighted average basis. Commodities, used only in the food services program, are recorded as inventory and revenue when received. When requisitioned, inventory is relieved and expenditures are recognized for an equal amount. Inventory reported in the General Fund is offset in the fund level financial statements by a fund balance reserve that indicates that it is not available spendable resources.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**Dallas Independent School District  
Notes to the Financial Statements  
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**Reserved Governmental Funds**

Certain resources of the governmental funds are set aside for the repayment or use of specific programs. These net assets can be identified as follows:

Food Service	\$ 10,517,951
Debt Service	17,787,297
Capital Projects	320,323,368
Encumbrance	3,579,937
Inventories and Prepaids	<u>14,221,801</u>
Total Reserved Governmental Funds	<u>\$366,430,354</u>

Net assets set aside for the debt service and capital projects are restricted by bond covenant for use in capital and debt activities financed through the sale of bonds.

**Capital Assets**

Capital assets, which include land, buildings, furniture and equipment, 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 or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements	20
Portable Buildings	20
Technology Equipment	3
Mainframe/Servers/Telephone Systems	7
Software	3
Buses/Trucks/Vans	7
Vehicles	5
Tractors and Construction Equipment	12
Musical Instruments	3
Kitchen Equipment	10
Other-Furniture, Fixtures & Equipment	10

**Compensated Absences**

The State of Texas ("the State") has created a minimum leave program consisting of five days of personal leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Local school districts may provide additional sick leave beyond the State minimum.

**Dallas Independent School District  
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District employees earn a total of ten sick and personal business days per year. Each employee is allowed to accumulate up to 90 days of these non-vesting compensated absences and receives compensation only when the absences are utilized. Since the employee's accumulating rights to receive compensation for future absences are contingent upon the absences being used and such use cannot be reasonably estimated, a liability for accrued compensated absences has not been provided. District employees forfeit any vacation days unused at the end of the fiscal year. Therefore, no liability has been accrued for these compensated absences.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The negative \$106,439 in the Technology Fund fund balance is due to prior year excess payroll costs.

**Use of Estimates**

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

**Data Control Codes**

In accordance with the Financial Accountability System Resource Guide, 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 Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

**Dallas Independent School District  
Notes to the Financial Statements  
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**E. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and Government-Wide Statement of Net Assets**

Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net assets, governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets." The details of this \$280,858,554 amount by which proceeds exceeded repayments are:

Bond Proceeds	\$ 335,594,495
Bonds Refunded	(38,760,000)
Gain/Loss on Refunding Bonds	1,250,905
Premium on Bonds	3,725,591
Reversal of long-term principal payment	(26,985,048)
Interest Payable	1,094,491
Loan Proceeds	6,000,000
Bond Issuance Cost	(1,061,882)
Total by which proceeds exceeded repayments	<u>\$ (280,858,554)</u>

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at beginning of year consist of:

Bonds payable	\$ 333,614,000
Lease purchase payable	28,281,000
Workers compensation	10,414,000
Payable to Dallas County	2,581,000
Loan Payable	34,500,000
Accrued interest on the bonds	<u>1,474,367</u>
Total long-term liabilities not reported as liabilities in the funds	<u>\$ (410,864,367)</u>

**F. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The details of this \$3,971,598 are as follows:

Property Tax Revenue – General Fund	\$ 4,163,255
Property Tax Revenue – Debt Service	<u>(191,657)</u>
Total increase in revenue not reported at the fund level	<u>\$ 3,971,598</u>

**Dallas Independent School District  
Notes to the Financial Statements  
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**G. Deposits and Investments**

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 District's agent bank (Federal Reserve Bank), approved pledged securities, as authorized by Chapter 2257, Collateral for Public Funds of the Government Code, in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC"). 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 August 31, 2002, cash with a total carrying value of \$202,185 was on deposit with the contracted depository bank. In addition to these District funds, a total of \$3,071,810 in cash was on deposit with the contracted depository for various Activity Funds. The Activity Funds are in separate bank accounts in the name of the schools, and as such, have FDIC insurance of \$100,000 per bank account. Total District funds on deposit were secured at the balance sheet date by FDIC coverage of \$200,000 and by pledged United States government securities with a fair value of \$2,310,480 at August 31, 2002, held by the Federal Reserve Bank of Dallas. Because the Federal Reserve Bank of Dallas holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law.

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: Bank of America, N.A.
- b. The date of highest deposit was September 17, 2001, with combined cash and certificates of deposit balance of \$36,012,521.
- c. On September 17, 2001, the amount of bonds, securities pledged, and FDIC coverage was \$36,535,324.
- d. The FDIC coverage portion of the collateral listed above was \$200,000.

The cash deposits held at financial institutions are categorized according to three levels of risk, which are:

Category 1 - Deposits that are insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 - Deposits are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 - Deposits which are not collateralized.

Based on these three levels of risk, the cash deposits are classified as Category 1.

**Dallas Independent School District  
Notes to the Financial Statements  
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The Texas legislature passed the Public Funds Investment Act of 1995 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;
- 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;
- 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;
- 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; and
- bonds issued, assumed or guaranteed by the State of Israel was added by H.B. 3009, and was effective September 1, 1999.

The Public Funds Investment Act requires an annual audit of investment practices. Audit procedures in this area disclosed that in this area of investment practices, management reports and establishment of appropriate policies, the District materially adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The aforementioned investments can be categorized according to three levels of custodial credit risk. These three levels are as follows:

- Category 1 - insured or registered investments for which securities are held by the District or its agent in the District's name
- Category 2 - uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the District's name
- Category 3 - uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent, but not in the District's name.

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Notes to the Financial Statements  
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The following table categorized the District's investments at August 31, 2002, using the three levels of custodial credit risk:

	Category 1	Carrying Amount	Fair Value
Repurchase Agreements	\$ 354,265	\$ 354,265	\$ 354,265
	<u>\$ 354,265</u>	<u>354,265</u>	<u>354,265</u>
Money Markets		67,928,550	67,928,550
Guaranteed Investment Contract		303,722,227	303,722,227
Public Funds Investment Pools		<u>125,269,216</u>	<u>125,269,216</u>
		<u>\$ 497,274,258</u>	<u>\$ 497,274,258</u>

At August 31, 2002, the District had funds invested for the operating needs of the General Fund in the Local Government Investment Cooperative ("LOGIC"), the Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), Texas Local Government Investment Pool ("TexPool"), and the Lone Star Investment Pool (LSIP). LOGIC, Texas CLASS, Texpool, and LSIP have not been assigned a risk category since the District is not issued securities that exist in physical form, but rather, owns an undivided beneficial interest in the assets of the investment pools. Each investment pool the District participates in operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, to the extent such rule is applicable to its operations. Accordingly, the investment pools use the amortized cost method permitted by SEC Rule 2a-7 to report net assets and share prices since that amount approximates fair value. Regulatory oversight in the external investment pools is performed by a Board of Directors comprised of local government officers, including participants of the investment pools. The Texas State Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate Texpool. In addition, all investment pool's policies require a rating of AA or better from a nationally recognized rating agency.

In addition, the District invested the first issuance of proceeds from the Series 2002 Bonds in a guaranteed investment contract (GIC) with Morgan Stanley. The District is guaranteed a set interest rate of 3.65% and the maturities on the securities that are invested on the District's behalf by Morgan Stanley are "laddered" to cover the funding of the construction program. Morgan Stanley is required to secure the investment with U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The GIC has not been assigned a risk category since the District is not issued securities that exist in physical form, but rather, owns an undivided beneficial interest in the assets purchased by Morgan Stanley on behalf of the GIC.

**Line Of Credit**

The District has established a \$20 million line of credit with Bank of America N.A., which is available for seasonal borrowing needs from November 1 to January 31 of each year. Interest on amounts owed is assessed at the Bank of America, N.A. prime rate. The District has not utilized this line of credit during the last five fiscal years.



**Dallas Independent School District  
Notes to the Financial Statements  
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**H. Local Revenues**

Local revenues are comprised of the following:

	General Fund	Capital Projects Fund	Non Major Funds	Total
Property Taxes	\$ 804,438,523	\$ -	\$ 38,674,522	\$ 843,113,045
Dallas CED	290,792 ✓	-	-	290,792
Food Services	-	-	10,330,312	10,330,312
Interest Income	5,594,407	4,898,217	1,743,830	12,236,454
Tuition, Fees And Cocurricular	2,099,619	-	-	2,099,619
Other	12,235,802	-	1,694,967	13,930,769
<b>Total</b>	<b>\$ 824,659,143</b>	<b>\$ 4,898,217</b>	<b>\$ 52,443,631</b>	<b>\$ 882,000,991</b>

**I. Property Taxes**

The District's ad valorem property tax is 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 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, 2001, after deductions of all exemptions and reductions provided by law and those granted by the District, upon which the levy for the 2002 fiscal year was based, was \$57,284,326,734.

The tax rates assessed for the year ended August 31, 2002, to finance General Fund operations and the payment of principal and interest on long-term debt were \$1.47803 and \$ 0.0695 per \$100, respectively, for a total of \$1.54753 per \$100 valuation. The resolution levying the ad valorem taxes specifies the percentage of the taxes applicable to the General Fund and Debt Service Fund.

Current tax collections for the year ended August 31, 2002, were 96.3% of the 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 within the General and Debt Service Funds of \$20,469,766 and \$1,288,064, respectively, based upon historical collection experience. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature. At August 31, 2002, taxes receivable, net of estimated uncollectible taxes, aggregated \$43,388,969 and \$3,079,912 for the General Fund and Debt Service Fund, respectively. Effective September 1, 1991, the Texas state legislature established County Education Districts (CED) to redistribute property taxes from high-property value districts to low-property value districts. As of September 1, 1993, CED's were abolished by the enactment of Senate Bill 7 (S.B. 7). Residual collections of taxes assessed throughout the CED's prior to September 1, 1993, continued to be recognized as revenue when received through August 31, 2002. As part of this plan, the District recognized approximately \$290,792 as revenue in fiscal year 2002.

**Dallas Independent School District  
Notes to the Financial Statements  
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**J. Receivables**

Receivables as of August 31, 2002 for the District's major funds and nonmajor funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	General	Capital Projects	Nonmajor Funds	Total Governmental Activities
Property taxes	\$ 63,858,735	\$ -	\$ 4,367,976	\$ 68,226,711
Due from other governments	7,502,022	-	22,996,105	30,498,127
Accrued interest	-	462,538	4,757	467,295
Other receivables	1,845,462	-	184,836	2,030,298
Less: allowance for uncollectibles	(20,469,766)	-	(1,288,064)	(21,757,830)
Net total receivables	<u>\$ 52,736,453</u>	<u>\$ 462,538</u>	<u>\$ 26,265,610</u>	<u>\$ 79,464,601</u>

**K. Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

At the end of fiscal year 2002, the various components of deferred revenue reported in the general fund and nonmajor governmental funds were as follows:

	General	Nonmajor Funds
Property Tax	\$ 30,240,644	\$ 2,198,318
Grant Funds	-	4,652,794
Miscellaneous	761,234	-
Total	<u>\$ 31,001,878</u>	<u>\$ 6,851,112</u>

**L. Interfund Receivables and Payables**

Interfund balances at August 31, 2002, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund -		
Special Revenue Funds	\$ 16,052,500	\$ 9,160,593
Capital Projects Fund	308,000	-
Debt Services Fund	8,982,868	-
	<u>25,343,368</u>	<u>9,160,593</u>
Special Revenue Funds -		
General Fund-		
Drug Free Schools	-	153,491
ESEA Title I, Regular	-	1,867,015
ESEA Title I, Migrant	-	111,353
ESEA Title II, Math/Science	-	-
ESEA Title IV	-	-
Food Services	9,160,593	-

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Aid to Families	-	308,904
IDEA-B Formula	-	898,407
IDEA-B Preschool	-	28,147
Adult Basic Education	-	555,949
Vocational Education	-	100,157
Emergency Immigration Education	-	329,348
Regional Day School for the Deaf	-	-
Early Childhood Intervention	-	327,229
Urban Systemic Initiative	-	1,303,336
Miscellaneous Other	-	10,069,164
	<u>9,160,593</u>	<u>16,052,500</u>
Debt Service Fund - General Fund	-	8,982,868
Capital Projects Fund - General Fund	-	308,000
	<u>\$ 34,503,961</u>	<u>\$ 34,503,961</u>

**M. Changes in Capital Assets**

Capital asset activity for the year ended August 31, 2002 is as follows:

Capital Assets, not being depreciated:

	Balance 08/31/01	Additions	Deletions	Balance 08/31/02
Land	\$ 47,091,907			\$ 47,091,907
Construction in Progress	<u>10,687,356</u>		<u>(10,402,702)</u>	<u>284,654</u>
Total Capital Assets, not being depreciated	✓ 57,779,263		✓ (10,402,702)	✓ 47,376,561

Capital Assets, being depreciated:

Building	940,698,475	12,809,400		953,507,875
Furniture & equipment	<u>59,137,935</u>	<u>33,042,262</u>	<u>(815,149)</u>	<u>91,365,048</u>
Total Capital Assets, being depreciated	999,836,410	✓ 45,851,662	(815,149)	1,044,872,923

Less accumulated depreciation for:

Buildings	615,024,102	14,972,796		629,996,898
Furniture & equipment	<u>63,428,830</u>	<u>6,888,111</u>	<u>(815,149)</u>	<u>69,501,790</u>

Total Accumulated depreciation	678,452,932	✓ 21,860,907	(815,149)	699,498,690
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Total Capital Assets, being Depreciated, net	✓ <u>321,383,478</u>	<u>23,990,755</u>		✓ <u>345,374,233</u>
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Capital Assets, Net	\$ <u>379,162,741</u>	<u>23,990,755</u>	<u>(10,402,702)</u>	\$ <u>392,750,794</u>
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**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

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

Instruction	\$ 12,339,274
Instructional Resources & Media Services	367,838
Curriculum and Staff Development	354,484
Instructional Leadership	290,273
School Leadership	1,258,749
Guidance, Counseling and Evaluation Services	708,782
Social Work Services	44,732
Health Services	213,327
Student Transportation	968,820
Food Services	579,285
Curriculum/Extracurricular Activities	190,806
General Administration	755,727
Plant Maintenance and Operations	2,928,733
Security and Monitoring Services	243,952
Data Processing Services	479,724
Community Services	<u>136,401</u>
Total	<u><u>\$ 21,860,907</u></u>

**N. Capital Leases**

As of August 31, 2002, the accompanying government-wide financial statements include property under capital leases totaling a principle balance due of \$23,152,612, with a net present value (NPV) of \$22,472,972. Capital leases provide for the acquisition of equipment to improve the District's energy management systems, student information systems and telephone system and are recorded as assets in the General Fixed Asset Account Group. Capital lease expenditures for fiscal year 2001-2002 were \$7,466,973, representing principal and interest payments that have been reflected as debt service expenditures in the General Fund of the accompanying combined financial statements.

<u>Date of Issue</u>	<u>Purpose/Lawful Authority (Maturity)</u>	<u>Interest Rate</u>	<u>Net Present Value (in thousands)</u>
8/28/96	Energy Management Systems/Johnson Controls, Inc. (10/15/06)	5.96%	\$ 2,777
8/27/96	Energy Management Systems/Honeywell, Inc. – Phase I (09/01/06)	5.62%	2,776
4/14/97	Energy Management Systems/Honeywell, Inc. – Phase IIA (03/01/08)	6.89%	6,083

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

4/14/97	Energy Management Systems/ Honeywell, Inc. – Phase IIB (03/01/08)	6.89%	6,083
11/03/97	Student Record Initiative/Unisys (08/15/02)*	4.63%	-
12/18/98	Telephone System/Fujitsu (9/15/05)*	4.44%	5,024
			<u>\$ 22,743</u>

\* In conjunction with the Unisys capital lease and the Fujitsu capital lease, the district borrowed \$10.0 million for each lease from Bank of America. These funds were placed in two escrow accounts. The amounts placed in escrow were sufficient to cover 100% of the principal amount of the lease.

Pursuant to the terms of the capital lease agreements, the following schedule presents future minimum lease payments, including principle and interest, by year, as of August 31, 2002:

Year Ended August 31 (in thousands)	
2002-2003	\$ 5,108
2003-2004	5,133
2004-2005	5,147
2005-2006	5,174
2006-2007	3,772
2007-2012	<u>2,417</u>
Future minimum lease payments	26,751
Amount representing interest (1)	<u>4,008</u>
Total future minimum lease payments	<u>\$ 22,743</u>

- (1) Includes amount necessary to reduce net minimum lease payments to present value calculated at the District's incremental borrowing rate at the inception of the leases.

**O. Long-Term Obligations**

Long-term debt includes par bonds, capital appreciation serial bonds, contractual obligations, capital leases, long-term loans, maintenance tax notes and provisions for Workers' Compensation liability. Bond premiums are amortized using the effective interest method. At August 31, 2002, the District's debt limitation under local policies, which represents 10% of the District's total assessed property value for school tax purposes, is \$5,728,432,673 and the District's legal debt margin is \$5,104,375,101.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

**General Obligation Bonds**

These bonds are secured by ad valorem taxes levied against all taxable property and are serviced, with the exception of the contractual obligation bonds, by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 3.70% to 5.8% and are due through 2022. At August 31, 2002, \$17,787,297 was available in the Debt Service Fund to service the appropriate bonds.

<u>Series</u>	<u>General Obligation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1993	Serially in varying amounts from August 15, 2000 to August 15, 2007	4.75%-5.75%	\$ 74,430
1995	Serially in varying amounts from August 15, 2007 to August 15, 2014	5.3%-5.8%	46,775
1999	Serially in varying amounts from August 15, 2000 to August 15, 2014	3.70%-5.25%	162,405
2002	Serially in varying amounts from February 15, 2004 to February 15, 2022	4.0%-5.5%	332,025
			<u>\$ 615,635</u>

**Capital Appreciation Bonds**

Although the debt service requirements on Capital Appreciation Bonds are payable only upon maturity, the original principal amount of the Capital Appreciation Bonds, Series 1995, plus the premium of \$7,065,712 is recorded as a component of long-term obligations in the Statement of Net Assets. In addition, the original principal of the Capital Appreciation Bonds, Series 1999, plus the premium of \$8,300,033 is recorded in the Statement of Net Assets. Finally, the original principal amount of the Capital Appreciation Bonds, Series 2002, plus the premium of \$485,505 is recorded as a component of long-term obligations in the Statement of Net Assets.

<u>Series</u>	<u>Capital Appreciation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1995	August 15, 2007	6.4%	\$ 10,491
1999	August 15, 2005	4.05%	7,444
2002	February 15, 2003	2.3%	3,799
			<u>\$ 21,734</u>

**Contractual Obligation Bonds**

The District's current year payments for debt service on contractual obligation bonds included interest of \$138,469 for Series 1995 and \$71,775 for Series 1996. These payments are included as debt service expenditures in the General Fund in the accompanying fund financial statements. The Series 1995 and 1996 Contractual Obligation Bonds were both refunded by the 'Unlimited Tax School Building and Refunding Bonds, Series 2002' on March 15, 2002.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

<u>Series</u>	<u>Contractual Obligation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1994	Serially in varying amounts from August 15, 2000 to August 15, 2001	4.3%-5.3%	\$ 0
1995	Serially in varying amounts from August 15, 2000 to August 15, 2003	4.0%-4.8%	0
1996	Serially in varying amounts from August 15, 2000 to August 15, 2003	4.2%-6.2%	0
			<u>\$ 0</u>

**Maintenance Tax Notes**

On August 15, 2001, \$30,300,000 of debt was issued as The Maintenance Notes, Series 2001. This debt was subsequently refunded on March 15, 2002 by the issuance of the 'Unlimited Tax School Building and Refunding Bonds, Series 2002.' On October 1, 2001 the district issued \$6,880,000 of Qualified Zone Academy Maintenance Tax Notes, Series 2001.

<u>Series</u>	<u>Maintenance Tax Notes Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
2001	Serially in varying amounts from August 15, 2001 to August 15, 2011	3.85%-4.00%	\$ 0
2002	Serially in varying amounts from May 1, 2002 to May 1, 2015	0%	4,476
			<u>\$ 4,476</u>

**Long-Term Loan Contracts**

The annual requirements to pay principal and interest on two long-term loan contracts, the Vehicle Acquisition Loan and the Software Acquisition Loan, at August 31, 2002 is as follows (in thousands):

<u>Year Ended August 31</u>	<u>Vehicle Acquisition Loan</u>		<u>Software Acquisition Loan</u>		<u>Total Requirement (in thousands)</u>	<u>Principal Outstanding (in thousands)</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2003	\$ 802	\$ 139	\$ 1,439	\$ 196	\$ 2,576	\$ 2,241
2004	838	103	1,498	136	2,575	2,336
2005	876	65	1,561	73	2,575	2,437
2006	916	25	805	13	1,759	1,721
Total	<u>\$ 3,432</u>	<u>\$ 332</u>	<u>\$ 5,303</u>	<u>\$ 418</u>	<u>\$ 9,485</u>	<u>\$ 8,735</u>

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

The following is a summary of the changes in the District's Long-Term Debt for the year ended August 31, 2002 (in thousands):

Description	Debt Outstanding September 1, 2001	Additions And Interest  Accretion	Retired	Debt Outstanding August 31, 2002	Amounts Due Within One Year From August 31, 2002
<b>General Obligation Bonds</b>					
Series 1993	\$ 98,915	\$ -	\$ 24,485	\$ 74,430	\$ 19,030
Series 1995	46,775	-	-	46,775	-
Series 1999	162,405	-	-	162,405	990
Series 2002	-	332,025	-	332,025	-
<b>Total General Obligation Bonds</b>	<b>308,095</b>	<b>332,025</b>	<b>24,485</b>	<b>615,635</b>	<b>20,020</b>
<b>Capital Appreciation Bonds</b>					
Series 1995	9,904	587	-	10,491	-
Series 1999	7,155	290	-	7,444	-
Series 2002	-	3,798	-	3,799	3,799
<b>Total Capital Appreciation Bonds</b>	<b>17,059</b>	<b>4,675</b>	<b>-</b>	<b>21,734</b>	<b>3,799</b>
<b>Contractual Obligation Bonds</b>					
Series 1994	-	-	-	-	-
Series 1995	5,235	-	5,235	-	-
Series 1996	3,225	-	3,225	-	-
<b>Total Contractual Obligation Bonds</b>	<b>8,460</b>	<b>-</b>	<b>8,460</b>	<b>-</b>	<b>-</b>
<b>Maintenance Tax Notes</b>					
Series 2001-Oracle	30,300	-	30,300	-	-
Series 2001-QZAB	-	4,820	344	4,476	344
<b>Total Maintenance Tax Notes</b>	<b>30,300</b>	<b>4,820</b>	<b>30,644</b>	<b>4,476</b>	<b>344</b>
<b>Capital Leases</b>					
Johnson Controls	3,184	-	407	2,777	454
Honeywell - Phase I	3,246	-	470	2,776	496
Honeywell - Phase IIA	6,914	-	831	6,083	879
Honeywell - Phase IIB	6,914	-	831	6,083	879
Unisys	1,899	-	1,899	-	-
Fujitsu	6,124	-	1,100	5,024	1,159
<b>Total Capital Leases</b>	<b>28,281</b>	<b>-</b>	<b>5,538</b>	<b>22,743</b>	<b>3,867</b>
<b>Loans Payable</b>					
Vehicle Acquisition	4,200	-	768	3,432	802
Software Acquisition	-	6,000	697	5,303	1,438
<b>Total Loans Payable</b>	<b>4,200</b>	<b>6,000</b>	<b>1,465</b>	<b>8,735</b>	<b>2,241</b>



**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

Workers Compensation	10,414	1,502	-	11,916	
Payable to Dallas County	2,581	-	2,581	-	
Total Long Term Debt	<u>\$ 409,390</u>	<u>\$ 349,022</u>	<u>\$ 73,173</u>	<u>\$ 685,239</u>	<u>\$ 30,271</u>

\* Included in retirements is \$2,581 million recorded in Student transportation, for operational costs, instead of Debt Service. The interlocal agreement between the District and Dallas County Schools has been satisfied by the final payment made in 2001-2002.

**Debt Service Requirements**

The annual requirements to pay principal and interest on the bond obligations outstanding as of August 31, 2002 are as follows (in thousands):

Year Ended	General Obligation, Capital Appreciation Bonds and Maintenance Tax Notes		Total
	Principal	Interest	Requirements
<u>August 31</u>			
2003	\$ 24,163	\$ 38,630	\$ 62,793
2004	33,754	29,944	63,698
2005	34,159	30,205	64,364
2006	34,849	27,078	61,927
2007	33,475	32,494	65,969
2008-2012	208,822	103,268	312,090
2013-2017	164,068	50,948	215,016
2018-2022	108,555	12,213	120,768
Total	<u>\$ 641,845</u>	<u>\$ 324,780</u>	<u>\$ 966,625</u>

In 1985, 1993, 1995, 1999 and 2002, 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 old bonds. Accordingly, the trust account assets and the liability for these defeased bonds, \$234,725,000, are not included in the District's basic financial statements.

**2001-02 Debt Issuance**

The following debt was issued during fiscal year 2001-2002:

**Software Acquisition Loan:** On December 7, 2001, a software acquisition loan contract was entered into by and between Banc of America Leasing & Capital, LLC and Dallas Independent School District. The debt was issued for the purchase of software for the Special Education Department of the District. The original principal amount of the debt was \$6,000,000, repayable at an interest rate of 4.11%. Principal and interest payments of \$235,271 began on March 24, 2002, and are due on each March, June, September and December 24<sup>th</sup> thereafter, with the last payment due on December 24, 2005. This debt is not subject to federal arbitrage regulations. The proceeds were received on December 24, 2001 and any unused proceeds are maintained in the 'Dallas ISD Software Acquisition Fund' money market account at Bank of America.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2001: On October 1, 2001, the proceeds for the issuance of the 'Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2002' (the "Notes") were received by the District. The Notes were dated October 1, 2001. The proceeds from the sale of the Notes will be used for the funding of approved Qualified Zone Academy Bond (QZAB) projects at District schools and to pay the costs of issuance associated with the Notes. The proceeds of the debt were \$6,880,000, with an original principal balance due of \$4,820,494. The repayment of the principal escrow at US Bank in increments of \$344,321 on each May 1, beginning May 1, 2002 and ending May 1, 2015. The total deposits of \$4,820,494, plus the interest accrued on these deposits of \$2,059,506, will be used to repay the \$6,880,000 due in full at maturity on October 16, 2015. Interest on the Notes is at 0%. This debt is subject to federal arbitrage regulations. The unused proceeds are maintained in the 'Dallas Independent School District Qualified Zone Academy Maintenance Tax Notes Series 2001' money market account at Bank of America.

The Unlimited Tax School Building and Refunding Bonds, Series 2002: On January 19, 2002, the voters of the District approved the issuance of construction obligations (the "New Construction Authorization") in the amount of \$1,366,295,000. On that same day, the voters approved also the issuance of refunding obligations (the "Refunding Authorization") in the amount of \$38,760,000. On March 15, 2002, the first issuance of bonds under these authorizations occurred with the sale and delivery of 'The Unlimited Tax School Building and Refunding Bonds, Series 2002.' The construction bonds were issued to acquire, construct and equip school buildings and purchase necessary sites for the construction of schools, and to pay issuance costs associated with the sale of the bonds (\$296,835,000). The refunding bonds were issued to refund 'The Maintenance Tax Notes, Series 2001' and the 'Public Property Finance Contractual Obligation Bonds, Series 1995 and 1996' (\$38,759,495). The reacquisition price exceeded the net carrying amount of the old debt by \$505. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding resulted in an economic gain of \$3,708,831.

The original principal amount of the debt was \$335,594,495, repayable at a variable interest rate ranging from 4.00% to 5.5%. Interest on the current interest bonds issued of \$332,025,000 accrued from March 15, 2002, and will be payable on February 15 and August 15 of each year, commencing on February 15, 2003 and ending on February 15, 2022. Issued also was a \$3,569,495 capital appreciation bond, with interest to accrete from the date of delivery (also March 15, 2002) with a maturity value of \$4,055,000 due and payable in full at February 15, 2003. This debt is subject to federal arbitrage regulations. The proceeds from the sale of the bonds were received on April 4, 2002, and the unused construction proceeds are maintained in a Guaranteed Investment Contract (GIC) account managed by Morgan Stanley Dean Witter. The GIC accrues and then receives interest payments periodically on any unused balance of proceeds, earning a guaranteed rate of interest of 3.65%.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions as of August 31, 2002.

The District has \$1,030,700,505 of authorized but unissued New Construction Authorization remaining to be issued.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

**P. General Fund Federal Source Revenues**

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

JROTC	\$ 1,259,549
Medicaid	2,418,927
Indirect Cost	<u>1,377,225</u>
	<u>\$ 5,055,701</u>

Indirect costs of \$1,377,225 have been credited to General Fund Federal Program Revenue in the accompanying fund financial statements for the year ended August 31, 2002. The detail projects are as follows:

Program or Source	Federal CFDA Number	Amount
Grant Programs -		
Indirect cost charged to federal programs -		
Javits – Sol Net	84.206A	\$ 7,786
Drug and Violence Middle School	84.184K	5,714
21 <sup>st</sup> Century Learning Centers	84.287A	71,587
Indian Education Formula	84.060A	396
Development and Implementation	84.288S	1,472
Bilingual Education: Comprehensive School Grants	84.290U	1,717
Title VII, Part C – Emergency Immigrant Educ. Prog	84.162A	30,107
ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	18,651
McKinney Homeless Children	84.196	1,894
Academics 2000: First Things First	84.276A	13,821
ESEA, Title II, Part B	84.281A	20,430
Title I, Part A	84.010A	662,203
Title I, Part C	84.011	7,498
Federal Adult Education	84.002A	31,519
IDEA-B Formula	84.027	162,428
IDEA-B Preschool	84.173	4,641
Carl Perkins Grant for Career & Technology Training	84.048A	16,255
ESEA, Title VI	84.298	25,137
ESEA, Title VI-Class Size Reduction Program	84.340A	143,492
READ for Texas, Local Reading Improvement	84.338A	58,199
Refugee Children School Impact Grant	93.576	2,802
ESEA, Title I, Part D	84.010A	194
Read for Texas Tutorial Assistance	84.338	8,629
Title I School Improvement Program	84.348A	31,978
Public Charter Schools	84.282A	5,259
Early Childhood Intervention	84.181	29,540
AIDS Health Education	93.938	2,959
Abstinence Education	93.995	7,267
Federal-TANF	93.558	3,551
Tools For Schools	66.606	99
		<u>\$ 1,377,225</u>

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

**Q. Defined Benefit Pension Plan**

**Plan Description**

All employees of the District employed for one-half or more of the standard workload and who are not exempted from membership under the Texas Government Code, Title 8, Subtitle C, Section 822.002, participate in the Teacher Retirement System of Texas (the System), a multiple-employer Public Employee Retirement System (PERS). It is a cost-sharing PERS with one exception; all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

**Funding Policy**

By statute, plan members must contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2000, 2001 and 2002, were \$44,311,416, \$47,394,734 and \$49,510,218 respectively, equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 2000, 2001 and 2002, were \$8,547,566, \$10,670,954 and \$8,085,745 respectively, equal to the required contributions for each year. The District has recorded, in the General Fund, approximately \$43.5 million in revenue and expenditures for fringe benefits and salaries paid on behalf of the District by the System.

**R. Risk Management**

During the year ended August 31, 2002, employees of the District could chose between two health insurance plans. The District paid premiums of \$200 per month per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The District does not provide any post retirement health benefits to its employees.

Beginning in 1989, the District moved from a self-insured worker's 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 General 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 District management.

At August 31, 2002, the accrued liability for worker's compensation self insurance of \$15.193 million includes incurred but not reported claims. The short term portion or that amount expected to be paid with expendable available resources of \$3.277 million, is recorded in accrued liabilities in the general fund and the long-term portion of \$11.916 million is recorded in long-term debt in the Statement of Net Assets. 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.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

Changes in the reported liability since August 31, 1999, resulted from the following:

<u>Fiscal Year</u>	<u>Balance September 1</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claims Payments</u>	<u>Balance August 31</u>
2000-01	\$ 13,523,386	9,416,996	(9,580,456)	\$ 13,359,926
2001-02	\$ 13,359,926	11,703,219	(9,871,072)	\$ 15,192,073

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. During fiscal year 2002, the District purchased commercial insurance to cover general liabilities. 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.

**S. Maintenance of Effort**

The following disclosure pertains to group health insurance, as required by HB 3343, 77<sup>th</sup> Texas Legislature (Section 1.03 which adds Insurance Code Article 3.50 – 9 Section 2). The District provides employee health and life insurance at no cost to qualified employees at the rate of \$200 per participating employee per month. Employees have the option to purchase additional insurance for eligible family members. For the year 2002, the District's maintenance of effort was as follows:

Total Contributions for health care:	\$ 33,175,200
Less: Amounts Contributed for:	
Life Insurance	(224,856)
Retiree Expense	(8,899)
Employee Assistance Plan	<u>(376,595)</u>
	<u>\$ 32,564,850</u>

**T. Litigation, Contingencies and Commitments**

The District is a defendant in various lawsuits arising principally in the normal course of operations. In the opinion of the District 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 or results of operations. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2002, these programs are subject to financial and compliance audits by the grantor agencies. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**Dallas Independent School District  
Notes to the Financial Statements  
For the Fiscal Year Ended August 31, 2002**

**U. Subsequent Events**

The following debt was issued subsequent to fiscal year 2001-2002:

Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2002: Subsequent to fiscal year 2001-2002, on September 5, 2002, the proceeds for the issuance of the 'Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2002' (the "Notes") were received by the District. The Notes were dated September 1, 2002. Interest on the Notes is 1%, accrued from September 1, 2002, and will be payable on February 15 and August 15 of each year, commencing on February 15, 2003, and ending on August 15, 2017. The proceeds from the sale of the Notes will be used for the funding of approved Qualified Zone Academy Bond projects at District schools and to pay costs of issuance associated with the Notes. The original principal amount of the debt was \$1,120,000, and is repayable in full at maturity on August 15, 2017. This debt is subject to federal arbitrage regulations. The proceeds are maintained in the 'Dallas Independent School District Qualified Zone Academy Maintenance Tax Notes Series 2002' money market account at Bank of America.

**Dallas Independent School District**  
**Required Supplemental Information**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Year Ended August 31, 2002**

Exhibit G-1

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources:	\$ 825,148,410	\$ 828,369,683	\$ 824,659,143	\$ (3,710,540)
State Sources:	151,929,411	151,929,411	151,752,063	(177,348)
Federal Sources:	4,000,000	4,000,000	5,055,701	1,055,701
<b>TOTAL REVENUES</b>	<b>981,077,821</b>	<b>984,299,094</b>	<b>981,466,907</b>	<b>(2,832,187)</b>
<b>EXPENDITURES</b>				
Current:				
11 Instruction	589,023,141	582,213,698	581,793,176	420,522
12 Instructional Resources and Media Services	17,665,977	17,703,694	17,343,477	360,217
13 Curriculum and Instructional Staff Development	18,954,002	20,188,275	16,713,837	3,474,438
21 Instructional Leadership	14,355,120	15,323,318	13,686,295	1,637,023
23 School Administration	58,218,880	59,812,072	59,349,639	462,433
31 Guidance and Counseling Services	33,261,813	34,689,138	33,418,848	1,270,290
32 Social Work Services	2,815,439	2,171,561	2,109,094	62,467
33 Health Services	10,344,030	10,535,613	10,058,324	477,289
34: Student (Pupil) Transportation	17,093,759	17,564,886	15,837,457	1,727,429
36 CO-Curricular Activities	10,049,749	9,921,383	8,996,439	924,944
41 General Administration	35,814,978	38,533,812	35,632,294	2,901,518
51 Plant Maintenance and Operations	120,476,690	122,270,268	114,559,478	7,710,790
52 Security & Monitoring Services	9,275,980	9,772,397	8,632,834	1,139,563
53 Data Processing Services	19,476,700	24,468,894	22,618,824	1,850,070
61 Community Services	6,286,653	6,728,476	6,431,253	297,223
71 Debt Service:				
Principal	4,135,000	2,353,790	2,687,110	(333,320)
Interest and Fiscal Charges	9,530,149	8,308,924	7,693,345	615,579
81 Facilities Acquisition and Construction	4,299,761	15,122,289	15,804,622	(682,333)
93 Pmts to Fisc Agent/Mbr Districts-Shared Svcs	-	9,253,059	9,248,085	4,974
<b>TOTAL EXPENDITURES</b>	<b>981,077,821</b>	<b>1,006,935,547</b>	<b>982,614,431</b>	<b>24,321,116</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(22,636,453)</b>	<b>(1,147,524)</b>	<b>21,488,929</b>
<b>OTHER FINANCING SOURCES / (USES):</b>				
LOAN PROCEEDS	-	6,000,000	6,000,000	-
TRANSFERS IN / OUT	-	-	(1,141,365)	(1,141,365)
<b>TOTAL OTHER FINANCING SOURCES / USES</b>	<b>-</b>	<b>6,000,000</b>	<b>4,858,635</b>	<b>(1,141,365)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>(16,636,453)</b>	<b>3,711,111</b>	<b>20,347,564</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>90,762,509</b>	<b>61,303,187</b>	<b>90,762,509</b>	<b>29,459,322</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 90,762,509</b>	<b>\$ 44,666,734</b>	<b>\$ 94,473,620</b>	<b>\$ 49,806,886</b>

**DALLAS INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Budgetary Comparison Schedule**  
**August 31, 2002**

**Budgetary Information**

The official budget was prepared for adoption for the General Fund, Debt Service Fund, and the Food Service Fund, which is included within the Special Revenue Funds. Project accounting is employed to maintain the integrity of the various sources of funds. The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. Before August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Before September 1, the Board legally enacts the budget through passage of a resolution.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, and are reflected in the official minutes of the Board. The significant budget amendments passed during the 2001-2002 school year are, data processing services of \$5.0 million for new computer equipment; facilities acquisition and construction for \$10.1 million; and payments to tax increment fund for \$9.3 million for the district share for economic development.

The budget manager at the expenditure function/object level controls each budget. All budget appropriations lapse at year-end. Encumbrances outstanding at that time are cancelled or appropriately provided for in the subsequent year's budget.



Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Data Control Codes	Assets													
	204	211	212	240	223	224	225	220	244	202				
	Drug Free Schools	ESEA Title 1 Regular	ESEA Title 1 Migrant	Food Services	Aid to Families	IDEA B Formula	IDEA B Preschool	Adult Basic Education	Vocational Education	Emergency Immigration Education				
1110	Cash	-	-	-	-	-	-	-	-	-				
1170	Investment, at cost	-	-	-	-	-	-	-	-	-				
1225	Receivables													
1240	Taxes Receivable, net	153,491	111,600	2,279,692	310,416	899,110	28,147	646,818	100,183	376,848				
1250	Due from Federal Agencies	-	-	4,757	-	-	-	-	-	-				
1260	Accrued interest	-	-	9,160,593	-	-	-	-	-	-				
1280	Due from Other Funds	-	-	-	-	-	-	-	-	-				
1290	Other Receivables	-	-	4,172,081	-	-	-	-	-	-				
1300	Inventories, at Cost	-	-	645	-	-	-	-	-	-				
1400	Other Current Assets	-	-	-	-	-	-	-	-	-				
1000	Total Assets	\$ 153,491	\$ 111,600	\$ 15,617,768	\$ 310,416	\$ 899,110	\$ 28,147	\$ 646,818	\$ 100,183	\$ 376,848				
Liabilities and Fund Balance														
2110	Current Liabilities													
2160	Accounts Payable	-	9,060	247	394,062	-	703	-	14	662				
2170	Accrued Wages Payable	-	-	-	518,626	-	-	90,766	-	46,838				
2200	Due to Other Funds	153,491	111,353	-	308,904	898,407	28,147	555,949	100,157	329,348				
2200	Accrued Expenditures	-	-	-	-	-	-	-	-	-				
2300	Deferred Revenues	-	17,715	-	-	-	-	89	26	-				
2000	Total Liabilities	\$ 153,491	\$ 111,600	\$ 912,688	\$ 310,416	\$ 899,110	\$ 28,147	\$ 646,818	\$ 100,183	\$ 376,848				
3000	Fund Balance	-	-	-	-	-	-	-	-	-				
3410	Reserve for Investment in Inventories	-	-	-	4,172,081	-	-	-	-	-				
3420	Reserve for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-				
3450	Reserve for Food Service and Child Nutrition	-	-	-	10,517,951	-	-	-	-	-				
3440	Reserve for Outstanding Encumbrances	-	-	-	15,048	-	-	-	-	-				
3600	Reserve	-	-	-	-	-	-	-	-	-				
	Total Fund Balance	-	-	-	14,705,080	-	-	-	-	-				
4000	Total Liabilities and Fund Balance	\$ 153,491	\$ 111,600	\$ 15,617,768	\$ 310,416	\$ 899,110	\$ 28,147	\$ 646,818	\$ 100,183	\$ 376,848				

Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Data Control Codes	Assets										
	272	273	285	203	206	207	208	218	219	222	
1110	Cash	-	-	-	-	-	-	-	-	-	
1170	Investment, at cost	-	-	-	-	-	-	-	-	-	
	Receivables										
1225	Taxes Receivable, net	436,549	1,362,313	216,815	40,860	801,723	220,931	50,516	75,902	10,000	
1240	Due from Federal Agencies	-	-	-	-	-	-	-	-	-	
1250	Accrued Interest	-	-	-	-	-	-	-	-	-	
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-	
1290	Other Receivables	-	-	-	-	-	-	-	-	-	
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-	
1400	Other Current Assets	-	-	-	-	-	-	-	-	-	
	Total Assets	\$ 436,549	\$ 1,362,313	\$ 216,815	\$ 40,860	\$ 801,723	\$ 220,931	\$ 50,516	\$ 75,902	\$ 10,000	
	Liabilities and Fund Balance										
	Current Liabilities										
2110	Accounts Payable	30,127	10,285	2,531	1,100	-	-	1,412	-	-	
2160	Accrued Wages Payable	7,046	-	-	-	-	-	-	-	-	
2170	Due to Other Funds	327,229	1,303,336	177,659	38,760	800,765	220,931	49,104	75,159	10,000	
2200	Accrued Expenditures	-	-	-	-	-	-	-	-	-	
	Deferred Revenues	72,147	48,692	36,625	-	958	-	-	743	-	
2300	Total Liabilities	\$ 436,549	\$ 1,362,313	\$ 216,815	\$ 40,860	\$ 801,723	\$ 220,931	\$ 50,516	\$ 75,902	\$ 10,000	
3000	Fund Balance	-	-	-	-	-	-	-	-	-	
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	
3420	Reserved for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-	
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	-	-	-	-	
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	
3600	Reserved	-	-	-	-	-	-	-	-	-	
	Total Fund Balance	-	-	-	-	-	-	-	-	-	
	Total Liabilities and Fund Balance	\$ 436,549	\$ 1,362,313	\$ 216,815	\$ 40,860	\$ 801,723	\$ 220,931	\$ 50,516	\$ 75,902	\$ 10,000	

Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Data Control Codes	Assets	226	Discretionary Deaf Services	227	IDEA Formula Deaf	239	Drug Violence Prevention	255	Class Size Reduction	256	School Demonstration	257	Read For Texas	258	Refuge Children Impact	260	ESEA Part D	264	21st Century Lse Lunas
1110	Cash	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
1170	Investment, at cost		-		-		-		-		-		-		-		-		-
	Receivables																		
1225	Taxes Receivable net																		
1240	Due from Federal Agencies	14,880		34,560		206,897		1,267,246		11,461		482,416		33,257		93		102,236	
1250	Accrued Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1000	Total Assets	\$ 14,880	\$ 34,560	\$ 206,897	\$ 1,267,246	\$ 11,461	\$ 482,416	\$ 33,257	\$ 93	\$ 102,236									
	Liabilities and Fund Balance																		
	Current Liabilities																		
2110	Accounts Payable	\$ 495	\$ -	\$ 147	\$ -	\$ 7,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2170	Due to Other Funds	14,385	34,560	206,750	1,266,663	11,461	475,234	28,568	93	102,236									
2200	Accrued Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	583	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2000	Total Liabilities	\$ 14,880	\$ 34,560	\$ 206,897	\$ 1,267,246	\$ 11,461	\$ 482,416	\$ 33,257	\$ 93	\$ 102,236									
3000	Fund Balance																		
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3420	Reserved for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3600	Reserved	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Fund Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 14,880	\$ 34,560	\$ 206,897	\$ 1,267,246	\$ 11,461	\$ 482,416	\$ 33,257	\$ 93	\$ 102,236									

Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Data Control Codes	Assets	265	266	267	269	274	276	278	279	281
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	Receivables									
1225	Taxes Receivable, net	107,720	185,329	124,340	131,123	-	6,415	6,446	2,380,106	-
1240	Due from Federal Agencies	-	-	-	-	-	-	-	-	-
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	Total Assets	\$ 107,720	\$ 185,329	\$ 124,340	\$ 131,123	\$ -	\$ 6,415	\$ 6,446	\$ 2,380,106	\$ -
	Liabilities and Fund Balance									
	Current Liabilities									
2110	Accounts Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-	6,415	6,446	2,331,569	-
2170	Due to Other Funds	106,054	185,329	124,340	131,123	-	-	-	-	-
2200	Accrued Expenditures	-	-	-	-	-	-	-	48,537	-
2300	Deferred Revenues	1,666	-	-	-	-	-	-	-	-
2000	Total Liabilities	\$ 107,720	\$ 185,329	\$ 124,340	\$ 131,123	\$ -	\$ 6,415	\$ 6,446	\$ 2,380,106	\$ -
3000	Fund Balance	-	-	-	-	-	-	-	-	-
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3420	Reserved for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3600	Reserved	-	-	-	-	-	-	-	-	-
	Total Fund Balance	-	-	-	-	-	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 107,720	\$ 185,329	\$ 124,340	\$ 131,123	\$ -	\$ 6,415	\$ 6,446	\$ 2,380,106	\$ -

Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Exhibit H-1

Data Control Codes	Assets									
		282	284	286	289	291	292	296	297	328
		21st Century After School LC	Texas Families Together/Safe	Title 1 School Improvement	IDEA Early Intervention	Bilingual Early Childhood	Fit Healthy Ready to Learn	Goals 2000 Education Act Title III	Asthma Grant	Accelerated Achievement For Truant
1110	Cash	\$ - \$	- \$	-	- \$	- \$	- \$	- \$	- \$	-
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	Receivables									
1225	Taxes Receivable, net									
1240	Due from Federal/Agencies	8,420	138,641	217,384	4,333	-	3,551	29,602	135,130	42,193
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	Total Assets	\$ 8,420 \$	138,641 \$	217,384 \$	4,333 \$	- \$	3,551 \$	29,602 \$	135,130 \$	42,193 \$
	Liabilities and Fund Balance									
	Current Liabilities									
2110	Accounts Payable	\$ - \$	- \$	(1,085)	709 \$	- \$	- \$	- \$	- \$	-
2160	Accrued Wages Payable	-	-	-	-	-	-	-	-	-
2170	Due to Other Funds	8,420	136,989	218,469	3,624	-	3,551	29,602	135,130	42,188
2200	Accrued Expenditures	-	-	-	-	-	-	-	-	-
		-	1,652	-	-	-	-	-	-	5
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	Total Liabilities	8,420	138,641	217,384	4,333	-	3,551	29,602	135,130	42,193
3000	Fund Balance	-	-	-	-	-	-	-	-	-
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3420	Reserved for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3600	Reserved	-	-	-	-	-	-	-	-	-
	Total Fund Balance	-	-	-	-	-	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 8,420 \$	138,641 \$	217,384 \$	4,333 \$	- \$	3,551 \$	29,602 \$	135,130 \$	42,193 \$

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Dallas Independent School District  
Combining Balance Sheet  
NonMajor Governmental Funds  
August 31, 2002

Data Control Codes	Assets	386	388	394	400	401	409	411	413	424
		State Visually Handicapped	Adult Apprenticeship Training	Pregnancy Education Parenting	Seagoville School-Based Health	Optional Extended Year	Ninth Grade Success Initiative	State Technology Initiative	Telecom Infrastructure Fund	Pre-K&K Facilities Improvement
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
1225	Receivables									
1240	Taxes Receivable net	15,449	163,858	18,122	70,301	3,818,858	1,089,880	503,808	81,737	8,225
1260	Due from Federal Agencies	-	-	-	-	-	-	-	-	-
1280	Accrued Interest	-	-	-	-	-	-	-	-	-
1290	Due from Other Funds	-	-	-	-	-	-	-	-	-
1300	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	20,202	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	Total Assets	\$ 15,449	\$ 163,858	\$ 18,122	\$ 70,301	\$ 3,818,858	\$ 1,089,880	\$ 524,010	\$ 81,737	\$ 8,225
	Liabilities and Fund Balance									
2110	Current Liabilities									
2160	Accounts Payable	\$ -	\$ 177	\$ 18,122	\$ 847	\$ 30,028	\$ (112)	\$ 58,524	\$ -	\$ -
2170	Accrued Wages Payable	-	-	-	4,467	-	-	-	-	-
2200	Due to Other Funds	15,449	162,356	-	64,987	-	1,037,844	226,664	81,737	8,225
2300	Accrued Expenditures	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	1,325	-	-	3,788,830	52,148	345,260	-	-
2000	Total Liabilities	\$ 15,449	\$ 163,858	\$ 18,122	\$ 70,301	\$ 3,818,858	\$ 1,089,880	\$ 630,448	\$ 81,737	\$ 8,225
3000	Fund Balance	-	-	-	-	-	-	-	-	-
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3420	Reserved for Retirement of Funded Indebtedness	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	-	-	-	-
3460	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	(106,439)	-	-
3600	Reserved	-	-	-	-	-	-	(106,439)	-	-
	Total Fund Balance	-	-	-	-	-	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 15,449	\$ 163,858	\$ 18,122	\$ 70,301	\$ 3,818,858	\$ 1,089,880	\$ 524,010	\$ 81,737	\$ 8,225

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Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Date Control Codes	204 Drug Free Schools	211 ESEA Title 1 Regular	212 ESEA Title 1 Migrant	210 ESEA Title II Math/ Science	235 ESEA Title VI	240 Food Services	223 Aid to Families	224 IDEA-B Formula	225 IDEA-B Preschool	220 381 Adult Basic Education
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,330,312	\$ 135,679	\$ -	\$ -	\$ -
5700 Local	-	-	-	-	-	660,983	423,274	9,420,797	255,254	485,903
5800 State Program	1,020,885	38,318,586	406,104	1,123,771	1,303,994	45,240,858	-	-	-	1,886,586
5900 Federal program	-	-	-	-	-	-	-	-	-	-
5020 Total Revenues	1,020,885	38,318,586	406,104	1,123,771	1,303,994	56,232,153	558,953	9,420,797	255,254	2,372,489
Expenditures										
Current-										
0011 Instruction	77,907	24,132,478	85,253	153,576	231,954	-	378,407	4,083,948	-	1,515,131
0012 Instructional Resources and Media Services	-	201,953	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	721,305	4,306,434	787	925,152	504,618	-	103,127	763,280	255,254	444,098
0021 Instructional Leadership	159,340	3,316,837	131,810	-	233,853	-	9,825	2,827,443	-	128,911
0023 School Leadership	-	85,184	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	62,273	607,253	700	-	164,583	-	53,541	1,843,344	-	76,611
0032 Social Work Services	-	988	-	-	-	-	-	9,908	-	-
0033 Health Services	-	6,223	3,040	-	-	54,944,328	-	89,008	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	44,288	-	-	-	-	-	-
0041 General Administration	-	214,923	-	755	-	2,040,238	-	816	-	3,128
0051 Plant Maintenance and Operations	-	11,156	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	86,454	-	-	-	-	14,253	-	-	204,609
0053 Data Processing Services	-	-	184,514	-	168,786	-	-	3,040	-	-
0061 Community Services	-	5,358,705	-	-	-	-	-	-	-	-
0071 Principal long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities/Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	1,020,885	38,318,586	406,104	1,123,771	1,303,994	56,984,564	558,953	9,420,797	255,254	2,372,489
1100 Excess(deficiency) of Revenues Over Expenditures	-	-	-	-	-	(752,411)	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	14,316,127	-	-	-	-
7900 Transfer In/Out	-	-	-	-	-	1,141,385	-	-	-	-
3000 Fund Balances, end of year	-	-	-	-	-	14,705,081	-	-	-	-

Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Data Control Codes	244	202	388	272	285	203	206	207	208	218
	Vocational Education	Emergency Immigration Education	Regional Day School For the Deaf	Early Childhood Intervention	Urban Systemic Initiative	Abstinence (Smart)	Homeless Children	Academics 2000	School Health Program	Javits SOL Net
<b>Revenues</b>										
5700 Local	-	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	2,578,772	649,950	-	-	-	-	-	-
5900 Federal Program	1,946,811	1,698,677	-	1,121,503	1,362,314	202,507	161,047	760,249	208,297	97,330
	<u>1,946,811</u>	<u>1,698,677</u>	<u>2,578,772</u>	<u>1,771,453</u>	<u>1,362,314</u>	<u>202,507</u>	<u>161,047</u>	<u>760,249</u>	<u>208,297</u>	<u>97,330</u>
5020 Total revenues										
<b>Expenditures</b>										
Current-										
0011 Instruction	1,554,106	503,505	2,404,686	-	-	-	-	93,554	-	10,103
0012 Instructional Resources and Media Services	-	21,809	-	-	-	-	-	-	-	8,645
0013 Curriculum and Staff Development	102,712	35,021	-	32,832	1,362,314	11,062	-	636,282	5,534	71,077
0021 Instructional Leadership	40,284	195,100	-	-	-	191,445	-	-	196,841	505
0023 School Leadership	-	73	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	24,374	-	7,000
0031 Guidance and Counseling Services	240,709	10,000	33,916	-	-	-	-	-	-	-
0032 Social Work Services	-	96,213	-	523,246	-	-	-	6,039	-	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	3,206	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	470	-
0041 General Administration	-	4,909	-	-	-	-	-	-	296	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	1,950	-
0052 Security and Monitoring Services	-	-	-	-	-	-	161,047	-	-	-
0053 Data Processing Services	-	832,047	140,168	1,215,375	-	-	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
0081	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	<u>1,946,811</u>	<u>1,698,677</u>	<u>2,578,772</u>	<u>1,771,453</u>	<u>1,362,314</u>	<u>202,507</u>	<u>161,047</u>	<u>760,249</u>	<u>208,297</u>	<u>97,330</u>
1100 Excess (Deficiency) of Revenues Over Expenditures										
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer in / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002**

Data Control Codes	219	222	226	227	228	239	255	256	257	258
	Bilingual Improvement	Learn and Serve America	Discretionary Deaf Services	IDEA Formula Deaf	Preschool Deaf	Drug Violence Prevention	Class Size Reduction	School Demonstration	Read for Texas	Refuge Children Impact
<b>Revenue</b>										
5700 Local	-	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	-	-	-	-	-	-	-	-
5900 Federal Program	556,411	10,000	66,519	186,578	27,722	357,726	8,597,468	342,623	3,263,988	182,683
<b>Total Revenues</b>	<u>556,411</u>	<u>10,000</u>	<u>66,519</u>	<u>186,578</u>	<u>27,722</u>	<u>357,726</u>	<u>8,597,468</u>	<u>342,623</u>	<u>3,263,988</u>	<u>182,683</u>
<b>Expenditures</b>										
Current-										
0011 Instruction	95,000	-	66,519	186,578	-	-	6,234,623	168,278	155,199	96,859
0012 Instructional Resources and Media Services	459,910	-	-	-	-	-	-	-	-	555
0013 Curriculum and Staff Development	-	-	-	-	-	77,683	1,979,576	173,295	2,985,550	1,089
0021 Instructional Leadership	-	-	-	-	-	280,043	181,660	-	-	61,220
0023 School Leadership	-	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	1,050	95,100	22,950
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	17,535	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	201,609	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-	-	-
0051 Plant/Maintenance and Operations	1,501	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	27,722	-	-	-	10,604	-
0053 Data Processing Services	-	-	-	-	-	-	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>556,411</u>	<u>10,000</u>	<u>66,519</u>	<u>186,578</u>	<u>27,722</u>	<u>357,726</u>	<u>8,597,468</u>	<u>342,623</u>	<u>3,263,988</u>	<u>182,683</u>
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002**

Data Control Codes	280	284	285	286	287	289	274	278	278	279
	ESEA Part D	21 St Century Luna	21 St Century New Neighborhood	21 St Century Beacons Community	21 St Century Communities of Light	Library Supplement	IDEA Visually Impaired	Read for Texas Tutorial	Tools for Schools	Urban Systemic (NSP)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue										
5700 Local	-	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	-	-	-	-	-	-	-	-
5900 Federal Program	5,548	684,304	696,973	1,115,769	1,125,513	180,223	14,943	474,615	6,347	1,584,097
	<u>5,548</u>	<u>684,304</u>	<u>696,973</u>	<u>1,115,769</u>	<u>1,125,513</u>	<u>180,223</u>	<u>14,943</u>	<u>474,615</u>	<u>6,347</u>	<u>1,584,097</u>
5020 Total Revenues										
Expenditures										
Current-										
0011 Instruction	-	25,285	25,286	29,138	29,138	(605)	14,943	474,615	1,855	-
0012 Instructional Resources and Media Services	-	-	-	-	-	48,100	-	-	-	-
0013 Curriculum and Staff Development	-	-	-	-	-	45,852	-	-	-	1,584,097
0021 Instructional Leadership	-	-	-	-	-	36,993	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	14,387	19,950	39,950	39,950	21,396	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	2,156	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	309	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	2,027	-
0041 General Administration	-	-	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
0053 Data Processing Services	5,548	644,632	651,737	1,046,681	1,056,425	27,487	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	<u>5,548</u>	<u>684,304</u>	<u>696,973</u>	<u>1,115,769</u>	<u>1,125,513</u>	<u>180,223</u>	<u>14,943</u>	<u>474,615</u>	<u>6,347</u>	<u>1,584,097</u>
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Data Control Codes	281	282	284	286	288	289	291	292	297	328
	American Indian Program	21st Century After School LC	Texas Families Together/Safe	TITLE 1 School Improvement	Development Implementation (Ben Millam)	IDEA Early Intervention	Bilingual Early Childhood	FIT Healthy Ready to Learn	Asthma Grant	Accelerated Achievement for Truant
Revenue										
5700 Local	-	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	-	-	-	-	-	-	-	-
5900 Federal Program	(4,744)	1,286,269	294,250	2,485,917	80,978	299	5,705	3,551	135,130	8,806
	<u>(4,744)</u>	<u>1,286,269</u>	<u>294,250</u>	<u>2,485,917</u>	<u>80,978</u>	<u>299</u>	<u>5,705</u>	<u>3,551</u>	<u>135,130</u>	<u>8,806</u>
5020 Total Revenues										
	(4,744)	1,286,269	294,250	2,485,917	80,978	299	5,705	3,551	135,130	8,806
Expenditures										
Current-										
0011 Instruction	(4,744)	-	-	2,247,814	32,196	299	5,705	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	18,791	-
0013 Curriculum and Staff Development	-	-	-	197,093	34,982	-	-	3,551	92,567	-
0021 Instructional Leadership	-	-	-	-	-	-	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-	-	8,806
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	23,772	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	13,800	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	-
0041 General Administration	-	1,247	-	2,007	-	-	-	-	-	-
0051 Plant/Maintenance and Operations	-	34,876	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	1,250,146	294,250	39,003	-	-	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	<u>(4,744)</u>	<u>1,286,269</u>	<u>294,250</u>	<u>2,485,917</u>	<u>80,978</u>	<u>299</u>	<u>5,705</u>	<u>3,551</u>	<u>135,130</u>	<u>8,806</u>
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Data Control Codes	340	368	368	371	372	373	374	375	377	383
	Academics 2000 Reading	Foreign Language	Bilingual Education (Cary MS)	Abstinence Education (TDH)	TITLE XX TANF	HIPPY Program Preschool	City of Dallas Youth/Family	Public Charter Schools	School to Careers	Mentor School Network
Revenues										
5700 Local	\$ -	\$ 7,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	-	-	-	-	-	-	-	-	-	-
5900 Federal Program	(105)	-	199,047	210,997	27,798	81,550	-	280,248	99,813	-
5020 Total Revenues	(105)	7,092	199,047	210,997	27,798	81,550	-	280,248	99,813	7,677
Expenditures										
Current-										
0011 Instruction	-	-	193,884	-	27,798	-	-	244,773	9,073	-
0012 Instructional Resources and Media Services	-	7,092	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	(105)	-	-	712	-	-	-	-	51,053	7,677
0021 Instructional Leadership	-	-	-	210,285	-	-	-	-	39,687	-
0023 School Leadership	-	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	4,200	-	-	-	-
0031 Guidance and Counseling Services	-	-	5,163	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	15,475	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	-	-	-	77,350	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	(105)	7,092	199,047	210,997	27,798	81,550	-	280,248	99,813	7,677
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer in / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	-	-	-	-	-	-	-	-	-	-

Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Data Control Codes	384	385	389	393	394	397	399	400	401	404
	Texas After-school Initiative	State Visually Handicapped	Adult Apprenticeship Training	Texas Successful Schools	Pregnancy Education Parenting	API/B Examination Campus Awards	Investment Capital	Seagoville School-based Health	Optional Extended Year	Student Success Initiative
Revenue										
5700 Local	302,141	46,335	165,501	167,068	529,730	20,103	17,028	84,204	4,089,789	4,251,660
5800 State Program	-	-	-	-	-	-	-	-	-	-
5900 Federal Program	-	-	-	-	-	-	-	-	-	-
5020 Total Revenues	302,141	46,335	165,501	167,068	529,730	20,103	17,028	84,204	4,089,789	4,251,660
Expenditures										
Current:										
0011 Instruction	103,970	-	148,516	167,068	270,057	20,103	14,898	-	3,390,559	2,763,489
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	4,801
0013 Curriculum and Staff Development	-	-	-	-	-	-	-	-	208,938	131,124
0021 Instructional Leadership	100,827	-	16,985	-	-	-	-	-	299,877	1,316,548
0023 School Leadership	13,861	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	82,253	32,578
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	10,102	-
0032 Social Work Services	-	-	-	-	259,672	-	-	-	-	-
0033 Health Services	-	46,335	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-	48,396	-
0051 Plant Maintenance and Operations	995	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	639	-	-	-	-	-	-	-	51,664	3,120
0053 Data Processing Services	-	-	-	-	-	-	2,130	84,204	-	-
0053 Data Processing Services	-	-	-	-	-	-	-	-	-	-
0061 Community Services	81,849	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	302,141	46,335	165,501	167,068	529,730	20,103	17,028	84,204	4,089,789	4,251,660
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	-	-	-	-	-	-	-	-	-	-

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002**

Data Control Codes	409	411	413	415	421	426	427	435	439	446
	Ninth Grade Success Initiative	State Technology Fund	Telecom Infrastructure Fund	Pre-Kindergarten/Expansion	One Community One Child (Spence MS)	Urban School (Gardening)	Collaboration Improving School Health	Tuition RDSPD Shared Services	Reading Initiatives	Tobacco Compliance Grant
<b>Revenues</b>										
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ 54,863	\$ 1,726	\$ 71,504	\$ 376,905	\$ 193	\$ 6,620
5800 State Program	4,159,439	4,313,224	497,805	4,555,914	-	-	-	-	-	-
5900 Federal Program	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>4,159,439</b>	<b>4,313,224</b>	<b>497,805</b>	<b>4,555,914</b>	<b>54,863</b>	<b>1,726</b>	<b>71,504</b>	<b>376,905</b>	<b>193</b>	<b>6,620</b>
<b>Expenditures</b>										
Current-										
0011 Instruction	2,865,792	2,189,839	453,706	4,203,844	3,167	-	-	140,426	193	4,987
0012 Instructional Resources and Media Services	-	782,412	-	-	-	-	-	-	-	1,633
0013 Curriculum and Staff Development	-	1,340,973	44,099	255,845	-	-	-	182,369	-	-
0021 Instructional Leadership	-	-	-	-	-	-	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-	-	-
0025 Communication and Dissemination	1,293,647	-	-	79,100	-	-	-	74,090	-	-
0026 Guidance and Counseling Services	-	-	-	-	-	-	71,504	-	-	-
0031 Social Work Services	-	-	-	-	-	-	-	-	-	-
0032 Health Services	-	-	-	-	-	-	-	-	-	-
0033 Student Transportation	-	-	-	-	-	-	-	-	-	-
0034 Food Services	-	-	-	17,125	-	-	-	-	-	-
0035 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	-
0036 General Administration	-	-	-	-	-	-	-	-	-	-
0041 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-	-
0051 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
0052 Data Processing Services	-	-	-	-	51,696	1,726	-	-	-	-
0053 Community Services	-	-	-	-	-	-	-	-	-	-
0061 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0071 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Facilities Acquisition	-	-	-	-	54,863	1,726	71,504	376,905	193	6,620
<b>Total Expenditures</b>	<b>4,159,439</b>	<b>4,313,224</b>	<b>497,805</b>	<b>4,555,914</b>	<b>54,863</b>	<b>1,726</b>	<b>71,504</b>	<b>376,905</b>	<b>193</b>	<b>6,620</b>
<b>Excess (deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, beginning of year</b>	<b>-</b>	<b>(106,439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfer In/Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, end of year</b>	<b>-</b>	<b>(106,439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002**

Data Control Codes	482	479	481	482	483	484	486	489	491	482
	Geer-up Sunset HS	New Teacher (Meadows)	Gifts and Donations	P.A.C.T. Grant	Honors Development (O'Donnell)	Project ROPES	Texas Instruments	HIPPY Program Vickery Meadows	Fast-Track Vickery Meadows NCJW	Connect Technology Base
Revenues										
5700 Local	\$ -	\$ -	\$ 1,087,240	\$ 6,989	\$ (18)	\$ -	\$ 204,200	\$ 905	\$ -	\$ 8,211
5800 State Program	-	181,064	-	-	-	594	-	-	8,050	-
5900 Federal Program	31,945	-	-	-	-	-	-	-	-	-
5020 Total Revenues	31,945	181,064	1,087,240	6,989	(18)	594	204,200	905	8,050	8,211
Expenditures										
Current-										
0011 Instruction	31,945	-	195,674	6,055	-	-	198,100	-	8,050	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	-	39,923	934	(18)	594	6,100	-	-	-
0021 Instructional Leadership	-	-	10,000	-	-	-	-	-	-	-
0023 School Leadership	-	-	4,280	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	695,375	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	181,064	89,065	-	-	-	-	-	-	-
0041 General Administration	-	-	3,965	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	4,026	-	-	-	-	905	-	8,211
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	44,932	-	-	-	-	-	-	-
0061 Community Services	-	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
0081 Facilities/Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	31,945	181,064	1,087,240	6,989	(18)	594	204,200	905	8,050	8,211
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended August 31, 2002

Data Control Codes	493	494	495	498	Total Nonmajor Government Funds
	Sun and Star Japanese Study	Math and Science Rally Elem	Best Practice Meadows	Restoration Center Work Source	
Revenues					
5700 Local	\$ 33,941	\$ -	\$ 346,407	\$ -	\$ 52,443,631
5800 State Program	-	244	-	-	28,336,464
5900 Federal Program	-	-	-	968,227	132,698,779
5020 Total Revenues	33,941	244	346,407	968,227	213,478,874
Expenditures					
Current					
0011 Instruction	-	-	-	435,047	63,198,479
0012 Instructional Resources and Media Services	-	-	-	-	1,536,470
0013 Curriculum and Staff Development	33,941	-	-	474,983	19,976,920
0021 Instructional Leadership	-	-	-	58,197	10,293,417
0023 School Leadership	-	-	-	-	119,118
0026 Communication and Dissemination	-	-	-	-	4,698,066
0031 Guidance and Counseling Services	-	-	-	-	171,289
0032 Social Work Services	-	-	-	-	952,918
0033 Health Services	-	-	-	-	115,622
0034 Student Transportation	-	-	-	-	54,944,328
0035 Food Services	-	-	-	-	724,959
0036 Co-Curricular Activities	-	-	-	-	751,280
0041 General Administration	-	-	-	-	2,073,212
0051 Plant Maintenance and Operations	-	-	-	-	152,687
0052 Security and Monitoring Services	-	-	-	-	218,862
0053 Data Processing Services	-	244	346,407	-	13,874,305
0061 Community Services	-	-	-	-	24,485,000
0071 Principal on long-term debt	-	-	-	24,485,000	16,011,510
0171 Interest on long-term debt	-	-	-	16,011,510	10,000
0081 Facilities Acquisition	-	-	-	-	-
6030 Total Expenditures	33,941	244	346,407	968,227	214,308,443
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	(78,158)	(830,569)
0100 Fund Balances, beginning of year	-	-	-	-	32,075,143
7900 Transfer in / Out	-	-	-	17,865,455	1,141,365
3000 Fund Balances, end of year	-	-	-	17,787,297	32,385,939

**Dallas Independent School District  
Schedule of Delinquent Taxes Receivable  
For the Year Ended August 31, 2002**

	1	2	3	10	20	31	32	40	50
Net Ten Years Ended August 31	Maintenance	Debt Service	Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 9/1/01	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 8/31/02
993 and prior years	Various	Various	36,467,426,621	5,508,446	-	196,455	24,156	(367,707)	4,920,128
994	1.3316	0.8650	35,442,881,742	2,445,377	-	147,748	9,597	(20,703)	2,267,329
995	1.3316	0.8650	35,459,582,431	3,548,593	-	193,110	12,544	(18,458)	3,324,481
996	1.3316	0.8650	36,803,403,695	4,088,273	-	264,940	17,210	(16,040)	3,790,083
997	1.3740	0.8650	38,106,648,354	4,160,706	-	344,157	21,866	(91,944)	3,702,939
998	1.3740	0.8650	40,469,448,988	4,425,293	-	590,499	37,174	(156,917)	3,640,703
999	1.3740	0.8650	44,624,425,308	6,014,728	-	987,701	62,166	(200,693)	4,764,168
2000	1.3980	0.0063	49,107,307,100	8,996,403	-	2,279,273	142,646	24,132	6,598,616
2001	1.4780	0.0695	53,136,828,664	20,193,612	-	7,514,957	353,636	(2,342,043)	9,982,976
2002	1.4780	0.0695	57,284,326,734						
1000 TOTALS				\$ 59,381,431	\$ 856,939,679	\$ 800,552,842	\$ 37,737,328	\$ (9,804,231)	\$ 68,226,711
3000 - Portion of Row 1000 for Taxes Paid Into Tax Increment Zone Under Chapter 311, Tax Code						\$ 9,253,059			

**Dallas Independent School District**  
**Schedule of Expenditures for Computations of Indirect Cost for 2001-2002**  
**General and Special Revenue Funds**  
**Year Ended August 31, 2002**

## FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ 346,673	\$0	\$ 451,320	\$ 14,959,549	\$ -	\$ 266,960	\$ 16,024,502
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services	3,905,699	-	0		\$ -		\$ 3,905,699
6212	Audit Services				228,760			\$ 228,760
6213	Tax Appraisal and Collection		4,300,018					\$ 4,300,018
621X	Other Prof. Services	378,292	-	203,983	7,095,690	0	181,064	\$ 7,859,029
6220	Tuition and Transfer Payments						45,844	\$ 45,844
6230	Education Service Centers	-	-	0	-	-	-	\$ -
6240	Contr. Maint. and Repair					7,058		\$ 7,058
6250	Utilities					-		\$ -
6260	Rentals	13,095	-	1604	163,974	936	3,207	\$ 182,816
6290	Miscellaneous Contr.	21,576	-	18193	172,662	-	-	\$ 212,431
6320	Textbooks and Reading	378	-	873	2,392	-	-	\$ 3,643
6330	Testing Materials	-	-	67402	-	-	-	\$ 67,402
63XX	Other Supplies Materials	17,298	-	27,220	474,923	-	98,217	\$ 617,658
6410	Travel, Subsistence, Stipends	46,317	-	-	119,557	-	36,865	\$ 202,739
6420	Ins. and Bonding Costs	-	-	0	263	0	-	\$ 263
6430	Election Costs	1,013,866						\$ 1,013,866
6490	Miscellaneous Operating	149,538	-	69,569	629,226	-	240,762	\$ 1,089,095
6500	Debt Service						-	\$ -
6600	Capital Outlay						252,807	\$ 252,807
6000	TOTAL	\$ 5,892,732	\$ 4,300,018	\$ 840,164	\$ 23,846,996	\$ 7,994	\$ 1,125,726	\$ 36,013,630

Total expenditures/expenses for General and Special Revenue Funds

9 \$1,159,967,279

LESS: Deductions of Unallowable Costs

FISCAL YEA

Total Capital Outlay (6600)	10	\$36,515,487
Total Debt & Lease (6500)	11	10,380,455
Plant Maintenance (Function 51, 6100-6400)	12	115,791,334
Food (Function 35, 6341 and 6499)	13	15,199,554
Stipends (6413)	14	0
Column 4 (above) - Total Indirect Cost		23,846,996
Subtotal:		\$201,733,826
Net Allowed Direct Cost		\$958,233,453

CUMULATIVE

Historical Cost of Buildings over 50 years old	15	\$121,907,590
Amount of Federal Money in building Cost (Net of Above)	16	10,000
Historical Cost of Furniture & Equipment over 16 years old	17	39,181,261
Amount of Federal Money in Furniture & Equipment (Net of Above)	18	\$31,181,261

(8) Note A - -0- in Function 53 expenditures are included in this report on administrative costs.

**Dallas Independent School District  
Fund Balance and Cash Flow Calculation Worksheet  
General Fund as of August 31, 2002**

Exhibit J-3

Data Control Code	Explanation	Amount
1	Total General Fund Balance 8/31/02 (Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 94,473,620</u>
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>\$ 13,614,609</u>
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>\$ 2,727,650</u>
4	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues) (unaudited)	<u>\$ -</u>
5	Estimate of one month's average cash disbursements during the regular school session (9/1/02-5/31/03) (unaudited)	<u>\$ 87,672,418</u>
6	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5) (unaudited)	<u>\$ 104,014,677</u>
7	Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 - 6) (unaudited)	<u>\$ (9,541,057)</u>

Dallas Independent School District  
 Budgetary Comparison Schedule - NonMajor Fund  
 Child Nutrition Program Fund  
 August 31, 2002

Exhibit J - 4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual Amounts	
		Original	Final		
0100	Fund Balance, September 1	\$ 15,127,933	\$ 14,316,127	\$ 14,316,127	\$ -
	RESOURCES (Inflows)				
5700	Local and intermediate sources	48,050,825	13,660,415	10,330,312	(3,330,103)
5800	State program revenues	-	-	660,983	660,983
5900	Federal program revenues	16,206,175	51,737,950	45,240,858	(6,497,092)
7915	Transfers in	-	1,141,365	1,141,365	-
5000	Amounts available for appropriation	<u>64,257,000</u>	<u>66,539,730</u>	<u>57,373,518</u>	<u>(9,166,212)</u>
	CHARGES TO APPROPRIATIONS				
0035	Food Service	64,257,000	62,677,384	54,944,328	7,733,056
0051	Plant maintenance and operations	-	2,720,981	2,040,236	680,745
6000	Total charges to appropriations	<u>64,257,000</u>	<u>65,398,365</u>	<u>56,984,564</u>	<u>8,413,801</u>
3000	Fund balance, August 31	<u>\$ 15,127,933</u>	<u>\$ 15,457,492</u>	<u>\$ 14,705,081</u>	<u>\$ 752,411</u>

Dallas Independent School District  
Budgetary Comparison Schedule - NonMajor Fund  
Debt Service Fund  
August 31, 2002

Exhibit J - 5

Data Control Codes		1	2	3	(optional) Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual Amounts	
		Original	Final		
0100	Fund Balance, September 1	\$17,763,584	\$17,763,584	\$ 17,865,455	\$ 101,871
	RESOURCES (Inflows)				
5700	Local and intermediate sources	40,728,110	40,728,110	40,418,352	(309,758)
5000	Amounts available for appropriation	40,728,110	40,728,110	40,418,352	(309,758)
	CHARGES TO APPROPRIATIONS (Outflows)				
0071	Principal on long-term debt	24,485,000	24,485,000	24,485,000	-
0171	Interest on long-term debt	16,243,110	18,659,903	16,011,510	2,648,393
6030	Total charges to appropriations	40,728,110	43,144,903	40,496,510	2,648,393
3000	Fund balance, August 31	\$ 17,763,584	\$ 15,346,791	\$ 17,787,297	\$ 2,440,506



717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

**Independent Auditors' Report on Compliance and on Internal Control  
Over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Board of Trustees  
Dallas Independent School District:

We have audited the financial statements of the Dallas Independent School District (the District) as of and for the year ended August 31, 2002, and have issued our report thereon dated November 26, 2002, which included an explanatory paragraph referring to the adoption of Governmental Accounting Standards Board Statements 34, 37, and 38. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the District in a separate letter dated November 26, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 02-1 through 02-6.





A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated November 26 2002.

This report is intended solely for the information and use of the Board of Education, management, the Texas Education Agency, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 26, 2002



717 North Harwood Street  
Suite 3100  
Dallas, TX 75201-6585

**Independent Auditors' Report on Compliance With Requirements  
Applicable to Each Major Program and on Internal Control Over  
Compliance in Accordance With OMB Circular A-133**

Board of Trustees  
Dallas Independent School District:

**Compliance**

We have audited the compliance of the Dallas Independent School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2002. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2002.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.



Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management, the Texas Education Agency, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 26, 2002

**DALLAS INDEPENDENT SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

**(1) Summary of Auditors' Results**

- (a) The type of report issued on the financial statements: **Unqualified Opinion**
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements:  
Yes; Material Weaknesses: **No**
- (c) Noncompliance, which is material to the financial statements: **No**
- (d) Reportable conditions in internal control over major programs: **No**; Material weaknesses: **No**
- (e) The type of report issued on compliance for major programs: **Unqualified Opinion**
- (f) Any audit findings, which are required to be reported under Section 510(a) of OMB Circular A-133: **No**
- (g) Major programs:

<u>Program</u>	<u>CFDA number</u>
Title I, Part A, Improving Basic Programs	#84.010
Twenty-First Century Community Learning Centers	#84.287
Reading Excellence	#84.338

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: **YES**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:**

**Finding 02-1: Financial Statement Level**

**Logical Access**

**Finding**

Administration of logical access is controlled through individuals in four separate areas: Business Application Support, Computer Resources, Technology Services and Campus Data Support. Multiple individuals with security administration capabilities significantly increases risk that unauthorized individuals may be granted inappropriate access to system resources.

**Recommendation**

We recommend the District designate a security administrator to coordinate administration efforts and ensure information security policies and procedures are enforced. In addition, we recommend that a group other than the application development group perform application security.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

#### **Finding 02-2: Financial Statement Level**

##### **Segregation of Duties – Compensation Data**

###### **Finding**

Personnel in the Payroll Department modify the rate of pay and other compensation data (e.g. stipend amounts and codes) based on PPA forms sent from personnel. This reduces the District's ability to assign responsibility for current pay rates established in Delta and alters the District's intent on having Human Resources (i.e. Compensation) accountable and responsible for pay rates.

###### **Recommendation**

The District should enforce appropriate segregation of duties by establishing application security to allow only Human Resources personnel to establish and change compensation data on Delta. Additionally, current procedures need to be enhanced to provide for clear communication between Human Resources and Payroll to help ensure compensation data are modified timely and do not cause a disruption in payroll processing.

#### **Finding 02-3: Financial Statement Level**

##### **Delta Time and Absence Screen**

###### **Finding**

The ability to enter inaccurate time data and absence information exists on Menu B7. For example, we were able to perform the following:

- Record excessive time for an hourly employee – three 80-hour entries and two 90-hour (non-1.5x pay) entries for a payroll cycle. All entries were paid to the employee during the payroll calculation.
- Record excessive overtime for an hourly employee – two 10-hour entries, two 15-hour entries and one 20-hour entry. All entries were paid to the employee during the payroll calculation.
- Record excessive sick days during a pay period – 80 days of personal illness during a monthly payroll cycle. The 80 days of personal illness resulted in the employee's pay being docked.

These limitations have resulted in several monitoring reports and procedures being developed to compensate for the lack of validation routines. However, the risk of over/underpaying an employee still exists since the manual procedures may not catch all data entry errors.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

Delta's lack of validity and reasonableness checks (e.g. an employee should not work more than 100 hours in a week) has resulted in extensive monitoring procedures to mitigate data entry errors and time reporting irregularities. For example, a data entry clerk can enter:

- Up to 999 hours at a rate up to \$999,999.99;
- Any valid account code on the system without regard to the employee's work location or type of work performed;
- Any stipend or supplemental pay amount up to \$999,999.99;
- Monthly and biweekly payroll cycle numbers and type codes (i.e. biweekly and monthly) set in the General Control Code screen and required for accurate processing do not match established payroll cycle types and numbers established in the system;
- Time for an employee outside his/her designated pay cycle (i.e. monthly or biweekly).

#### **Recommendation**

Delta Time and Absence screen (Menu B7) should be redesigned to help enforce District payroll policies. Specifically, the screen should not allow:

- Regular (i.e. non-1.5x) pay in excess of 80 hours;
- Multiple or duplicative regular and overtime hours entries recorded in the same payroll cycle.

Excessive absences recorded during one cycle (e.g. absences should not be greater than the number of days in the cycle).

#### **Finding 02-4: Financial Statement Level**

##### **Monitoring in Delta**

##### **Finding**

An estimated 40 monitoring reports have been developed to support the entry of time and absence data. These monitoring reports must be generated and reviewed by Payroll personnel each pay cycle and have resulted in high levels of inefficiencies. Additionally, the volume of information and reports that must be reviewed may not allow adequate time for Payroll personnel to ensure that all data are entered accurately, which increases the likelihood of processing errors, erroneous payroll runs and inaccurate accounting entries in the general ledger.

# **DALLAS INDEPENDENT SCHOOL DISTRICT**

## **Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

### **Recommendation**

The District should review Delta's ability to perform validity and reasonableness checks as data entry clerks enter time and absence data. Each time entry screen should be reviewed and re-configured to support effective and efficient time entry operations (e.g. excessive overtime, repeat overtime for multiple pay periods, decimal errors, etc.). Additionally, each screen should consider the work process to maximize workflow and decrease redundant data entry.

After this effort is complete, management should review the monitoring procedures currently established to reduce the amount of monitoring reports now being used. This should increase the effectiveness of payroll operation and the reliability of data input.

### **Finding 02-5: Financial Statement Level**

#### **Compliance With Fair Labor Standards Act**

##### **Finding**

Delta does not enforce District payroll policy and potentially violates Fair Labor Standards Act requirements. For example:

- The base overtime rate does not have to be equal to the standard base rate for calculating overtime. In other words, an employee could have a base pay rate of \$10.00 per hour and a base overtime rate of \$5.00 per hour (or \$21.66, they can be different). If the \$5.00 per hour overtime base rate were active, then the employee would receive \$7.50 per hour of overtime worked rather than the District's policy of \$15.00 per hour.
- An employee's pay rate can be less than the current minimum wage standard of \$5.25 per hour.

An hourly non-exempt employee can work and report overtime hours but be paid at his/her standard rate.

##### **Recommendation**

To help enforce District policy and to promote compliance with FLSA, Delta should be configured so District policies and FLSA requirements are enforced by the system.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

### **Schedule of Findings and Questioned Costs**

**Year ended August 31, 2002**

#### **Finding 02-6: Financial Statement Level**

##### **Record New Employee Data**

##### **Finding**

Delta position control will allow employees to be assigned to multiple positions that in total exceed 100% assignment. For example, a person is assigned to a primary position at 100% and 3 additional positions at 50% each for a total of 250% assigned. If manual review processes in Payroll do not identify this employee as being over 100% assigned, the employee would be paid 100% of the rate of pay for the primary position and 50% of the rate of pay each for the three secondary positions which would result in overpayment to the employee.

##### **Recommendation**

The District should consider requesting enhancements to Delta, which would provide for validations preventing position assignments to exceed 100%.

If enhancements to Delta are not feasible, the manual processes that are being performed in Payroll to identify employees with assignments exceeding 100% must continue to be performed for each pay period timely and without failure. Evidence of this review should be documented and reviewed by management.

- (3) Findings and Questioned Costs Relating to Federal Awards: None Noted.**



**Dallas Independent School District**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended August 31, 2002**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<b>Direct</b>					
R206A990001-01	Javits - Sol Net	84.206A	\$ 215,000	\$ 138,710	\$ 105,116
T291R990026	Systemwide Improvement Grants	84.291R	522,066	32,508	-
T291R990026	Systemwide Improvement Grants	84.291R	523,523	15,461	44,061
T291R990026	Systemwide Improvement Grants	84.291R	523,523	480,509	512,350
S184K990033	Drug and Violence MS	84.184K	540,492	80,062	141,695
S184K990033-00	Drug and Violence MS	84.184K	261,926	134,920	221,745
S287A012534	21st Century-La Luces A Noche	84.287A	793,446	592,315	672,973
S287A012534	21st Century-La Luces A Noche	84.287A	763,948	-	21,578
S287A012622	21st Century-The New Neighborhood	84.287A	754,718	599,628	691,605
S287A012622	21st Century-The New Neighborhood	84.287A	725,207	-	15,743
S287A011919	21st Century-The Beacons in the Community	84.287A	1,258,125	946,760	1,098,591
S287A011919	21st Century-The Beacons in the Community	84.287A	1,198,120	-	33,497
S287A012665	21st Century-Community of Light	84.287A	1,264,616	1,017,732	1,108,000
S287A012665	21st Century-Community of Light	84.287A	122,431	-	34,072
S060A000065	Indian Education Formula	84.060A	101,940	20,446	(4,348)
R287A990241-00	21st Century	84.287A	1,481,776	190,414	139,927
R287A990241-01	21st Century	84.287A	1,424,327	1,246,799	1,164,429
T288S000275	Development and Implementation	84.288S	91,000	9,022	160
T288S000275	Development and Implementation	84.288S	91,000	78,118	82,450
02-057905	Accelerated Academic Achievement for Truant Youth	84.186A	-	-	8,806
T290U970069-00	Bilingual Education: Comprehensive School Grants	84.290U	273,245	196,679	-
T290U970069-01	Bilingual Education: Comprehensive School Grants	84.290U	252,975	96,167	200,764
	<b>Total Direct</b>			<b>5,876,250</b>	<b>6,293,214</b>
<b>Passed Through State Department of Education</b>					
1650001057905	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	2,026,701	113,364	6,809
2650001057905	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	1,924,268	1,424,203	1,728,784
2691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	1,050,381	1,044,547	886,045
3691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	1,358,632	-	153,491
2246121	McKinney Homeless Children	84.186	163,409	165,763	162,941
162008135006301	Academics 2000: First Things First	84.276A	865,248	-	774,070
2694001057905	ESEA, Title II, Part B	84.281A	1,683,935	1,168,772	1,144,201
1610101057905	ESEA, Title I, Part A	84.010A	43,493,848	247,080	-
2610101057905	ESEA, Title I, Part A	84.010A	41,602,712	37,897,934	37,140,573
3615001057905	ESEA, Title I, Part A	84.011	49,321,440	-	1,840,217
1615001057905	Title I, Part C	84.011	444,288	90,111	-
2615001057905	Title I, Part C	84.011	439,970	320,348	413,602
141000112	Federal Adult Education Section 231	84.002A	1,542,285	257,283	-
141000212	Federal Adult Education Section 225	84.002A	154,229	27,938	-
141000312	Federal Adult Education Section 223	84.002A	30,845	12,982	-
241000112	Federal Adult Education Section 231	84.002A	1,599,266	1,599,266	1,664,858
341000112	Federal Adult Education Section	84.002A	2,017,229	-	253,246
241000212	Federal Adult Education Section 225	84.002A	154,229	118,410	-
241000312	Federal Adult Education Section 223	84.002A	31,985	47,558	-
00-057905	Learn and Serve America	94.001	10,000	-	10,000
166000105790511	IDEA-B Formula	84.027	13,407,325	165,499	4,014
266000105790522	IDEA-B Formula	84.027	20,187,888	9,387,266	8,680,104
266000405790522	IDEA-B Cap. Bldg. & Impr.	84.027	919,034	86,052	-
366000105790533	IDEA-B Formula	84.027	15,508,661	-	899,109
166000405790511	IDEA-B Cap. Bldg. & Impr.	84.027	345,956	27	-
166100105790511	IDEA-B Preschool	84.173	591,800	29,060	-
266100105790522	IDEA-B Preschool	84.173	599,563	280,720	231,747
366100105790533	IDEA-B Preschool	84.173	308,748	-	28,148
266000205790522	IDEA-B Discretionary (Deaf)	84.027	73,793	63,753	66,519
166000105790511	IDEA-B Formula (Deaf)	84.027	301,386	97	5,323
266000105790522	IDEA-B Formula (Deaf)	84.027	159,212	202,084	156,655
166000205790511	IDEA-B Discretionary (Deaf)	84.027	74,604	-	6,433
266000405790522	IDEA-B Cap. Bldg. & Impr.	84.027	10,372	1,573	-
26000182141197	Library Supplement	84.999	49,100	49,100	49,100
366000105790533	IDEA-B Formula (Deaf)	84.027	159,212	-	33,935
266100105790522	IDEA-B Preschool (Deaf)	84.173	28,230	27,722	27,722
2685001057905	ESEA, Title VI	84.298	1,584,374	1,465,980	1,303,994
242000605790510	Carl Perkins Grant for Career & Technology Training	84.048A	2,189,785	1,938,485	1,908,895
3420006059010	Carl Perkins Grant for Career & Technology Training	84.048A	2,251,977	-	54,171
0685001057905	ESEA, Title VI	84.298	1,360,406	-	38,136
1686001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	9,004,050	4,318	-
88-057905	ESEA, Title VI	84.298	1,049,142	-	2
9685001057905	ESEA, Title VI	84.298	1,265,223	-	13,354
2686001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	11,349,483	8,026,210	7,488,478
3694501057905	ESEA, Title VI-Teacher and Principal Training	84.367A	14,617,819	-	1,252,482

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
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Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
2616001057905200	Improving Teaching and Learning (Silberstein)	84.276A	149,704	121,272	123,535
2616001057905108	Improving Teaching and Learning (Bayles)	84.276A	144,087	132,163	127,131
2616001057905210	Improving Teaching and Learning (Stemmons)	84.276A	135,142	97,729	91,957
064502621000100	READ for Texas, Local Reading Improvement	84.338A	4,000,000	3,001,469	3,322,187
1615401057905	Refugee Children School Impact Grant	93.576	200,000	39,961	502
2615402057905	Refugee Children School Impact Grant	93.576	200,000	152,227	185,485
2610103057905	ESEA, Title I, Part D	84.010A	7,837	5,649	5,742
3685001057905	Title VI, Part A Innovative Program	84.298	1,305,609	-	131,123
064502721000400	Read for Texas Tutorial Assistance	84.338	480,000	370,647	483,244
99990104	Texas Families: Together and Safe	84.287A	294,676	155,608	294,250
1610301057905	Title I School Improvement Program	84.348A	2,650,781	1,054,483	165,890
2610301057905	Title I School Improvement Program	84.348A	4,795,194	2,134,623	2,352,005
23911010590522	IDEA-C Early Childhood Intervention	84.181	9,217	299	299
062005335004600	Academics 2000: Reading Improvement	84.276A	300,000	58,054	(105)
059000135006300	Public Charter Schools-Gabe P Allen Charter	84.282A	40,000	-	1,724
159000135011711	Public Charter Schools	84.282A	70,000	83,736	68,255
259000135103722	Public Charter Schools	84.282A	400,000	-	201,486
P334A990155	GEAR UP (Gaining Early Awareness & Readiness)	84.334	131,800	21,962	(14)
P334A990155	GEAR UP (Gaining Early Awareness & Readiness)	84.334	32,270	9,997	31,959
<b>Total Passed Through State Department Of Education</b>				<b>73,703,384</b>	<b>76,013,813</b>
<b>Passed Through State Department Of Health</b>					
C2019-01A	Early Childhood Intervention	84.181	1,862,736	1,586,237	1,151,043
C1019-01	Early Childhood Intervention	84.181	120,781	35,950	-
C1019-02	Early Childhood Intervention	84.181	159,823	151,705	-
7560012787	School Health Program	81.186A	125,000	-	4,249
02-057905	School Health Program	81.186A	93,750	103,213	79,956
<b>Total Passed Through State Department Of Health</b>				<b>1,877,105</b>	<b>1,235,248</b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<b>81,456,739</b>	<b>83,542,275</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<b>Direct</b>					
U87/CCU608968-10	AIDS Health Education	93.938	293,114	-	152,392
U87/CCU608968-09	AIDS Health Education	93.938	264,869	14,399	58,864
<b>Total Direct</b>				<b>14,399</b>	<b>211,256</b>
<b>Passed Through State Department Of Health</b>					
6APHPA000838-02-1	Students Making Abstinence Real Today (SMART)	93.995	278,057	5,226	12,959
6APHPA000838-03-1	Students Making Abstinence Real Today (SMART)	93.995	250,000	-	192,978
02-057905	Abstinence Education	93.995	263,829	158,400	214,833
7560012787-01	Abstinence Education	93.995	372,000	50,151	-
<b>Total Passed Through State Department Of Health</b>				<b>213,777</b>	<b>420,770</b>
<b>Passed Through State Department Of Education</b>					
036250112	Federal-TANF	93.558	468,666	-	94
236250112	Federal-TANF	93.558	450,556	114,260	329,868
136250112	Federal-TANF	93.558	736,862	246,778	96,957
<b>Total Passed Through State Department Of Education</b>				<b>361,038</b>	<b>426,919</b>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<b>589,214</b>	<b>1,058,945</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<b>Direct</b>					
N/A	National School Breakfast	10.553	N/A	7,149,519	6,826,565
N/A	National School Lunch	10.555	N/A	34,846,652	33,233,674
N/A	Commodity Supplemental Food (Noncash)	10.565	N/A	3,924,454	3,924,454
N/A	Summer Feeding Program	10.559	N/A	1,254,561	1,256,165
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>				<b>47,175,186</b>	<b>45,240,858</b>
<b>NATIONAL SCIENCE FOUNDATION</b>					
<b>Direct</b>					
ESR-9908168	Urban Systemic Program	47.073	2,500,000	-	145,536
ESR-9908168	Urban Systemic Program	47.073	2,685,258	-	134,664
ESR-9908168	Urban Systemic Program	47.073	4,176,709	-	1,303,897
ESR-9908168	Urban Systemic Initiatives	47.073	2,685,258	-	1,362,314
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>				<b>-</b>	<b>2,946,411</b>

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended August 31, 2002**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>					
Direct					
00-4200-3038	Leadership Initiatives	45.024	50,000	50,000	-
	<b>TOTAL NATIONAL ENDOWMENT FOR THE ARTS</b>			<b>50,000</b>	<b>-</b>
<b>OTHER FUNDING AGENCIES</b>					
CY9810IIB	JTPA IIB-Intensive Career	17.250	437,000	-	-
266002212010	IDEA-B Visually Impaired	84.027	15,000	14,943	14,943
X98677301-1	Tools For Schools	66.606	66,435	-	6,446
UCN 99990104	Texas Families: Together and Safe	84.287A	327,421	69,865	-
26-1801-02-62	Bilingual Early Childhood Education	84.195	12,285	-	5,705
02-057905	Fit Healthy and Ready To Learn	93.938	70,000	-	3,551
02-057905	Asthma Grant	93.938	100,000	-	135,130
01/00-057905	Pregnancy, Education and Parenting	93.575	79,766	-	27,798
02-057905	Home Inst. for Preschool Youngster (HIPPY)	93.575	85,000	51,820	81,550
1999-STC101	School to Careers	84.278	217,915	-	49,684
2001-STC101	School to Careers	84.278	165,000	-	50,129
0010-YOUTH	JTPA IIB-Intensive Career	17.250	882,293	-	483,783
0010-YOUTH	JTPA IIB-Intensive Career	17.250	2,094,588	1,647,255	484,642
99980617	Home Inst. for Preschool Youngster (HIPPY)	93.575	126,801	-	439
General	JROTC	12.000	N/A	-	1,259,549
General	Texas Workforce Commission	17.125	N/A	-	588,506
	<b>TOTAL OTHER FUNDING AGENCIES</b>			<b>1,783,883</b>	<b>3,191,855</b>
<b>TOTAL FEDERAL ASSISTANCE</b>				<b>131,055,022</b>	<b>135,980,344</b>
<b>STATE DEPARTMENT OF EDUCATION</b>					
Direct					
101000112	State Adult Education	N/A	507,728	355,075	(89)
201000112	State Adult Education	N/A	485,992	92,421	485,992
001100112	State-TANF	N/A	145,913	72,124	-
201100112	State-TANF	N/A	147,723	40,888	135,679
124	Mentor School Network/Org. #153 (State)	N/A	4,938	-	3,901
126	Mentor School Network/Org. #153 (State)	N/A	4,000	-	3,777
102470121003011	TX After-School Initiative for Middle Schools	N/A	80,513	262,484	172,605
20247012002622	TX After-School Initiative for Middle Schools	N/A	113,308	-	47,736
202470221000322	TX After-School Initiative for Middle Schools	N/A	400,000	-	81,801
210012012010	State Visually Handicapped	N/A	53,288	30,886	46,335
210012205790522	State Deaf	N/A	2,654,459	2,666,459	2,578,772
100990005	Apprenticeship Training Program	N/A	165,398	-	1,523
AT010005	Apprenticeship Training Program	N/A	182,008	14,335	163
02-057905	Apprenticeship Training Program	N/A	172,407	72,857	165,501
General	TX Success Schools	N/A	N/A	-	167,068
02-057905	Pregnancy, Education, and Parenting	N/A	539,840	539,840	529,730
01-057-905	Pregnancy, Education, and Parenting	N/A	350,000	-	46,315
102500220200911	AP/IB Incentive Program Equipment & Materials	N/A	3,000	2,903	-
002500220204800	AP/IB Incentive Program Equipment & Materials	N/A	3,000	345	-
002500220204900	AP/IB Incentive Program Equipment & Materials	N/A	3,000	599	-
02-057905	AP/IB Incentive Program Equipment & Materials	N/A	85,400	85,400	20,103
02-057905	Investment Capital Fund Sunset HS	N/A	49,275	18,861	17,028
1100104057905	Optional Extended Year Program	N/A	4,388,344	3,013,827	-
2100104057905	Optional Extended Year Program	N/A	4,128,225	270,932	4,089,789
9100104057905	Optional Extended Year Program	N/A	4,144,030	-	20,547
0240203	Accelerated Reading Instruction Program	N/A	5,247,000	4,722,300	4,251,660
N/A	Accelerated Reading Instruction Program	N/A	4,972,740	-	552,660
010014521009500	Ninth Grade Success Initiative	N/A	5,000,000	958,182	399,518
210014521004722	Ninth Grade Success Initiative	N/A	3,750,000	3,121,707	3,759,921
02-057905	Technology Allotment	N/A	N/A	-	4,313,225
1001043	Pre-kindergarten and Kindergarten	N/A	240,000	-	155,239
1001243	Pre-kindergarten and Kindergarten Grant Program	N/A	5,319,525	-	4,555,914
023000721401200	Technology Pilot Program	N/A	90,000	24,612	-
7560012787	TDH Innovative	N/A	198,676	-	71,504
N/A	School Lunch Match	N/A	N/A	660,983	660,983
	<b>TOTAL STATE DEPARTMENT OF EDUCATION</b>			<b>17,028,020</b>	<b>27,334,900</b>
<b>INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION</b>					
Direct					
C1019-01B	Early Childhood (ECI)/ State	84.181	-	-	649,950
	<b>TOTAL INTERAGENCY COUNCIL ON ECI</b>			<b>-</b>	<b>649,950</b>

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended August 31, 2002**

<b>Pass-Through Grantor's Number</b>	<b>Federal/State Grantor-Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Program or Award Amount</b>	<b>Audit Period Receipts</b>	<b>Audit Period Expenditures and Refunds</b>
<b>OTHER STATE AGENCIES</b>					
99980617	Home Inst. for Preschool Youngster (HIPPY)	93.575	85,000	43,682	186
02-057905	Mentor School Network	N/A	5,000	4,000	-
PS-2001-STA5S-4656	Telecommunications Infrastructure Fund Board	N/A	499,198	416,068	497,805
PS-2000-STA4C-3653	Telecommunications Infrastructure Fund Board	N/A	1,000,000	398,731	-
02-057905	One Community - One Child	N/A	85,818	55,000	54,863
02-057905	Urban School Gardening	N/A	4,998	-	2,160
02-057905	Region Day School Deaf	N/A	-	28,000	-
02-057905	Region Day School Deaf	N/A	730,000	333,000	376,905
02-057905	Tabacco Compliance	N/A	8,000	8,000	6,620
2001050118	New Teacher Project	N/A	272,400	272,400	181,064
02-057905	Project Ropes	N/A	22,460	-	594
02-057905	Fast Track	N/A	8,050	8,050	8,050
<b>TOTAL OTHER STATE AGENCIES</b>				<b>1,566,931</b>	<b>1,128,247</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<b>18,594,951</b>	<b>29,113,097</b>
<b>TOTAL FINANCIAL ASSISTANCE</b>				<b>\$ 149,649,973</b>	<b>165,093,441</b>
<b>SUMMARY</b>					
Total State Financial Assistance				\$ 18,594,951	29,113,097
Total Federal Financial Assistance				\$ 131,055,022	135,980,344
<b>TOTAL FINANCIAL ASSISTANCE</b>				<b>149,649,973</b>	<b>165,093,441</b>
<b>RECONCILIATION</b>					
Federal Revenue				\$ 131,055,022	
Prior Period Accrued (Deferred) Revenue				(14,419,090)	
Accrued Revenue (08/31/01)				21,797,906	
Deferred Revenue (08/31/01)				(2,453,494)	
Net Adjustments				4,925,322	
<b>Total Federal Revenue</b>				<b>\$ 135,980,344</b>	
<b>Note</b>					
General Fund				\$ 5,055,701	
Medicaid Reimbursement Revenue in General Fund				(2,418,927)	
Special Revenue Funds				132,698,779	
Texas Workforce Commission				588,506	
Refunds				56,285	
<b>Total Federal Expenditures</b>				<b>\$ 135,980,344</b>	

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note A to the District's General Purpose Financial Statements. Commodity Supplemental Food is a non cash transaction for \$3,924,454.

**Statistical Section**  
**(Unaudited)**

**Dallas Independent School District  
General Expenditures By Function (1)  
Last Ten Fiscal Years  
(Unaudited)**

	<u>1993</u>	<u>1994</u>	<u>1995 (2)</u>
Current-			
Instruction	\$ 369,254,549	\$ 404,527,579	\$ 448,445,182
Instructional Resources and Media Services.	13,428,506	14,848,099	16,617,974
Curriculum and Staff Development	8,099,569	10,491,947	11,487,266
Instructional Leadership	14,872,433	13,786,319	17,169,251
School Leadership	35,116,776	39,748,843	43,684,014
Communication and Dissemination	859,374	902,516	961,067
Guidance and Counseling Services	16,718,773	18,348,137	23,122,441
Social Work Services	4,923,540	5,611,381	8,868,181
Health Services	5,766,193	6,316,214	8,000,821
Student Transportation	3,578,672	5,380,435	6,847,870
Food Services	39,712,327	39,293,540	42,090,599
Co-Curricular Activities	4,652,606	4,848,282	5,933,598
General Administration	16,295,392	16,027,424	18,344,532
Plant Maintenance and Operation	82,180,379	92,603,491	109,437,924
Security and Monitoring Services	-	-	-
Data Processing Services	4,721,081	4,625,697	5,164,360
Community Services	5,241,105	5,154,518	6,303,252
Debt Service	32,965,885	32,435,795	34,951,813
Capital Outlay	7,644,579	26,493,446	45,493,574
Payments to Tax Increment Fund	-	-	-
<b>Total Expenditures</b>	<b>\$ <u>666,031,739</u></b>	<b>\$ <u>741,443,663</u></b>	<b>\$ <u>852,923,719</u></b>

**NOTE:**

**Notes:**

- (1) Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.
- (2) Restated in accordance with GASB No. 24

1996	1997	1998	1999	2000	2001	2002
\$ 441,499,746	\$ 485,851,584	\$ 496,733,130	\$ 508,492,721	\$ 574,084,455	\$ 643,919,253	\$ 644,992,655
17,169,740	19,310,139	16,901,965	17,956,177	17,982,627	19,276,462	18,879,947
16,425,148	17,220,766	20,117,974	22,545,533	23,619,481	31,293,486	36,690,757
18,444,675	16,042,329	19,266,465	20,335,600	21,642,393	21,819,049	23,979,712
43,411,420	50,622,528	51,353,173	52,082,863	56,358,934	60,842,443	59,468,757
1,524,872	-	-	-	-	-	-
21,518,514	26,366,999	28,509,988	30,027,196	34,449,484	36,647,130	38,116,914
9,470,555	3,860,553	4,196,571	4,937,158	3,369,455	3,266,708	2,280,383
7,592,177	8,327,368	8,723,902	9,184,448	9,894,083	10,742,150	11,011,242
5,492,461	3,347,807	5,968,119	3,626,344	13,653,221	16,140,861	15,953,079
46,304,520	45,178,204	48,881,720	50,114,906	52,326,652	52,794,233	54,944,328
6,645,149	6,331,271	6,755,829	7,602,452	7,198,685	9,010,046	9,721,398
19,247,950	19,463,942	24,414,975	24,173,821	25,906,983	29,559,255	36,712,657
110,629,856	106,790,445	95,995,295	104,312,977	105,098,316	116,451,273	117,501,239
-	5,179,582	6,843,801	6,889,954	7,576,668	8,151,889	8,785,521
12,150,177	10,656,718	26,794,531	25,940,188	18,003,486	16,968,653	43,345,262
7,849,355	11,059,469	10,760,298	13,029,918	12,331,992	16,245,011	20,305,558
37,967,031	41,981,076	44,902,514	50,195,561	48,658,508	52,033,911	50,876,965
118,529,531	109,934,035	24,353,676	15,096,146	8,998,364	7,276,083	16,332,969
-	-	-	-	-	-	9,248,085
<u>\$ 941,872,877</u>	<u>\$ 987,524,815</u>	<u>\$ 941,473,926</u>	<u>\$ 966,543,963</u>	<u>\$ 1,041,153,787</u>	<u>\$ 1,152,437,896</u>	<u>\$ 1,219,147,429</u>

**Dallas Independent School District  
General Revenues By Source (1)  
Last Ten Fiscal Years  
(Unaudited)**

<u>Source</u>	<u>1993</u>	<u>1994</u>	<u>1995 (4)</u>	<u>1996</u>
Revenue From Local Sources-				
Local Maintenance and Debt Service Tax (2),(3)	\$ 527,644,316	\$ 488,314,805	\$ 486,088,595	\$ 506,853,504
Tuition from Patrons	1,349,896	1,339,060	1,203,274	1,264,428
Other Revenue From Local Sources	26,980,030	20,798,586	29,535,697	54,757,483
Local Revenue	-	-	-	-
Transportation Fees from Patrons	-	-	-	-
Cafeteria and Co-Curricular Revenue	10,285,325	7,803,206	7,566,512	7,592,840
Total Revenue from Local Sources	566,259,567	518,255,657	524,394,078	570,468,255
Revenue from State Sources-				
Per Capita and Foundation (3)	42,870,100	109,826,449	136,560,805	123,778,994
Transportation	571,523	-	-	-
Other Foundation Revenue from State	1,078,681	689,869	188,231	638,001
Other State Revenue	2,501,648	5,143,302	44,803,702	37,040,261
Total Revenue from State Sources	47,021,952	115,659,620	181,552,738	161,457,256
Revenue from Federal Sources-				
Federal Source Revenues	39,289,895	44,127,595	51,872,385	53,369,573
Other Revenue	32,573,246	32,564,031	34,029,816	35,747,925
Total Revenue from Federal Sources	71,863,141	76,691,626	85,902,201	89,117,498
Total Revenues	\$ 685,144,660	\$ 710,606,903	\$ 791,849,017	\$ 821,043,009

Notes:

- (1) Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.
- (2) Includes interest and penalty collections and other judgments.
- (3) Dallas CED assumed major tax authority from September 1, 1991, through August 31, 1993. During that period, increases in local property tax revenue received from the Dallas CED were offset by decreases in per capita and Foundation funding.
- (4) Restated in accordance with GASB No. 24



<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 545,217,946 1,164,666	\$ 587,472,941 1,133,693	\$ 633,063,886 1,284,511	\$ 687,309,641 1,860,722	\$ 783,761,872 1,415,844	\$ 843,113,045 1,037,999
30,645,708	29,069,943	26,988,662	25,011,015	30,538,469	26,502,354
-	-	-	-	-	-
-	-	-	-	-	-
8,589,067	8,851,900	9,639,273	10,529,990	11,774,070	11,347,593
<u>585,617,387</u>	<u>626,528,477</u>	<u>670,976,332</u>	<u>724,711,368</u>	<u>827,490,255</u>	<u>882,000,991</u>
141,324,467	154,205,079	143,802,199	165,295,026	131,538,298	106,131,452
-	-	-	-	-	-
5,144,221	7,233,397	10,350,523	20,900,556	32,907,045	24,933,199
37,814,764	40,791,921	40,723,721	38,441,822	39,671,388	49,023,876
<u>184,283,452</u>	<u>202,230,397</u>	<u>194,876,443</u>	<u>224,637,404</u>	<u>204,116,731</u>	<u>180,088,527</u>
56,694,332	64,737,008	62,295,219	72,084,813	75,381,869	91,624,757
35,389,035	33,957,529	43,815,036	37,961,327	46,569,259	46,129,723
<u>92,083,367</u>	<u>98,694,537</u>	<u>106,110,255</u>	<u>110,046,140</u>	<u>121,951,128</u>	<u>137,754,480</u>
<u>\$ 861,984,206</u>	<u>\$ 927,453,411</u>	<u>\$ 971,963,030</u>	<u>\$ 1,059,394,912</u>	<u>\$ 1,153,558,114</u>	<u>\$ 1,199,843,998</u>

**Dallas Independent School District  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
(Unaudited)**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Taxes Collected</u>	
				<u>Delinquent Taxes</u>	<u>Interest and Penalty</u>
1993 (3) \$	150,499,560	\$ 144,940,349	96.3%	\$ 4,902,326	\$ 2,762,198
1994	485,683,154	474,418,859	97.7%	4,073,016	4,252,076
1995	488,238,900	474,453,236	97.2%	6,935,715	4,443,231
1996	506,832,572	493,939,196	97.5%	7,208,972	5,257,169
1997	544,528,653	533,801,391	98.1%	8,831,961	5,729,275
1998	578,793,538	566,383,970	97.9%	12,818,492	7,141,907
1999	635,512,919	625,528,479	98.4%	6,788,024	6,816,053
2000	699,990,930	682,870,950	97.6%	(41,171)	7,212,086
2001	795,652,305	775,850,115	97.5%	9,249,616	8,256,646
2002	856,939,679	825,090,533	96.3%	13,199,634	9,223,388

**Notes:**

- (1) Includes only uncollected from the current year.
- (2) Starting April 01 the Dallas County Tax Office is the collecting agent for the District replacing the city of Dallas
- (3) Dallas CED assumed major tax authority for the District beginning September 1, 1991, and was dissolved as of August 31, 1993 .

	<b><u>Total Taxes Collected Plus Interest and Penalty</u></b>	<b><u>Percent of Total Collections to Tax Levy</u></b>	<b><u>Outstanding Delinquent Taxes Only (1)</u></b>	<b><u>Outstanding Delinquent Taxes as Percent of Tax Levy</u></b>
\$	152,604,873	101.5%	\$ 4,659,688	3.10%
	482,743,951	99.4%	12,808,698	2.64%
	485,832,182	99.5%	13,287,238	2.72%
	506,405,337	99.9%	12,756,179	2.52%
	548,362,627	100.7%	13,435,525	2.47%
	586,344,369	101.3%	12,535,916	2.17%
	639,132,556	100.6%	13,752,574	2.16%
	690,041,865	98.6%	16,626,849	2.38%
	793,356,377	99.7%	20,193,612	2.54%
	847,513,555	98.9%	25,235,288	2.94%

**Dallas Independent School District**  
**Property Tax Rates and Tax Levies - Direct and Overlapping Governments**  
**(per \$100 of Assessed Value)**  
**Last Ten Fiscal Years (1)**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Town of Addison</u>	<u>City of Carrollton</u>	<u>City of Seagoville</u>	<u>City of Dallas</u>	<u>City of Farmers Branch</u>	<u>City of Cockrell Hill</u>	<u>Town of Highland Park</u>
<b>Tax Rates</b>							
1993	0.52710	0.57830	0.60021	0.67440	0.44000	0.66826	0.29254
1994	0.52450	0.57830	0.52663	0.67440	0.44000	0.70064	1.66000
1995	0.51770	0.60430	0.53634	0.67220	0.44000	0.71538	0.29700
1996	0.45500	0.60430	0.55408	0.67010	0.44000	0.73996	0.46255
1997	0.44750	0.60430	0.55762	0.65160	0.44000	0.70432	0.29700
1998	0.40000	0.60430	0.53779	0.64910	0.44000	0.77183	0.26930
1999	0.38460	0.60430	0.53779	0.66750	0.44000	0.75202	0.25750
2000	0.38100	0.59930	0.58000	0.66750	0.44000	0.77047	0.24620
2001	0.38480	0.59930	0.58000	0.66750	0.44000	0.77047	0.22900
2002	0.39990	0.59930	0.58000	0.66750	0.44000	0.74507	0.22900

**Tax Levies**

1993	\$	7,491,781	\$	26,458,109	\$	1,022,615	\$	285,430,450	\$	10,902,324	\$	287,187	\$	4,191,750
1994		7,651,703		27,091,172		938,013		296,683,791		11,057,745		296,372		4,357,884
1995		8,435,357		29,578,704		979,248		296,748,000		11,333,704		306,544		4,511,560
1996		8,321,557		31,046,680		1,013,611		308,772,941		12,148,988		315,584		4,709,922
1997		9,548,109		32,776,117		1,046,137		309,537,142		13,437,872		311,046		4,827,925
1998		9,978,264		34,981,648		1,050,367		353,459,317		14,750,312		351,846		4,806,346
1999		10,674,928		38,265,900		1,117,120		373,157,247		15,590,179		354,755		4,994,830
2000		11,845,515		42,222,913		1,241,839		397,700,226		16,229,195		386,526		5,285,023
2001		12,363,129		45,442,240		1,241,639		401,692,233		16,229,185		388,596		5,534,428
2002		12,635,835		44,906,599		1,452,744		431,723,805		17,208,856		402,287		5,534,639

Source: Information furnished by each governmental unit.

Note:

(1) Dallas CED assumed major tax authority for the District beginning September 1, 1991, and was dissolved as of August 31, 1993.

<u>City of Mesquite</u>	<u>City of University Park</u>	<u>City of Garland</u>	<u>City of Balch Springs</u>	<u>County of Dallas</u>	<u>Dallas County Hospital</u>	<u>Dallas County Community College</u>	<u>Dallas Independent School District</u>
0.51000	0.49620	0.61910	0.58630	0.20240	0.20969	0.05206	0.43087
0.51000	0.47734	0.63340	0.60211	0.20240	0.19959	0.05206	1.41813
0.55170	0.46581	0.63360	0.59625	0.21610	0.19959	0.05206	1.41813
0.54148	0.46137	0.63360	0.59241	0.21000	0.19409	0.05206	1.41813
0.58148	0.45995	0.63360	0.59000	0.20100	0.18577	0.05000	1.46053
0.58148	0.45995	0.63360	0.62000	0.19720	0.17990	0.05000	1.46053
0.54148	0.39537	0.61360	0.62000	0.19600	0.19600	0.05000	1.46053
0.54148	0.37159	0.63360	0.59990	0.19600	0.19600	0.05000	1.46053
0.54148	0.39537	0.64111	0.59990	0.19600	0.25400	0.05000	1.54753
0.54148	0.33999	0.64111	0.62900	0.19600	0.25400	0.05000	1.54753
\$ 16,069,302	\$ 8,515,991	\$ 32,970,018	\$ 1,626,492	\$ 152,032,562	\$ 155,439,115	\$ 39,410,740	\$ 150,499,560
16,006,895	8,660,917	38,977,075	1,727,284	153,996,286	161,840,724	39,934,094	485,683,154
18,214,819	9,085,115	37,340,146	1,754,900	171,705,369	158,644,437	40,842,636	488,238,900
19,197,826	9,439,304	39,348,913	1,828,214	175,623,994	162,695,000	43,895,156	506,832,572
21,986,000	9,798,958	41,517,758	1,888,316	180,930,939	159,000,000	45,378,529	544,528,653
23,139,046	10,180,938	43,443,608	2,029,486	192,056,214	171,565,000	49,783,480	578,793,538
23,283,587	10,471,200	45,657,685	2,029,486	207,984,019	177,418,943	54,583,760	635,512,919
24,459,205	1,076,608	55,219,518	2,204,860	225,372,886	208,937,157	58,701,000	699,990,930
24,555,379	10,766,466	54,656,628	2,204,600	223,440,740	314,100,138	58,801,337	795,652,305
29,003,036	11,126,787	55,160,051	2,396,554	242,376,596	314,100,335	76,722,467	856,939,679

**Dallas Independent School District  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(Unaudited) (1)**

<b>Fiscal Year</b>	<b>Real Property Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>
1993	\$ 28,617,335,427	\$ 7,850,091,194	\$ 36,467,426,621
1994	27,931,440,223	7,511,441,519	35,442,881,742
1995	28,025,770,211	7,433,812,220	35,459,582,431
1996	27,358,032,195	9,445,371,500	36,803,403,695
1997	28,349,612,614	9,757,035,740	38,106,648,354
1998	29,942,923,688	10,526,525,300	40,469,448,988
1999	33,930,890,638	10,693,534,670	44,624,425,308
2000	34,339,032,057	14,768,275,043	49,107,307,100
2001	41,395,422,776	11,741,405,888	53,136,828,664
2002	44,781,675,890	12,502,650,844	57,284,326,734

Source: Dallas Central Appraisal District.

Note:

(1) All property is assessed at 100% of actual value.

**Dallas Independent School District  
Computation of Direct and Overlapping Bonded Debt  
As of Current Fiscal Year  
(Unaudited)**

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Overlapping Debt to this Governmental Unit (1)</u>	<u>Value of Overlapping Debt</u>
Overlapping:			
Addison, Town of	\$ 31,946,099	94.10%	\$ 30,061,279
Balch Springs, City of	5,480,000	37.50%	2,055,000
Carrollton, City of	124,272,400	8.98%	11,159,662
Dallas County	213,009,457	46.32%	98,665,980
Dallas, City of	761,715,548	80.32%	611,809,928
Dallas, City of - TIFR Zone 2	10,090,000	100.00%	10,090,000
DeSoto, City of	53,072,250	11.67%	6,193,532
Farmers Branch, City of	18,508,818	29.04%	5,374,961
Garland, City of	165,666,638	1.25%	2,070,833
Mesquite, City of	53,706,641	3.53%	1,895,844
Seagoville, City of	1,975,246	99.64%	1,968,135
Total Net Overlapping Bonded Debt			<u>\$ 781,345,154</u>
Direct:			
Dallas Independent School District	\$ 641,844,869	100.00%	<u>\$ 641,844,869</u>
Total Direct and Overlapping Bonded Debt			<u><u>\$ 1,423,190,023</u></u>

Source: Texas Municipal Reports (TMR) and Dallas ISD Records

(1) Percentage of overlapping debt-per TMR

**Dallas Independent School District  
Computation of Legal Debt Margin  
August 31, 2002  
(Unaudited)**

Assessed Value	\$ 57,284,326,734
Debt Limit Ten Percent of Assessed Value	5,728,432,673 (1)
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	641,844,869
Less - Net Assets in Debt Service Fund	<u>17,787,297</u>
Total Amount of Debt Applicable to Debt Limit	<u>624,057,572</u>
Legal Debt Margin:	<u><u>\$ 5,104,375,101</u></u>

**NOTES:**

(1) This percentage is in accordance with the recommendation of the Texas Education Agency as stated in the Texas Education Code, Bulletin 721, Sec. 20.04.



**Dallas Independent School District**  
**Ratio of Annual Debt Service Expenditures**  
**For General Bonded Debt to Total General Expenditures**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Debt Service Expenditures (2)			Total General Expenditures	Ratio of Debt Service to General Expenditures
	Principal	Interest (1)	Total		
1993	\$ 15,272,000	\$ 14,470,040	\$ 29,742,040	\$ 666,031,739	4.47%
1994	15,060,000	15,267,528	30,327,528	741,443,663	4.09%
1995	16,844,000	14,167,030	31,011,030	852,923,719	3.64%
1996	10,209,602	24,055,400	34,265,002	941,872,877	3.64%
1997	5,030,398	29,742,672	34,773,070	987,524,815	3.53%
1998	16,120,000	20,508,070	36,628,070	941,473,926	3.89%
1999	15,772,226	19,121,225	34,893,451	966,543,963	3.61%
2000	16,115,000	17,808,498	33,923,498	1,041,153,787	3.26%
2001	20,495,000	17,001,961	37,496,961	1,152,437,896	3.25%
2002	24,485,000	16,011,510	40,496,510	1,219,147,429	3.32%

Notes:

(1) Excludes bond issuance and other costs; includes Arbitrage calculation fee.

(2) Excludes \$213,465,000 in defeased bonds.

**Dallas Independent School District**  
**Property Value, Construction and Bank Deposits**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Commercial Construction</b>		<b>Residential Construction</b>	
	<b>Number of Units</b>	<b>Value</b>	<b>Number of Units</b>	<b>Value</b>
1993	NLR	\$ 522,330,483	NLR	\$ 110,262,510
1994	NLR	241,461,248	NLR	122,815,350
1995	NLR	228,962,690	NLR	191,024,938
1996	NLR	272,422,780	NLR	180,135,490
1997	NLR	246,520,994	NLR	170,595,254
1998	NLR	536,343,397	NLR	247,163,537
1999	NLR	749,630,454	NLR	328,862,265
2000	NLR	915,997,501	NLR	442,352,646
2001	NLR	829,922,317	NLR	443,265,319
2002	NLR	810,076,693	NLR	605,458,751

NLR: No longer reported.

Source: Dallas Central Appraisal District Reports

Note: (1) Bank deposits are for quarter ending June 30 and are for commercial banks only.  
Savings and Loans are not included. Data provided by the FDIC, Summary of Deposits.

Bank Deposits (1)	Property Value		
	Commercial	Residential	Nontaxable
\$ 53,716,217,000	\$ 24,966,100,307	\$ 11,651,620,038	\$ 3,713,782,125
51,361,624,000	23,448,446,317	11,587,167,671	3,729,969,282
45,200,000,000	24,149,773,561	12,411,797,427	2,853,444,950
57,311,688,000	25,390,025,559	12,716,622,795	3,894,994,996
32,241,073,000	28,143,811,672	12,274,901,576	5,021,460,584
30,874,327,000	31,056,664,951	13,315,688,491	4,989,410,548
26,686,330,000	34,139,972,233	14,768,275,043	5,251,236,653
28,537,890,000	36,004,966,764	16,627,580,401	5,562,878,428
37,131,000,000	37,954,072,412	18,857,608,395	6,617,603,150
40,418,000,000	36,978,067,454	21,319,305,143	7,103,570,821

**Dallas Independent School District  
Ten Largest Taxpayers  
Tax Roll-2002 Fiscal Year  
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Taxable Assessed Valuation (000's)</u>	<u>Percent of Total Taxable Assessed Valuation</u>
Southwestern Bell Telephone	Telephone Company	\$ 1,082,131	1.8562%
Crescent Real Estate	Real Estate	786,125	1.3485%
Texas Utilities Electric Company	Utilities	541,331	0.9286%
Southwest Airlines Company	Real Estate/Aircraft	498,117	0.8544%
Crow/Trammel/Anatole Partners	Real Estate	353,270	0.6060%
AT&T / TCI Cable	Communications/Cable	265,982	0.4563%
PC Village Apartments Dallas	Real Estate	257,768	0.4422%
Trize/Trizechan Properties	Real Estate	245,808	0.4216%
Metropolitan Life Insurance	Insurance/Real Estate	235,621	0.4042%
Dallas Main LP	Real Estate	219,719	0.3769%
<b>Total</b>		<b>\$ 4,485,873</b>	<b>7.6948%</b>

Source: Dallas County Tax Assessor/Collector.

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2002  
(Unaudited)**

**Form of Government:** Independent School District

**Geographic Area:** 351 square miles

**Population:** 1,199,809

<b>Instruction Sites:</b>	<b><u>Number</u></b>	<b><u>Capacity/Sq. Ft.</u></b>	<b><u>Acreage</u></b>
Senior High Schools	37	5,419,734	1,125.31
Middle Schools	25	3,066,404	433.80
Elementary Schools	<u>156</u>	<u>8,781,226</u>	<u>1,198.59</u>
<b>Totals</b>	<b><u>218</u></b>	<b><u>17,267,364</u></b>	<b><u>2,757.70</u></b>