



# **Dallas Independent School District**

## **Comprehensive Annual Financial Report**

**For The Fiscal Year Ended  
June 30, 2004**

**Prepared by  
Business Services**

**Karen Wilson  
Interim Deputy Superintendent, Business Services**

Dallas Independent School District  
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For The Fiscal Year Ended June 30, 2004

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\* This schedule is not a Major Fund

## 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 7 disapproved 0 for the fiscal year ended June 30, 2004, at a meeting of the board of school trustees of such school district on the 18th day of November, 2004.

  
\_\_\_\_\_  
Signature of Interim Division Manager, Board Services

  
\_\_\_\_\_  
Signature of Board President

# BOARD OF TRUSTEES

## 2004-05

Dallas  
Independent  
School  
District



**Lois Parrott, Ph.D.**  
President  
District 3  
Northeast Dallas



**Hollis Brashear, P.E.**  
1st Vice President  
District 6  
Southwest Dallas



**Joe May**  
2nd Vice President  
District 8  
Love Field, Northwest  
Dallas and Central  
Dallas



**Lew Blackburn, Ph.D.**  
Secretary  
District 5  
East Oak Cliff,  
West Dallas,  
Downtown and areas  
of Oak Lawn



**Kenneth Zornes**  
District 1  
Northwest Dallas



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



**Nancy Bingham**  
District 4  
Southeast Dallas,  
Seagoville



**Jerome Garza**  
District 7  
North Central  
Oak Cliff,  
West Dallas



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



**Larry D. Groppel, Ed.D.**  
*Interim General Superintendent*

The Dallas Independent School District, an equal opportunity educational provider and employer, does not discriminate on the basis of race, color, religion, sex, national origin, disability, sexual orientation, and/or age in its educational programs and activities and employment decisions. The district is required by Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, the Age Discrimination Act of 1975 (as amended), and board policy not to discriminate in such a manner. (Not all prohibited bases apply to all programs.)

If you suspect discrimination, please contact: Mary McCants, Title IX Coordinator, at (972) 925-3250; Chris Velasco, Section 504 Coordinator, at (214) 932-5212; or Employee Relations at (972) 925-4200. General questions about the district should be directed to Customer Service at (972) 925-5555.

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

**Dallas Independent School District  
Principal Officials  
For The Fiscal Year Ended June 30, 2004**

Larry Groppe ..... Interim General Superintendent

Carol Francois ..... Chief of Staff

Lorenzo Garcia ..... Deputy Superintendent -  
Instructional Services

Mary Rodriguez Roberts ..... Deputy Superintendent -  
Employee and Safety Services

Jim Scales ..... Deputy Superintendent -  
Administrative Services

Karen Wilson ..... Interim Deputy Superintendent -  
Business Services

Kay Gulley ..... Interim Division Manager - Board Services



## Dallas Independent School District

October 15, 2004

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 year ended June 30, 2004, 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, and 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 district discusses in further detail the financial position in the narrative, introduction, overview, and analysis section of the Management's Discussion and Analysis (md&a).

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance. 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, 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 compliance section includes the independent auditor's report on compliance and on internal control over financial reporting and supplementary information. 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 four 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.

Larry Groppe • Interim General Superintendent  
3700 Ross Avenue • Dallas, Texas 75204-5491 • Telephone (972) 925-3700

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## ECONOMIC CONDITION AND OUTLOOK

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The Dallas Independent School District encompasses 351 square miles in the eastern portion of the Dallas/Fort Worth Metroplex. The district is the twelfth largest school district in the United States. The 161,261 urban students enrolled for the 2003-04 school year were 60.9 percent Hispanic, 31.4 percent African American, 6.3 percent Anglo, and 1.4 percent other.

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 230,000 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 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. Dallas/Fort Worth has more than 160 international organizations that offer business, cultural and educational programming.

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.

The Dallas/Fort Worth Consolidated Metropolitan Statistical Area is a major medical center providing "state-of-the-art" health care supported by aggressive research programs. The DFW area is home to 50 hospitals, with more than 11,000 beds, and over 5,000 physicians, practicing a total of 75 specialties. Schools exclusively devoted to higher education in the health sciences include Baylor College of Dentistry, Baylor University School of Nursing, Texas College of Osteopathic Medicine, University of Texas Health Science Center and the University of Southwestern Medical Center at Dallas.

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## MAJOR INITIATIVES

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In 2002-2003, the district began implementation of the \$1.3 billion, 2002 Bond Program as approved by taxpayers and the Board of Trustees. Phase I included twenty new schools, two of which opened in August 2004. Also, Phase I included fifteen (of the 38 planned) schools with additions, and fifty schools (of the 180 planned) with renovations. A new athletic facility and a centralized kitchen preparation facility are also in the planning stages. During the fiscal year 2003-2004, Construction Services has addressed the needs identified in the thirty-nine schools with critical Americans with Disabilities Act (ADA) deficiencies. Also, the district has reworked eight athletic fields and swimming pools. Work has begun to implement a work order tracking system to facilitate preventative maintenance scheduling. Funding has been also provided for critical renovations to the district's support facilities. Since the implementation of the bond program, a new middle school has been added. Through district initiatives, a grant has been received from the SLD (School and Library Division) in the amount of \$122 million bringing the Bond Program total to over \$1.5 billion. Other projects funded through the Bond Program include: Irma Lerma Rangel Young Women's Leadership School, 18 tracks and a major renovation/addition to Booker T. Washington High School for the Performing and Visual Arts. Additionally, the Board has approved additions in Early Childhood facilities, library/media center renovation, technology upgrades, and additional science labs.

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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. The district's 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 basic 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, and Food Services Funds. In addition, the Board approves project budgets for all other Special Revenue Funds and Capital Projects. The level of budgetary control, that is, the level at which expenditures cannot 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.

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 year ended June 30, 2004, 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 these deficiencies. Action plans have also been formulated and communicated to the Board.

**Cash Management** – The Board has a cash management program which consists of expediting the receipt of revenues and prudently investing available cash in fixed income securities collateralized by instruments issued by the United States Government or Federal government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$15,389,491 for the year ended June 30, 2004. This was distributed as follows:

General Fund	\$ 4,288,508
Debt Service Funds	449,144
Capital Projects Funds	<u>10,651,839</u>
Total	<u>\$ 15,389,491</u>

The program is particularly successful because of a concentration bank, chosen through competitive bidding, which enables the district to maintain zero balance bank accounts by paying checks when presented to that bank.



**Risk Management** – The district has in the past provided coverage for worker's compensation insurance through a self-insured program administered by a third party. In October 1989, the district assumed complete control of the program and is reducing expenses through employee training programs. The Civil Practice and Remedies Code, Tort Liability of Governmental Units Section 101.023 and 101.051 grant immunity for all school district's for all tort liability claims, except as related to automobiles.

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## **INDEPENDENT AUDIT**

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**

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 ten months ended June 30, 2003. 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.

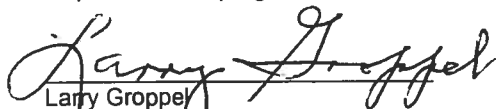
## **ASBO CERTIFICATE OF EXCELLENCE**

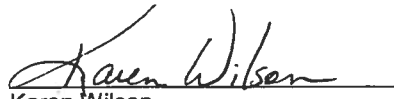
The Dallas Independent School District received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the ten months ended June 30, 2003. This award certifies that the Comprehensive Annual Financial Report for the ten months ended June 30, 2003, 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 June 30, 2004, which will be submitted to ASBO for review, also conforms to their principles and standards.

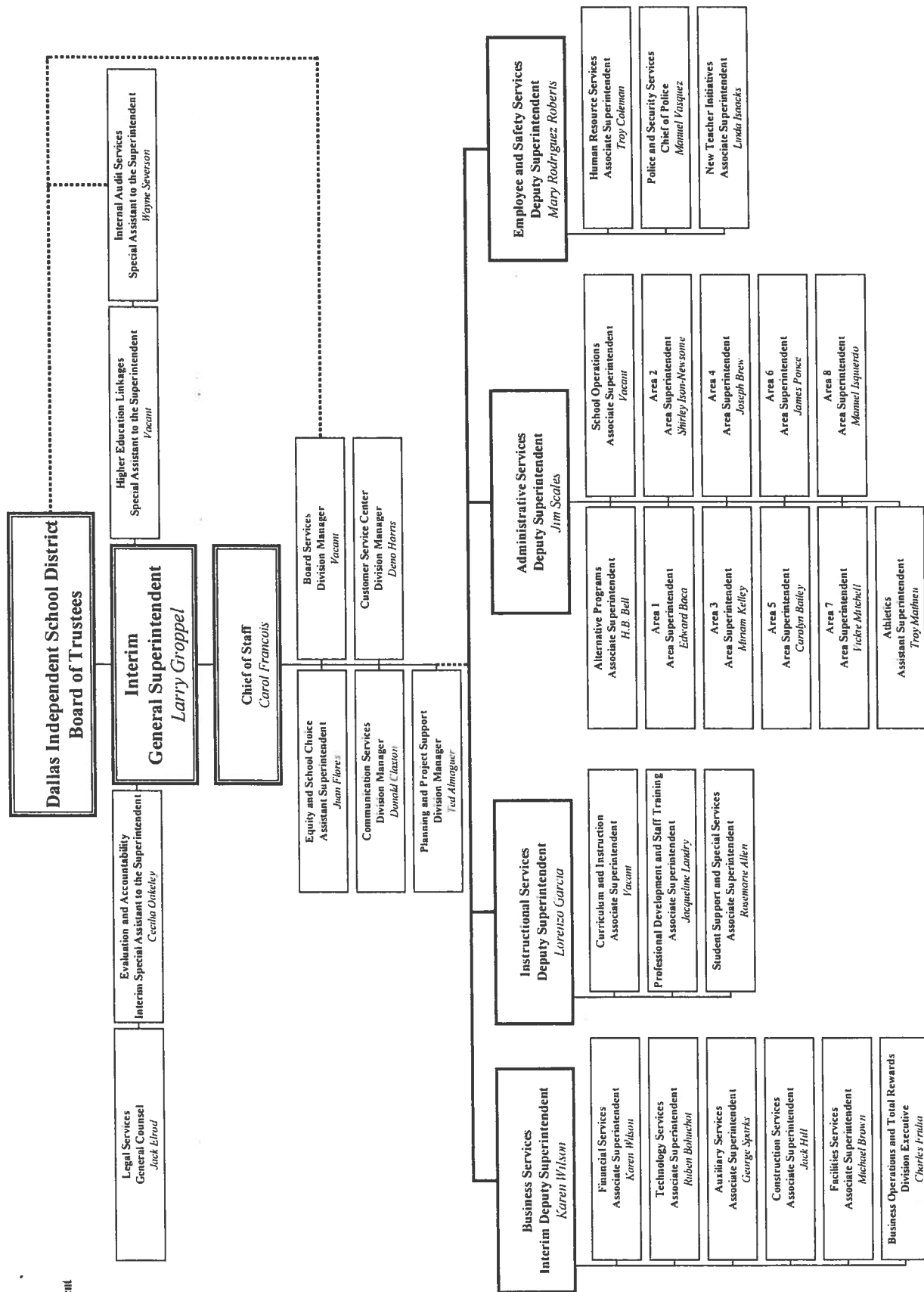
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## **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of Finance and Accounting, Grant Acquisition and Management 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.

  
Larry Groppel  
Interim General Superintendent

  
Karen Wilson  
Interim Deputy Superintendent, Business Services



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dallas Independent School  
District, Texas

For its Comprehensive Annual  
Financial Report  
for the Ten Months Ended  
June 30, 2003

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.



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**Dallas Independent School District**

For its Comprehensive Annual Financial Report (CAFR)  
For the Ten Months Ending June 20, 2003

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

*William F. Fell*  
President

*James H. Miller*  
Executive Director



KPMG LLP  
Suite 3100  
717 North Harwood Street  
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 June 30, 2004, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 June 30, 2004, and the respective 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 October 15, 2004 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.

The management's discussion and analysis on pages 3-11 and the budgetary comparison schedule for the General Fund on pages 42 and 43 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 accompanying Schedule of Expenditures of Federal 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 and Schedule of Expenditures of Federal Awards, 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 financials statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

October 15, 2004

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Dallas Independent School District's (the district's) annual financial report presents our discussion and analysis of the district's financial performance for the fiscal year ended June 30, 2004. Please read it in conjunction with the district's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

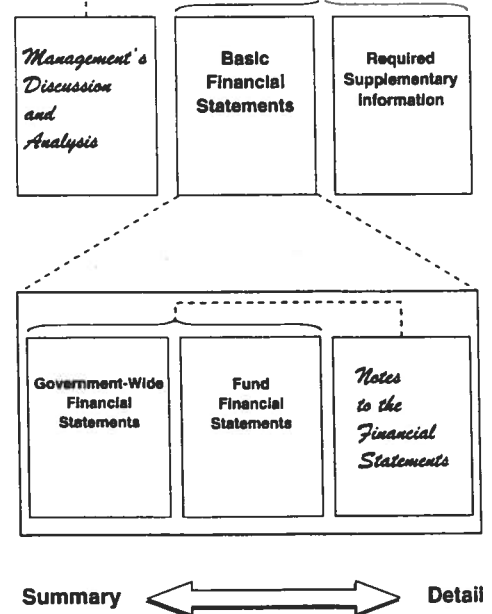
- The district's total net assets at June 30, 2004 exceeded its liabilities by \$246.6 million, an increase of \$11.8 million or 5.1 percent. Of this amount \$165.6 million is unrestricted.
- During the year, the district's expenses were \$11.8 million less than the \$1.3 billion generated in taxes and other revenues for governmental activities. Total expenditures totaled \$1.1 billion after Charges for Services and Operating Grants and Contributions.
- The general fund fund balance decreased \$10.4 million this year to \$115.8 or 11.3 percent of total general fund expenditures.
- The district's total bonded debt increased by \$256.1 million (37 percent) during the current fiscal year. The key factor in this increase was the issuance of \$312 million in general obligation bonds, which included a premium of \$12 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 the 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 the 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.

Investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding is \$31,083,362. The district uses these capital assets to provide services to students; consequently these assets are not available for future spending. Although the district's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the district's net assets (20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted assets (\$165,643,564) may be used to meet the district's ongoing obligations.

At the end of the current fiscal year there was an decrease of \$43,754,128 in restricted net assets. Total net assets increased by \$11,801,367 during the current fiscal year.

## 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 excluded 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 \$246.6 million at June 30, 2004. (See Table A-1).

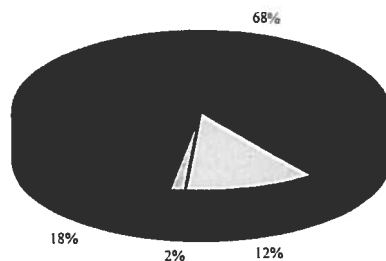
**Table A-1**  
**The District's Net Assets**  
(in millions of dollars)  
**Governmental Activities**

	For the Year Ended June 30, 2004	For the Ten Months Ended June 30, 2003
Current and Other Assets	\$ 935.1	\$ 938.5
Non-Current Assets	544.4	386.8
<b>Total Assets</b>	<b>1,479.5</b>	<b>1,325.3</b>
Current Liabilities	220.2	383.1
Non-Current Liabilities	1,012.7	707.4
<b>Total Liabilities</b>	<b>1,232.9</b>	<b>1,090.5</b>
<b>Net Assets</b>		
Invested in Capital Assets, net of related debt	31.1	20.5
Restricted	49.9	93.6
Unrestricted	165.6	120.7
<b>Total Net Assets</b>	<b>\$ 246.6</b>	<b>\$ 234.8</b>

The district spent \$177.4 million in building improvements and equipment, resulting in an increase in capital and non-current assets in 2004.

**Changes in net assets.** The district's total revenues were \$1.3 billion. A significant portion, 68 percent, of the district's revenue comes from taxes. Twelve percent comes from state aid formula grants, while 18% is related to other operating grants, with the remaining 2% from miscellaneous revenue sources. (See Figure A-3.)

Figure A-3 District  
Sources of revenue for Fiscal Year 2004



The total cost of all programs and services was \$1.3 billion; 70.0% 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**  
**Changes in the District's**  
**Net Assets**  
*(in millions of dollars)*

	<b>For the Year Ended June 30, 2004</b>	<b>For the Ten Months Ended June 30, 2003</b>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 8.2	\$ 7.5
Operating grants and contributions	235.3	203.8
General Revenues:		
Property taxes	906.1	914.1
State aid – formula	162.3	150.6
Investment earnings	15.4	12.3
Other	6.7	-
<b>Total Revenues</b>	<b>\$ 1,334.0</b>	<b>\$ 1,288.3</b>
<b>Expenses</b>		
Instruction and instructional related	734.5	717.5
Instructional resources and media related	20.0	18.8
Curriculum and staff development	34.1	31.3
Instructional leadership	23.7	20.6
School leadership	71.1	61.1
Guidance, counseling, and evaluation services	47.6	41.0
Social work services	2.6	2.2
Health services	12.9	11.0
Student transportation	14.6	18.4
Food services	59.5	53.6
Extracurricular activities	11.1	9.5
General administration	33.4	37.6
Plant maintenance and operations	129.0	104.3
Security and monitoring services	13.8	8.7
Data processing services	20.9	25.8
Community services	24.1	19.6
Debt service	39.8	34.7
Facilities acquisition and construction	24.3	11.1
Payments to fiscal agent/member districts - shared services	5.2	5.0
<b>Total Expenses</b>	<b>\$ 1,322.2</b>	<b>\$ 1,231.8</b>
<b>Increase in Net Assets</b>	<b>11.8</b>	<b>56.5</b>
<b>Beginning Net Assets</b>	<b>234.8</b>	<b>178.3</b>
<b>Ending Net Assets</b>	<b>\$ 246.6</b>	<b>\$ 234.8</b>

The district's net assets increased approximately \$11.8 million. 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 net cost of all *governmental* activities this year was \$1.1 billion.
- The district taxpayer provided \$906.1 million for these activities through property taxes.
- Some of the cost was paid by those who directly benefit from the programs (\$8.2 million), and by grants and contributions (\$235.3 million).

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

	Total Cost of Services		Net Cost of Services	
	For the Year Ended June 30, 2004	For the Ten Months Ended June 30, 2003	For the Year Ended June 30, 2004	For the Ten Months Ended June 30, 2003
Instruction	\$ 734.5	\$ 717.5	\$ (624.0)	\$ (619.8)
School Leadership	71.1	61.1	(70.3)	(59.8)
Food Services	59.5	53.6	1.9	0.7
Plant Maintenance & Operations	129.0	104.3	(125.0)	(100.7)

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$1.33 billion. 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. 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 \$673,863,520. Of this amount, \$107,512,812 constitutes unreserved fund balance available for use in 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 \$101,916,681. 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 10.0% of the total general fund expenditures, while total fund balance represents 11.3% of that same amount, down from 10.9% and 13.4% the previous year.

The district recognized a decrease of \$10.4 million in general fund balance. The capital projects fund fund balance increased \$127,018,542 to \$482,158,017. This increase resulted from a \$300 million debt issuance, which exceeded capital projects expenditures of \$193.6 million.

The debt service fund has a total fund balance of \$62,081,501 all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund is \$1,598,806.

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

During the 2003-04 fiscal year the district amended the operating budget on a monthly basis. These adjustments resulted in actual expenditures approximately \$3.3 million below the final amended budget.

A positive variance in state revenue of \$10.8 million is related to prior year adjustments, due to changes in property values and corrections for special populations and the reporting of on-behalf for the Teacher Retirement System.

An unfavorable variance in federal program revenue of \$2.8 million is related to lower than anticipated reimbursements for Medicaid eligible students.

A positive variance of \$1,140,936 in instruction is due to fewer instructional needs as a result of lower than anticipated student enrollment.

A positive variance of \$447,251 in general administration is related to lower than anticipated payroll costs.

A positive variance of \$1,124,235 million in payments to tax increment fund is a result of the change in current year payments due to an earlier than anticipated fulfillment of obligations.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

At the end of 2004, the district had invested \$1,273.9 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 \$170.6 million or 15.5 percent over last year. (See Table A-4.)

**Table A-4**  
**District's Capital Assets**  
*(in million of dollars)*  
**Governmental Activities**

	<b>For the Year Ended June 30, 2004</b>	<b>For the Ten Months Ended June 30, 2003</b>
Land	\$ 84.5	\$ 47.3
Buildings and improvements	964.4	958.2
Vehicles	26.7	29.1
Equipment	67.1	64.3
Construction in progress	131.2	4.4
Totals at historical cost	\$ <u>1,273.9</u>	\$ <u>1,103.3</u>
Total accumulated depreciation	<u>(733.6)</u>	<u>(716.5)</u>
Net capital assets	\$ <u>540.3</u>	\$ <u>386.8</u>

The district's fiscal year 2004 capital spending totaled \$177.4 million in buildings & improvements and capital equipment. Construction began to renovate, construct additions to existing facilities, and new construction on over one hundred projects throughout the district. Construction in progress at June 30, 2004 is \$131,232,140. Three of the bigger projects included Arcadia Park Elementary (\$9,138,110), Highland Meadows Elementary (\$11,966,680),

and the Stadium/Field house (\$7,213,603). The total remaining for construction commitments as of June 30, 2004 is \$161,797,480. Additional information on the district's capital assets can be found in Footnote L.

## Long-Term Debt

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

	<b>Governmental Activities</b>	
	<b>For the Year Ended June 30, 2004</b>	<b>For the Ten Months Ended June 30, 2003</b>
Leases Payable	\$ 14.8	\$ 18.9
Bonds payable	949.8	693.7
Workers Compensation	13.0	14.4
Health Insurance	0.3	10.7
Loans Payable	4.4	6.7
Gain/Loss on Refunding	1.4	1.5
Premium on Bonds	25.6	13.6
Total bonds and notes payable	<u>\$ 1,009.3</u>	<u>\$ 759.5</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 \$1,009.3 million in long-term debt outstanding as shown in Table A-5. For more detailed information on the district's debt, see Footnote N.

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

The taxable levy values for the 2003-2004 school year were \$58.4 billion down .2 percent from the previous year. The values for the upcoming school year are \$59.4 billion, an increase of 1.7 percent.

Funding from the state is based on Average Daily Attendance (ADA). ADA for 2003-2004 was 148,131, which is 1,466 students less than the previous year. For 2004-2005, the district projected a decrease of approximately .18% for an ADA of 147,870.

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 2003-2004 was \$6,357, an increase of 8.5% while cost per student for 2004-2005 is budgeted at \$6,448 representing an increase of 2.5%.

These assumptions were utilized in preparing the district's 2004-2005 budget. The district recognized \$1.1 million in additional general fund balance as a result of current year operations, generating a total fund balance of 12.4% of current expenditures. However, these funds will be used to pay for expenses until next year's taxes are collected. General fund revenues and other sources are projected to decrease .8%, while projected expenditures reflect an increase of .2%.

The decrease in taxable values is offset by an increase in the general fund tax rate from \$1.47803 to \$1.50. The \$1.036 billion budget for 2004-2005 includes raises for employees and increases in starting teacher salaries beginning September 1. Employee compensation increases, a total of \$21 million, is the greatest single increase in the budget. Other significant increases include additional funds for campus safety, \$500,000; \$2.1 million for the opening of two new schools, and a bilingual stipend of \$3,000 per year for eligible employees, including bilingual media specialists and staff nurses with degrees.

## **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**  
**June 30, 2004**

**Exhibit A-1**

Data Control Codes		<u>Governmental Activities</u>
<b>ASSETS</b>		
Current assets:		
1110	Cash and cash equivalents	\$ 235,753
1120	Investments	754,158,861
1225	Property taxes receivables (net)	62,259,738
1240	Due from other governments	101,883,657
1250	Accrued interest	2,640,563
1290	Other receivables (net)	3,658,630
1300	Inventories	8,920,512
1490	Other current assets	1,311,097
Noncurrent assets:		
1420	Bond issuance cost (net)	4,189,349
Capital assets:		
1510	Land	84,473,042
1520	Buildings and improvements, net	307,795,983
1530	Furniture and equipment, net	16,757,983
1580	Construction in progress	131,232,140
1000	Total assets	<u>1,479,517,308</u>
<b>LIABILITIES</b>		
Current liabilities:		
2110	Accounts payable	\$ 70,051,165
2150	Payroll deductions and withholdings	5,570,792
2160	Accrued wages payable	111,841,851
2180	Due to other governments	3,084,863
2191	Due to student groups	240
2200	Accrued liabilities	9,041,242
2300	Deferred revenue	3,356,730
2430	Interest payable	17,307,379
Long-term debt-due within one year		
2121	Bonds and notes payable	52,467,000
2122	Loans payable	2,427,000
2123	Workers compensation	3,459,000
2123	Health Insurance	344,000
2131	Lease purchases payable	4,353,000
Noncurrent liabilities:		
Long-term debt-due beyond one year		
2210	Workers compensation	12,983,589
2510	Bonds and notes payable	897,297,824
2511	Gain/Loss on refunding of bonds	1,391,917
2512	Premium on bonds	25,597,366
2521	Loans payables	1,943,378
2531	Lease purchases payable	10,415,000
2000	Total liabilities	<u>1,232,943,336</u>
<b>NET ASSETS</b>		
3200	Invested in capital assets, net of related debt	\$ 31,083,362
3800	Restricted for:	
	Debt Service	44,774,122
	Food Service	5,072,924
3900	Unrestricted	165,643,564
3000	Total net assets	<u>\$ 246,573,972</u>

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



**Dallas Independent School District**  
**Government-wide Statement of Activities**  
**For the Year Ended June 30, 2004**

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	734,514,593	\$ 1,352,081	109,201,900	\$	(623,960,612)
12 Instructional resources and media services	19,981,062	-	709,281		(19,271,781)
13 Curriculum and staff development	34,086,359	-	24,640,076		(9,446,283)
21 Instructional leadership	23,691,584	-	9,284,771		(14,406,813)
23 School leadership	71,056,165	-	720,788		(70,335,377)
31 Guidance, counseling, and evaluation services	47,597,254	-	7,671,417		(39,925,837)
32 Social work services	2,645,235	-	474,390		(2,170,845)
33 Health services	12,878,668	-	2,163,237		(10,715,431)
34 Student transportation	14,622,840	-	498,329		(14,124,511)
35 Food services	59,503,710	5,715,748	55,646,339		1,858,377
36 Cocurricular/extracurricular activities	11,067,978	712,225	1,489,681		(8,866,072)
41 General administration	33,374,643	-	1,499,546		(31,875,097)
51 Plant maintenance and operations	128,973,176	387,242	3,557,721		(125,028,213)
52 Security and monitoring services	13,768,123	-	490,525		(13,277,598)
53 Data processing services	20,910,929	-	457,285		(20,453,644)
61 Community services	24,132,230	-	16,805,460		(7,326,770)
71 Interest on long-term debt	39,848,218	-	-		(39,848,218)
81 Facilities acquisition & construction	24,349,526	-	4,637		(24,344,889)
95 Payments to juvenile justice AE	624,298	-	-		(624,298)
97 Payments to tax increment fund	4,621,391	-	-		(4,621,391)
Total governmental activities	\$ 1,322,247,982	\$ 8,167,296	\$ 235,315,383	\$	(1,078,765,303)
Total	\$ 1,322,247,982	\$ 8,167,296	\$ 235,315,383	\$	(1,078,765,303)
General revenues:					
Taxes:					
Property taxes, levied and collected for general purposes				\$	829,003,189
Property taxes, levied and collected for debt service					77,173,360
State aid-formula grants					162,295,685
Grants and contributions not restricted to specific programs					3,220,045
Investment earnings					15,389,491
Gain/(Loss) on sale of equipment					(671,773)
Miscellaneous					4,156,673
Total general revenues and special items					1,090,566,670
Change in net assets					11,801,367
Net assets—beginning					234,772,605
Net assets—ending				\$	246,573,972

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

**Dallas Independent School District  
Balance Sheet  
Governmental Funds  
June 30, 2004**

Exhibit C-1

Data Control Codes		General	Debt Service	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
1110-50	Cash and cash equivalents	\$ 235,753	\$ -	\$ -	\$ -	\$ 235,753
1120	Investments	183,008,046	61,979,877	506,679,845	2,491,093	754,158,861
1210-30	Receivables, net	57,789,241	4,470,497	-	-	62,259,738
1250	Accrued interest	-	-	2,628,253	12,310	2,640,563
1260	Due from other funds	76,015,511	-	-	6,880,861	82,896,372
1240	Receivables from other governments	17,012,624	-	-	84,871,033	101,883,657
1290	Other receivables	3,658,630	-	-	-	3,658,630
1300	Inventories	5,753,857	-	-	3,166,655	8,920,512
1490	Prepaid	1,310,451	-	-	646	1,311,097
	<b>Total assets</b>	<b>\$ 344,784,113</b>	<b>\$ 66,450,374</b>	<b>\$ 509,308,098</b>	<b>\$ 97,422,598</b>	<b>\$ 1,017,965,183</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
2110	Accounts payable	\$ 51,872,446	\$ -	\$ 14,086,956	\$ 4,091,763	\$ 70,051,165
2140	Bond interest payable	-	449,037	-	-	449,037
2150	Payroll deductions & withholdings	5,570,792	-	-	-	5,570,792
2160	Accrued wages payable	104,802,114	-	-	7,039,737	111,841,851
2170	Due to other funds	6,880,861	125,380	11,199,586	64,690,545	82,896,372
2180	Payable to other governments	2,893,208	-	-	201,655	3,094,863
2190	Due to students	240	-	-	-	240
2200	Accrued liabilities	6,430,891	-	1,863,539	4,205,812	12,500,242
2300	Deferred revenue	50,545,915	3,794,456	-	3,356,730	57,697,101
	<b>Total liabilities</b>	<b>228,996,467</b>	<b>4,368,873</b>	<b>27,150,081</b>	<b>83,586,242</b>	<b>\$ 344,101,663</b>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
3410	Inventories	5,753,857	-	-	3,166,655	\$ 8,920,512
3430	Prepaid	1,310,451	-	-	646	1,311,097
3440	Encumbrances	6,806,657	-	-	-	6,806,657
3420	Debt service	-	62,081,501	-	-	62,081,501
3470	Capital projects funds	-	-	482,158,017	-	482,158,017
3450	Food services	-	-	-	5,072,924	5,072,924
<b>Unreserved:</b>						
3590	Designated for campus activity	-	-	-	2,475,039	2,475,039
3600	Unreserved - General Fund	101,916,681	-	-	-	101,916,681
3600	Unreserved - Special Revenue Funds	-	-	-	3,121,092	3,121,092
	<b>Total fund balances</b>	<b>\$ 115,787,646</b>	<b>\$ 62,081,501</b>	<b>\$ 482,158,017</b>	<b>\$ 13,836,356</b>	<b>\$ 673,863,520</b>
	<b>Total liabilities and fund balances</b>	<b>\$ 344,784,113</b>	<b>\$ 66,450,374</b>	<b>\$ 509,308,098</b>	<b>\$ 97,422,598</b>	<b>\$ 1,017,965,183</b>

The accompanying notes to the basic financial statements 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  
June 30, 2004**

Exhibit C-1R

**Total fund balances--governmental funds (from C-1)** **\$ 673,863,520**

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.

540,259,148

Some liabilities, including bonds payable, and claims and judgments are not due and payable in the current period and, therefore are not reported in the funds.

(1,009,220,074)

Interest payable is recognized when due at the fund level, but is recognized currently under full accrual.

(16,858,342)

Other long term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

54,340,371

Bond issue costs are recognized currently at the fund level, but are deferred costs under the full full accrual method.

4,189,349

**Total net assets--governmental activities (see A-1)**

**\$ 246,573,972**

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

**Dallas Independent School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2004**

Exhibit C-2

	General Fund	Debt Service	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
5700 Local and intermediate sources	\$ 846,663,583	\$ 77,718,320	\$ 10,651,839	\$ 14,749,149	\$ 949,782,891
5800 State program revenues	162,295,685	-	-	37,609,815	199,905,500
5900 Federal program revenues	5,663,480	-	-	182,956,419	188,619,899
Total revenues	<u>\$ 1,014,622,748</u>	<u>\$ 77,718,320</u>	<u>\$ 10,651,839</u>	<u>\$ 235,315,383</u>	<u>\$ 1,338,308,290</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
11 Instruction	\$ 621,816,050	\$ -	\$ -	\$ 106,702,221	\$ 728,518,271
12 Instructional resources and media services	19,132,965	-	-	709,281	19,842,246
13 Curriculum and staff development	9,469,376	-	-	24,375,688	33,845,064
21 Instructional leadership	14,216,941	-	-	9,284,771	23,501,712
23 School leadership	69,726,247	-	-	720,788	70,447,035
31 Guidance, counseling, and evaluation services	39,547,367	-	-	7,671,417	47,218,784
32 Social work services	2,148,159	-	-	474,390	2,622,549
33 Health services	10,605,052	-	-	2,163,237	12,768,289
34 Student transportation	14,087,097	-	-	498,329	14,585,426
35 Food Services	-	-	-	61,650,740	61,650,740
36 Extracurricular activities	9,483,417	-	-	1,489,681	10,973,098
41 General administration	31,658,232	-	-	1,499,546	33,157,778
51 Plant maintenance and operations	123,107,628	-	1,072,284	3,537,432	127,717,344
52 Security and monitoring services	13,679,223	-	-	490,525	14,169,748
53 Data processing services	22,037,319	-	225,038	457,285	22,719,642
61 Community services	7,124,527	-	-	16,805,460	23,929,987
<b>Debt service</b>					
71 Principal on long-term debt	6,920,339	44,465,000	-	-	51,385,339
171 Interest on long-term debt	1,718,518	34,026,169	-	-	35,744,687
<b>Capital outlay</b>					
81 Facilities acquisition and construction	3,183,341	-	192,296,593	4,637	195,484,571
<b>Intergovernmental charges</b>					
95 Payments juvenile justice AE	624,298	-	-	-	624,298
97 Payments to tax increment fund	4,621,391	-	-	-	4,621,391
Total expenditures	<u>\$ 1,024,907,487</u>	<u>\$ 78,491,169</u>	<u>\$ 193,593,915</u>	<u>\$ 238,535,428</u>	<u>\$ 1,535,527,999</u>
Deficiency of revenues over expenditures	<u>\$ (10,284,739)</u>	<u>\$ (772,849)</u>	<u>\$ (182,942,076)</u>	<u>\$ (3,220,045)</u>	<u>\$ (197,219,709)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7911 Proceeds from bonds	\$ -	\$ -	\$ 300,000,000	\$ -	\$ 300,000,000
7916 Premium on Bonds	-	2,371,655	9,960,618	-	12,332,273
7900 Transfers in (out)	(110,012)	-	-	110,012	-
Total other financing sources and uses	<u>\$ (110,012)</u>	<u>\$ 2,371,655</u>	<u>\$ 309,960,618</u>	<u>\$ 110,012</u>	<u>\$ 312,332,273</u>
Net change in fund balances	<u>\$ (10,394,751)</u>	<u>\$ 1,598,806</u>	<u>\$ 127,018,542</u>	<u>\$ (3,110,033)</u>	<u>\$ 115,112,564</u>
Fund balances—beginning	126,182,397	60,482,695	355,139,475	16,946,389	558,750,956
Fund balances—ending	<u>\$ 115,787,646</u>	<u>\$ 62,081,501</u>	<u>\$ 482,158,017</u>	<u>\$ 13,836,356</u>	<u>\$ 673,863,520</u>

The accompanying notes to the basic financial statements 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  
June 30, 2004**

Exhibit C-3

Net change in fund balances--total governmental funds (from C-2)	\$ 115,112,564
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 net capital outlays (\$177,401,535) exceeded depreciation (\$23,244,897) in the current period.	154,156,638
Recognition of accretion on capital appreciation bonds and bond interest.	(1,019,396)
Reversal of bond principal payments made at the fund level.	51,385,339
Recognition of accrued interest expense at the government wide level	(5,709,431)
Bond proceeds (including \$12,332,273 premium) provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(312,332,273)
Bond issuance costs recognized at the fund level, capitalized under full accrual.	2,371,654
Workers compensation accrual expense not on fund statements	1,467,571
Health insurance expenditure not recognized at fund level	10,374,000
Amortization of bond issue costs, premium on bond, and gain/loss on refunding	253,642
Recognize deferred revenue through June 30, 2004 (Note E)	(3,587,168)
Loss on disposal of assets	<u>(671,773)</u>
Change in net assets of governmental activities (B-1)	<u><u>\$ 11,801,367</u></u>

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

**Dallas Independent School District  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2004**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 3,890,174</u>
Total assets	<u><u>\$ 3,890,174</u></u>
<b>LIABILITIES</b>	
Due to student groups	<u>3,890,174</u>
Total liabilities	<u><u>\$ 3,890,174</u></u>

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

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

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**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

**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.

**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, the fiduciary fund financial statement does not have a measurement focus. 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.



**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

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, arbitrage, and claims and judgments, are recorded only when matured and payment is due shortly after year-end. 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 \$7,859,253 and \$676,041 for the General Fund and Debt Service Fund, respectively.

Grant revenues are recognized when all eligibility requirements have been met, 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 \$5.4 million to reflect cash that will be received in fiscal year 2005 which was generated by attendance and related expenditures in fiscal year 2004.

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 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. The debt service fund does not meet the criteria of a major fund, however, due to the significance of the fund, management has decided to present it as a major 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.

**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.

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

**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.

Temporary investments are recorded at fair 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 Agriculture, 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  
June 30, 2004**

**Restricted Net Assets Government-Wide**

Invested in Capital Assets, net of related debt – component of net assets represented by capital assets and deferred debt issue costs, less capital debt plus unspent bond proceeds. (\$31,083,362)

Restricted for Debt Service – the component of net assets that reports the difference between assets and liabilities of the Debt Service Fund that consists of assets with constraints placed on their use by the bond covenants. (\$44,774,122)

Restricted for Food Service – the component of net assets that reports the difference between assets and liabilities of the Food Services Fund that consists of assets with constraints placed on their use by the Department of Agriculture. (\$5,072,924).

**Reserved Governmental Funds**

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

Food Service	\$ 5,072,924
Debt Service	62,081,501
Capital Projects	482,158,017
Encumbrance	6,806,657
Inventories and Prepaids	<u>10,231,609</u>
Total Reserved Governmental Funds	<u>\$ 566,350,708</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:

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

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

**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.

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.

**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.

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

**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.

**E. 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 \$(3,587,168) are as follows:

Property Tax Revenue – General Fund	\$ (3,491,352)
Property Tax Revenue – Debt Service	(95,816)
Total increase in revenue not reported at the fund level	<u>\$ (3,587,168)</u>

**F. 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 June 30, 2004, cash with a total carrying value of \$235,753 was on deposit with the contracted depository bank. 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 \$3,261,412 at June 30, 2004, 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 to these district funds, a total of \$3,890,174 of agency funds cash was on deposit with the contracted depository. 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. Effective June 1, 2004, activity fund accounts were centralized at the administrative offices and accounts for a majority of the district's secondary campuses are now on deposit with the contracted depository.

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 July 5, 2003, with combined cash and certificates of deposit balance of \$62,124,201.

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

- c. On July 6, 2003, the amount of bonds, securities pledged, and FDIC coverage was \$64,717,944.
- d. The FDIC coverage portion of the collateral listed above was \$200,000.
- e. The district on two occasions during the year, was under collateralized in which the pledged collateral requirement was less than the collateral requirement.

The cash deposits held at financial institutions are categorized according to three levels of risk per GASB Statement No. 3. They 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 at June 30, 2004 are classified as Category 1.

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.

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

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

The following table reflects the district's investments at June 30, 2004.

	<u>Category 1</u>	<u>Carrying Account</u>	<u>Fair Value</u>
Repurchase Agreement/Other	\$ 2,494,668	\$ 2,494,668	\$ 2,494,668
Investments not categorized as they are not represented by securities that exist in physical form:			
Money Markets & Mutual Funds		\$ 56,763,504	\$ 56,763,504
Investment Pools		556,878,733	556,878,733
Guaranteed Investment Contract		<u>138,021,956</u>	<u>138,021,956</u>
Total Investments		<u>\$ 754,158,861</u>	<u>\$ 754,158,861</u>

At June 30, 2004, 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), now know as First Public. 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.

The district invested the Capital Project Fund proceeds from the bond issues in a Guaranteed Investment Contract (GIC) with Morgan Stanley, until it's subsequent maturity at August 15, 2004. The district was guaranteed a fixed interest rate of 3.65% and the maturities on the securities that are invested on the district's behalf by Morgan Stanley were "laddered" to cover the funding of the construction program. Morgan Stanley was 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. On Monday, August 16, 2004, the proceeds received from the maturity of the Morgan Stanley GIC were subsequently reinvested in a separate account of the Texas Cooperative Liquid Assets Securities System Trust ("Texas Class") Investment Pool.

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

**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. In lieu of the line of credit, the district did authorize and issue Revenue Tax Anticipation Notes. These Notes are more fully disclosed in note N, Long-Term Obligations.

**G. Local Revenues**

Local revenues are comprised of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non- Major Funds</u>	<u>Total</u>
Property Taxes	\$ 832,494,541	\$ 77,269,176	\$ -	\$ -	\$ 909,763,717
Dallas CED	266,207	-	-	-	266,207
Food Services	-	-	-	5,662,987	5,662,987
Interest Income	4,288,508	449,144	10,651,839	-	15,389,491
Tuition, Fees and Cocurricular	4,778,555	-	-	-	4,778,555
Other	<u>4,835,772</u>	<u>-</u>	<u>-</u>	<u>9,086,162</u>	<u>13,921,934</u>
Total	<u>\$ 846,663,583</u>	<u>\$ 77,718,320</u>	<u>\$ 10,651,839</u>	<u>\$ 14,749,149</u>	<u>\$ 949,782,891</u>

**H. 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, 2003 was \$58,380,724,174. After deductions of all exemptions and reductions provided by law and those granted by the district, the levy for the 2004 fiscal year was based on \$57,782,665,261.

The tax rates assessed for the year ended June 30, 2004, to finance General Fund operations and the payment of principal and interest on long-term debt were \$1.5000 and \$0.1395 per \$100, respectively, for a total of \$1.6395 per \$100 valuation. The resolution levying the ad valorem taxes specifies the individual tax rates for the General Fund and Debt Service Fund. Current tax collections for the year ended June 30, 2004, were 96.54% 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 \$24,917,784 and \$2,317,446, respectively, based upon historical collection experience. The district is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature.



**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

At June 30, 2004, taxes receivable, net of estimated uncollectible taxes, aggregated \$57,789,240 and \$4,470,497 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 June 30, 2004. As part of this plan, the district recognized approximately \$266,207 as revenue in fiscal year 2004.

**I. Receivables**

Receivables as of June 30, 2004 for the district's major funds and non-major funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Debt Service Fund</u>	<u>Capital Projects</u>	<u>Non- Major Funds</u>	<u>Total Governmental Activities</u>
Property Taxes	\$ 82,707,025	\$ 6,787,943	\$ -	\$ -	\$ 89,494,968
Due from other Government	17,012,624	-	-	84,871,033	101,883,657
Accrued interest	-	-	2,628,253	12,310	2,640,563
Other receivables	15,158,630	-	-	-	15,158,630
Bond proceeds	-	-	-	-	-
Less: allowance or uncollectibles	(36,417,784)	(2,317,446)	-	-	(38,735,230)
Total	<u>\$ 78,460,495</u>	<u>\$ 4,470,497</u>	<u>\$ 2,628,253</u>	<u>\$ 84,883,343</u>	<u>\$ 170,442,588</u>

**J. 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 2004, the various components of deferred revenue reported in the general fund and nonmajor governmental funds were as follows:

	<u>General Funds</u>	<u>Debt Service Funds</u>	<u>Nonmajor Funds</u>
Property Taxes	\$ 49,929,988	\$ 3,794,456	\$ -
Grant Funds	-	-	3,356,730
Miscellaneous	615,927	-	-
Total	<u>\$ 50,545,915</u>	<u>\$ 3,794,456</u>	<u>\$ 3,356,730</u>

**Dallas Independent School District  
Notes to the Financial Statements  
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**K. Interfund Receivables and Payables**

Interfund balances occur when one fund pays or receives resources for another at June 30, 2004, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund -		
Non-Major Governmental Funds	\$ 64,690,545	\$ 6,880,861
Debt Services Fund	125,380	-
Capital Projects Fund	11,199,586	-
	<u>76,015,511</u>	<u>6,880,861</u>
Non-Major Governmental Funds -		
General Fund	6,880,861	64,690,545
Debt Service Fund -		
General Fund	-	125,380
Capital Projects Fund -		
General Fund	-	11,199,586
	<u>-</u>	<u>11,199,586</u>
	<u>\$ 82,896,372</u>	<u>\$ 82,896,372</u>

Interfund balances consist of short-term lending/borrowing arrangements that result from regularly occurring charges that are paid by the General Fund and then charged back to the appropriate other fund. The due to between the General Fund and Non-Major Governmental Funds will occur when funds are received from the granting agency for incurred expenditures that have been paid from the General Fund operating account. Cash payments for expenditures in the Debt Service Fund and Capital Project Fund are made from the General Fund operating account, transfers back occur monthly.

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." The following is a summary of the district's operating transfers for the year ended June 30, 2004.

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	Non-Major Governmental Fund	<u>\$110,012</u>
Total		<u>\$110,012</u>

The transfer from the general fund was made because a non-major governmental fund incurred expenditures that exceeded available funds.

**Dallas Independent School District  
Notes to the Financial Statements  
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**L. Changes in Capital Assets**

Capital asset activity for the year ended June 30, 2004 is as follows:

	Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
Capital Assets, not being depreciated:				
Land	\$ 47,298,759	\$ 37,174,283	\$ -	\$ 84,473,042
Construction in Progress	4,385,319	126,846,821	-	131,232,140
Total Capital Assets, not being depreciated	<u>51,684,078</u>	<u>164,021,104</u>	<u>-</u>	<u>215,705,182</u>
Capital Assets, being depreciated:				
Building	958,171,631	6,278,994	(35,000)	964,415,625
Furniture & equipment	93,398,937	7,101,437	(6,749,504)	93,750,870
Total Capital Assets, being depreciated	<u>1,051,570,568</u>	<u>13,380,431</u>	<u>(6,784,504)</u>	<u>1,058,166,495</u>
Less accumulated depreciation for:				
Buildings	642,117,749	14,501,893	-	656,619,642
Furniture & equipment	74,362,614	8,743,004	(6,112,731)	76,992,887
Total Accumulated depreciation	<u>716,480,363</u>	<u>23,244,897</u>	<u>(6,112,731)</u>	<u>733,612,529</u>
Total Capital Assets, being Depreciated, net	<u>335,090,205</u>	<u>(9,864,466)</u>	<u>(671,773)</u>	<u>324,553,966</u>
Capital Assets, Net	\$ <u>386,774,283</u>	\$ <u>154,156,638</u>	\$ <u>(671,773)</u>	\$ <u>540,259,148</u>

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

Instruction	\$ 13,202,243
Instructional Resources & Media Services	360,160
Curriculum and Staff Development	609,260
Instructional Leadership	425,863
School Leadership	1,278,690
Guidance, Counseling and Evaluation Services	854,107
Social Work Services	47,624
Health Services	231,709
Student Transportation	700,879
Food Services	471,491
Curriculum/Extracurricular Activities	199,174
General Administration	600,467
Plant Maintenance and Operations	3,169,692
Security and Monitoring Services	256,600
Data Processing Services	412,388
Community Services	<u>424,550</u>
Total	\$ <u>23,244,897</u>

**Dallas Independent School District**  
**Notes to the Financial Statements**  
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The district has active construction projects. These projects include new school construction and renovation of existing facilities. The total remaining for these construction commitments as of June 30, 2004 is \$161,797,480.

**M. Capital Leases**

As of June 30, 2004, the accompanying government-wide financial statements include property under capital leases totaling a principle balance due of \$14,843,985 with a net present value (NPV) of \$14,768,000. Capital leases principle amounts provide for the acquisition of equipment to improve the district's energy management systems \$11,986,842, and telephone system \$2,857,143. Capital lease expenditures for fiscal year 2003-2004 were \$5,294,086, representing principal and interest payments that have been reflected as debt service expenditures in the General Fund of the accompanying fund financial statements.

<u>Date of Issue</u>	<u>Purpose/Lawful Authority (Maturity)</u>	<u>Interest Rate</u>	<u>Net Present Value</u> (in thousands)
8/28/96	Energy Movement Systems/Johnson Controls, Inc. (10/15/06)	5.96%	\$ 1,819
8/27/96	Energy Management Systems Honeywell, Inc. - Phase I (09/01/06)	5.62%	1,757
4/14/97	Energy Management Systems Honeywell, Inc. - Phase IIA (03/01/08)	6.89%	4,275
4/14/97	Energy Management Systems/ Honeywell, Inc. - Phase IIB (03/01/08)	6.89%	4,275
12/18/98	Telephone System/Fujitsu (9/15/05)	4.44%	2,642
			<u>\$ 14,768</u>

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 June 30, 2004:

	<u>Year Ended June 30 (in thousands)</u>
2004-2005	\$ 5,147
2005-2006	5,174
2006-2007	3,772
2007-2008	2,417
2008-Maturity	-
Future minimum lease payments	<u>16,510</u>
Amount representing interest (1)	<u>(1,742)</u>
Total future minimum lease payments	<u>\$ 14,768</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.

**Dallas Independent School District  
Notes to the Financial Statements  
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**N. 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 and health insurance liability. Bond premiums are amortized using the effective interest method. At June 30, 2004, the district's debt limitation under local policies, which represents 10% of the district's total assessed property value for school tax purposes, is \$5,838,072,417 and the district's legal debt margin is \$4,950,389,274.

**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 1.75% to 5.8% and are due through 2030.

At June 30, 2004, \$62,081,501 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>
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%	161,415
2002	Serially in varying amounts from August 15, 2003 to February 15, 2022	4.0%-5.5%	271,925
2003	Serially in varying amounts from February 15, 2004 to February 15, 2027	1.75%-5.0%	144,610
2004	Serially in varying amounts from August 15, 2004 to August 15, 2030	3.0%-5.0%	300,000
			<u>\$ 924,725</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.

<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	6.40%	\$ 11,961
1999	August 15, 2005	4.05%	8,171
			<u>\$ 20,132</u>

**Dallas Independent School District  
Notes to the Financial Statements  
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**Maintenance Tax Notes**

On October 1, 2001, the district issued \$6,880,000 of Qualified Zone Academy Maintenance Tax Notes, Series 2001. An additional \$1,120,000 of Qualified Zone Academy Maintenance Tax Notes, Series 2002, was issued on September 1, 2002.

<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 May 1, 2002 to May 1, 2015*	0%	\$ 3,788
2002	Principal due at maturity; interest due each February 15 and August 15 from February 15, 2003 to September 15, 2016	0%	1,120
			<u>\$ 4,908</u>

\*Interest payments are not made by DISD. Pursuant to a Forward Delivery Agreement entered into between the Bank of America (BOA) and the District (DISD): "a) DISD will make flat annual payments to a custodian; b) BOA will purchase securities with the custodial funds; c) BOA is responsible for repayment of the loan at maturity; and, d) Shortages or overages are the responsibility of BOA." However, DISD must disclose the full amount of the loan as its debt in the event Bank of America or US Bank (the escrow custodian) were to default.

**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 June 30, 2004 is as follows (in thousands):

<u>Year Ended June 30, 2004</u>	<u>Vehicle Acquisition Loan</u>		<u>Software Acquisition Loan</u>		<u>Total</u>	<u>Principal</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>	<u>Outstanding</u>
2005	\$ 866	\$ 75	\$ 1,561	\$ 73	\$ 2,575	\$ 2,427
2006	906	35	805	13	1,759	1,711
2007	233	3	-	-	236	233
2008 to Maturity	-	-	-	-	-	-
Total	<u>\$ 2,005</u>	<u>\$ 113</u>	<u>\$ 2,366</u>	<u>\$ 86</u>	<u>\$ 4,570</u>	<u>\$ 4,371</u>

**Dallas Independent School District  
Notes to the Financial Statements  
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The following is a summary of the changes in the district's Long-Term Debt for the year ended June 30, 2004  
(in thousands)

Description	Debt Outstanding July 1, 2003	Additions And Interest Accretion	Retired	Outstanding Debt June 30, 2004	Amounts Due With in One Year From June 30, 2004
<b>General Obligation Bonds</b>					
Series 1993	\$ 19,030	\$ -	\$ 19,030	\$ -	\$ -
Series 1995	46,775	-	-	46,775	-
Series 1999	162,405	-	990	161,415	1,025
Series 2002	284,315	-	12,390	271,925	11,830
Series 2003	156,665	-	12,055	144,610	38,390
Series 2004	-	300,000	-	300,000	-
<b>Total General Obligation Bonds</b>	<b>669,190</b>	<b>300,000</b>	<b>44,465</b>	<b>924,725</b>	<b>51,245</b>
<b>Capital Appreciation Bonds</b>					
Series 1995	11,372	589	-	11,961	588
Series 1999	7,881	290	-	8,171	290
<b>Total Capital Appreciation Bonds</b>	<b>19,253</b>	<b>879</b>	<b>-</b>	<b>20,132</b>	<b>878</b>
<b>Maintenance Tax Notes</b>					
Series 2001-QZAB	4,132	-	344	3,788	344
Series 2002-QZAB	1,120	-	-	1,120	-
<b>Total Maintenance Tax Notes</b>	<b>5,252</b>	<b>-</b>	<b>344</b>	<b>4,908</b>	<b>344</b>
<b>Capital Leases</b>					
Johnson Controls	2,323	-	504	1,819	548
Honeywell - Phase I	2,281	-	524	1,757	554
Honeywell - Phase IIA	5,204	-	929	4,275	982
Honeywell - Phase IIB	5,204	-	929	4,275	982
Fujitsu	3,864	-	1,222	2,642	1,287
<b>Total Capital Leases</b>	<b>18,876</b>	<b>-</b>	<b>4,108</b>	<b>14,768</b>	<b>4,353</b>
<b>Loans Payable</b>					
Vehicle Acquisition	2,834	-	829	2,005	867
Software Acquisition	3,864	-	1,498	2,366	1,561
<b>Total Loans Payable</b>	<b>6,698</b>	<b>-</b>	<b>2,327</b>	<b>4,371</b>	<b>2,428</b>

**Dallas Independent School District  
Notes to the Financial Statements  
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Description	Debt Outstanding July 1, 2003	Additions And Interest Accretion	Retired	Outstanding Debt June 30, 2004	Amounts Due With in One Year From June 30, 2004
Workers Compensation	\$ 18,833	\$ (2,390)	\$ -	\$ 16,443	\$ 3,459
Health Insurance	10,718	(10,374)	-	344	344
Gain/Loss on Refunding	1,454	-	62	1,392	62
Premium on Bonds	13,638	12,332	373	25,597	415
Total Other Debt	44,643	(432)	435	43,776	4,280
Total Long Term Debt	\$ 763,912	\$ 300,447	\$ 51,679	\$ 1,012,680	\$ 63,528

For governmental activities, claims and judgments are generally liquidated by general fund resources.

**Debt Service Requirements**

The annual requirements to pay principal and interest on the bond obligations outstanding as of June 30, 2004 are as follows (in thousands):

Year Ended <u>June 30</u>	General Obligation, Capital Appreciation Bonds and Maintenance Tax Notes		Total
	Principal	Interest	Requirements
2005	\$ 52,467	\$ 44,911	\$ 97,378
2006	46,952	43,131	90,083
2007	44,649	40,985	85,634
2008	46,717	40,722	87,439
2009	40,819	37,338	78,157
2010-2014	248,112	154,774	402,886
2015-2019	172,444	100,071	272,515
2020-2024	162,150	53,870	216,020
2025-2029	111,165	21,641	132,806
2030-2034	24,290	1,093	25,383
Total	\$ 949,765	\$ 538,536	\$ 1,488,301

In 1985, 1995, 1999, 2002 and 2003, 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, that total \$318,105,000, are not included in the district's basic financial statements.

**2003-04 Debt Issuance**

The following debt was issued during fiscal year 2003-2004:

The Unlimited Tax School Building Bonds, Series 2004: 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.

On June 15, 2003, the second issuance of bonds under these authorizations occurred with the issuance of the Unlimited Tax School Building and Refunding Bonds, Series 2003. On February 15, 2004 the third issuance of bonds under the New Construction Authorization occurred with the issuance of the Unlimited Tax School Building Bonds, Series 2004.



**Dallas Independent School District**  
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These 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 (\$300,000,000). Net premiums associated with the issue were \$12,332,273 and bond issuance costs were \$2,371,655.

The original principal amount of the debt was \$300,000,000, repayable at a variable interest rate ranging from 3.0% to 5.0%. Interest on the current interest bonds issued of \$275,685,975 accrues from February 15, 2003 and will be payable on February 15, and August 15, of each year, commencing on August 15, 2004 and ending on February 15, 2030. This debt is subject to federal arbitrage regulations. The proceeds from the sale of the bonds were received on February 26, 2004, and the unused construction proceeds are maintained in an investment pool maintained by MBIA. The investment pool accrues and then receives interest payments periodically on any unused balance of proceeds, earning a variable rate of interest based on market conditions.

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 June 30, 2004.

The district has \$701,167,179 authorized but unissued New Construction Authorization remaining to be issued.

**Tax and Revenue Anticipation Note, Series 2003**

On September 25, 2003, the district's authorized the issuance of \$100,000,000 of Tax and Revenue Anticipation Notes, Series 2003 ("the Notes"), dated October 1, 2003. The Notes were issued to finance the seasonal cash flow requirements of the district's, and had a stated interest rate of 65% of Prime Rate less 86 basis points. The \$100,000,000 proceeds of the Notes were received serially in \$50,000,000 increments on October 15, 2003 and November 15, 2003. The \$100,000,000 principle and interest due of \$410,931 were repaid at maturity on February 27, 2004. This debt is not subject to federal arbitrage regulations.

**O. General Fund Federal Source Revenues**

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

JROTC	\$ 1,397,437
Medicaid	1,901,930
Indirect Cost	2,364,113
	<u>\$ 5,663,480</u>

Indirect costs of \$2,364,113 have been credited to General Fund Federal Program Revenue in the accompanying fund financial statements for the year ended June 30, 2004. The detail projects are as follows:

<u>Program or Source</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Grant Programs -		
Indirect cost charged to federal programs		
American Indian Education	84.060A	\$ 2,742
Systemwide Improvement Grants	84.291R	557
21st Century	84.287A	16,029
ESEA Counseling Demonstration Program	84.215E	7,091
FIE Earmark Grant Awards	84.214K	4,035
Teaching American History	84.215X	2,482
Title III Immigrant	84.365	18,412
ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	29,090

**Dallas Independent School District**  
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<u>Program or Source</u>	<u>Federal CFDA Number</u>	<u>Amount</u>
Grant Programs –		
Indirect cost charged to federal programs		
McKinney Homeless Children	84.196	\$ 928
McKinney - Vento Homeless Education	84.196	3,177
ESEA, Title I, Part A	84.010A	1,200,131
Title I, Part C, Migrant	84.011	7,593
Adult Education Corrections Institutionalized	84.002A	1,213
Federal Adult Education Section	84.002A	51,064
Adult Education Professional Development	84.027	2,652
IDEA-B Formula	84.027	399,197
IDEA-B Preschool	84.173	9,192
IDEA-B Discretionary (Deaf)	84.027	2,148
IDEA-B Formula (Deaf)	84.027	2,760
IDEA-B Preschool (Deaf)	84.173	558
Carl D. Perkins, Title I, Part C	84.048A	13,398
ESEA, Title V, Part A Innovative Programs	84.298	25,360
ESEA, Title II, Teacher and Principal Training	84.367A	212,837
Improving Teaching and Learning (Stemmons)	84.332A	3,606
READ for Texas, Local Reading Improvement	84.338A	9
Refugee Children School Impact Grant	93.576	225
Refugee Children School Impact Grant	93.576	1,837
Title II, Part D, Enhancing Education Through Technology	84.318X	12,381
TX Reading First Initiative for Grades K-3	84.357A	64,073
Title I School Improvement Program	84.010A	169
Title I School Improvement Program	84.010A	19,736
Title I School Improvement Program	84.010A	10,170
Title I School Improvement Program	84.348A	5,856
Title I School Improvement Program	84.010A	21,437
Title I School Improvement Program	84.010A	22,752
English Literacy & Civics Education	84.002A	1,131
English Literacy & Civics Education	84.002A	40
TX 21st Century Learning Center, Cycle 1, Success Express	84.287C	13,245
TX 21st Century Learning Center, Cycle 1, Passing Zone	84.287C	13,293
TX 21st Century Learning Center, Cycle 1, Bridge to Success	84.287C	14,465
TX 21st Century Learning Center, Cycle 1, Neighborhood Now	84.287C	10,574
TX 21st Century Learning Center, Cycle 1, The Learning Zone	84.287C	15,077
Adult Education - Regional Centers for Excellence	84.002A	174
Early Childhood Intervention	84.181	5,289
Early Childhood Intervention	84.181	29,834
Early Childhood Intervention	84.181	2,458
Improve Health Education	83.938	3,817
Students Making Abstinence Real Today (SMART - 1)	93.995	4,951
Students Making Abstinence Real Today (SMART - 2)	93.995	1,844
Texas Families Together	93.556	163
Abstinence Education	93.235	1,876
Federal TANF	93.558	2,339
Federal TANF	93.558	6,069
Urban Systemic Program	47.076	4,526
Urban Systemic Program	47.076	3,902
Urban Systemic Program	47.076	15,888
Urban Systemic Program	47.076	15,129
Urban Systemic Program	47.076	23,010
Juvenile Mentoring Program	16.726	122
Total		\$ <u>2,364,113</u>

**Dallas Independent School District  
Notes to the Financial Statements  
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**P. 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 7.0% 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, 2002, June 30, 2003, and June 30, 2004, were \$49,510,218, \$43,161,679 and \$53,061,235 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, 2002, June 30, 2003 and June 30, 2004, were \$8,085,745, \$11,214,562 and \$14,772,395 respectively, equal to the required contributions for each year. The district has recorded, in the General Fund, approximately \$43.3 million in revenue and expenditures for fringe benefits and salaries paid on behalf of the district by the System.

**Q. Risk Management**

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

**Worker's Compensation**

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 June 30, 2004, the accrued liability for worker's compensation self-insurance of \$16.443 million includes incurred but not reported claims. The short-term portion of that amount expected to be paid with expendable available resources of \$3.459 million, is recorded in accrued liabilities in the general fund and the long-term portion of \$12,984 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  
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Changes in the reported liability since August 31, 2002, resulted from the following:

Fiscal Year	Balance July 1	Current Year Claims and Changes In Estimates	Claims Payments	Balance June 30
2003-04	\$ 18,833,534	6,951,011	(9,341,896)	\$ 16,442,649
2002-03	\$ 15,192,073	14,612,681	(10,971,220)	\$ 18,833,534
2001-02	\$ 13,359,926	11,703,219	(9,871,072)	\$ 15,192,073

Health Insurance

Effective January 1, 2002, the district maintained a self-insurance program for health insurance. The district contributes \$225 per month per employee to the plan and employees, at their option, authorized payroll withholding to pay contributions or premiums for dependents. Claims administration and consultant services are provided by a third party administrator. The district maintains both aggregate and individual stop loss coverages. Individual stop loss coverage is for catastrophic losses exceeding \$250,000 per claim.

The district is insured for covered medical paid and incurred during the plan year by CIGNA and pharmacy cost paid and incurred during the plan year by Caremark under an annual aggregate insurance contract. The coverage provides that the insurer will reimburse the district for such paid claims that exceed an annual aggregate attachment point that is determined by a monthly amount per covered employee based on the tier of coverage enrolled.

Changes in the Fund's claims liability were:

Fiscal Year	Balance July 1	Current Year Claims and Changes In Estimates	Claims Payments	Balance June 30
2003-04	\$ 10,718,000	23,916,533	(34,290,533)	\$ 344,000
2002-03	5,909,075	59,188,471	(54,379,546)	10,718,000
2001-02	-	40,789,495	(34,880,420)	5,909,075

At June 30, 2004, the accrued liability for health insurance of \$344,000 includes incurred but not reported claims, this amount is recorded in current liabilities 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 to 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 was actuarially determined based on an estimate of the remaining liability on known claims and historical information. 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 two years. The self-insurance program for health insurance was terminated December 31, 2003, accordingly all liabilities are expected to be paid within one year.

The Board of Trustees approved the district's participation in the TRS (Texas Retirement System) Active Care Health Insurance Program as sponsored by the Teacher Retirement System of Texas and

**Dallas Independent School District  
Notes to the Financial Statements  
June 30, 2004**

administered by Blue Cross Blue Shield of Texas and Medco Health (pharmacy) effective January 1, 2004. This is a premium based plan: payments are made on a monthly basis for all covered employees.

**R. 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.

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 June 30, 2004, these programs are subject to financial and compliance audits by the grantor agencies. The amount that has been identified as an expenditure, which may be disallowed by the granting agencies, is \$1,800,000 and \$446,440 has been recorded as a contingency by the district in fiscal year 2003.

The district has recorded and paid employee health insurance claims in excess of the aggregate and individual stop loss coverages. Pursuant to the contract, the district is entitled to and has requested, \$14,586,000 in reimbursement from Connecticut General. Revenues of \$2,000,000 have been recognized in the current fiscal year, resulting in unrecognized revenues of \$12,586,000.

**S. Subsequent Events**

The following debt was issued subsequent to fiscal year 2003-2004:

On October 28, 2004, the District's Board approved the concurrent issuance of the fourth and fifth issuance of bonds under the January 19, 2002 construction bond authorization with the scheduled issuance of the Unlimited Tax School Building and Refunding Bonds, Series 2004-A (\$400,000,000), and the Unlimited Refunding Bonds, Series 2005 (\$44,135,000).

The Series 2004-A construction bonds are 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. A portion of the Series 2004-A refunding bonds (\$12,700,000) will be issued to provide funds sufficient to current refund a portion of the District's Unlimited Tax School Building Bonds, Series 2003.

The Series 2005 refunding bonds are issued to refund the District's currently outstanding Unlimited Tax School Building and Refunding Bonds, Series 1995.

Dallas Independent School District  
Required Supplementary Information  
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended June 30, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local Sources:	\$ 861,418,077	\$ 865,352,503	\$ 846,663,583	\$ (18,688,920)
State Sources:	164,511,191	151,528,855	162,295,685	10,766,830
Federal Sources:	8,500,000	8,500,000	5,663,480	(2,836,520)
<b>TOTAL REVENUES</b>	<b>1,034,429,268</b>	<b>1,025,381,358</b>	<b>1,014,622,748</b>	<b>(10,758,610)</b>
<b>EXPENDITURES</b>				
Current:				
11 Instruction	625,433,846	622,956,986	621,816,050	1,140,936
12 Instructional Resources and Media Services	19,625,234	19,245,679	19,132,965	112,714
13 Curriculum and Instructional Staff Development	12,294,272	9,471,986	9,469,376	2,610
21 Instructional Leadership	14,609,716	14,221,998	14,216,941	5,057
23 School Administration	66,499,772	69,885,249	69,726,247	159,002
31 Guidance and Counseling Services	40,148,351	39,573,609	39,547,367	26,242
32 Social Work Services	2,657,090	2,172,362	2,148,159	24,203
33 Health Services	10,409,108	10,616,131	10,605,052	11,079
34 Student (Pupil) Transportation	14,373,805	14,097,578	14,087,097	10,481
36 Co-Curricular Activities	10,233,985	9,494,895	9,483,417	11,478
41 General Administration	39,010,388	32,105,483	31,658,232	447,251
51 Plant Maintenance and Operations	116,243,975	123,157,346	123,107,628	49,718
52 Security & Monitoring Services	16,230,408	13,761,647	13,679,223	82,424
53 Data Processing Services	19,777,280	22,041,277	22,037,319	3,958
61 Community Services	6,624,409	7,125,947	7,124,527	1,420
71 Debt Service:				
Principal	6,585,201	6,929,522	6,920,339	9,183
Interest and Fiscal Charges	1,679,226	1,830,912	1,718,518	112,394
81 Facilities Acquisition and Construction	5,482,577	3,185,826	3,183,341	2,485
95 Payments Juvenile Justice AE	765,000	631,840	624,298	7,542
97 Payments to Tax Increment Fund	5,745,625	5,745,626	4,621,391	1,124,235
<b>TOTAL EXPENDITURES</b>	<b>1,034,429,268</b>	<b>1,028,251,899</b>	<b>1,024,907,487</b>	<b>3,344,412</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(2,870,541)</b>	<b>(10,284,739)</b>	<b>(7,414,198)</b>
<b>OTHER FINANCING SOURCES/(USES):</b>				
LOAN PROCEEDS	-	-	-	-
TRANSFERS IN/OUT	-	-	(110,012)	(110,012)
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>-</b>	<b>-</b>	<b>(110,012)</b>	<b>(110,012)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>-</b>	<b>(2,870,541)</b>	<b>(10,394,751)</b>	<b>(7,524,210)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<b>126,182,397</b>	<b>126,182,397</b>	<b>126,182,397</b>	<b>-</b>
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 126,182,397</b>	<b>\$ 123,311,856</b>	<b>\$ 115,787,646</b>	<b>\$ (7,524,210)</b>

**DALLAS INDEPENDENT SCHOOL DISTRICT**  
**Notes to the Budgetary Comparison Schedule**  
**For The Year Ended June 30, 2004**

**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. The budget is prepared on a basis consistent with generally accepted accounting principles. Project accounting is employed to maintain the integrity of the various sources of funds. There is no difference between GAAP and the budgetary basis of accounting. The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Before June 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Before July 1, the Board legally 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 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  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	201	202	203	204	205	206	207	208	208
		Abstinence (Smart-2)	Title VII Emergency Immigrant	Abstinence (Smart)	Drug Free Schools	Head Start	McKinney Homeless Children	Academics 2000 Reading Impr.	School Health	Adult Education Corr./Inst
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>									
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	-	144,847	683,014	767,627	-	214,700	55,414	21,617	44,644
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	\$ -	\$ 144,847	\$ 683,014	\$ 767,627	\$ -	\$ 214,700	\$ 55,414	\$ 21,617	\$ 44,644
	<b>Liabilities and Fund Balance</b>									
	<b>Current Liabilities</b>									
2110	Accounts Payable	\$ -	\$ -	2,531	11,151	\$ -	\$ -	\$ -	\$ -	\$ -
2140	Bond Interest Payable	-	-	-	16,650	-	-	-	-	-
2160	Accrued Wages Payable	-	-	675,360	712,386	-	214,700	55,414	21,417	44,644
2170	Due to Other Funds	-	144,847	-	-	-	-	-	-	-
2180	Due to Other Governments	-	-	5,123	27,440	-	-	-	200	-
2200	Accrued Expenditures	-	-	-	-	-	-	-	-	-
2990	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	-	\$ 144,847	\$ 683,014	\$ 767,627	-	\$ 214,700	\$ 55,414	\$ 21,617	\$ 44,644
3000	<b>Fund Balance</b>									
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	-	-	-	-	-	-	-	-	-
4000	<b>Total Liabilities and Fund Balance</b>	\$ -	\$ 144,847	\$ 683,014	\$ 767,627	\$ -	\$ 214,700	\$ 55,414	\$ 21,617	\$ 44,644

(continued)



**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Exhibit H-1

Data Control Codes	Assets	211	212	213	216	218	219	220	221	222	223
1110	Cash	-	-	-	-	-	-	-	-	-	-
1170	Investment, at cost	-	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>										
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-	-
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	<b>Total Assets</b>	<b>\$ 26,406,980</b>	<b>\$ 212,045</b>	<b>\$ 80,179</b>	<b>\$ 588,078</b>	<b>\$ 8,362</b>	<b>\$ 21,929</b>	<b>\$ 2,039,889</b>	<b>\$ 102,681</b>	<b>\$ 2,422</b>	<b>\$ 128,398</b>
	<b>Liabilities and Fund Balance</b>										
	<b>Current Liabilities</b>										
2110	Accounts Payable	\$ 136,915	\$ 18,910	\$ -	\$ 53,925	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 240
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	4,486,829	-	1,519	24,067	-	-	-	-	-	-
2170	Due to Other Funds	20,035,782	193,033	46,009	457,745	8,352	21,929	1,998,804	102,216	2,422	128,158
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	1,747,454	102	32,651	52,341	-	-	41,085	465	-	-
2990	Other Payables	-	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>\$ 26,406,980</b>	<b>\$ 212,045</b>	<b>\$ 80,179</b>	<b>\$ 588,078</b>	<b>\$ 8,362</b>	<b>\$ 21,929</b>	<b>\$ 2,039,889</b>	<b>\$ 102,681</b>	<b>\$ 2,422</b>	<b>\$ 128,398</b>
3000	<b>Fund Balance</b>										
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 26,406,980</b>	<b>\$ 212,045</b>	<b>\$ 80,179</b>	<b>\$ 588,078</b>	<b>\$ 8,362</b>	<b>\$ 21,929</b>	<b>\$ 2,039,889</b>	<b>\$ 102,681</b>	<b>\$ 2,422</b>	<b>\$ 128,398</b>

(continued)

Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004

Exhibit H-1

Data Control Codes	Assets	224	225	226	227	228	233	236	239	240
		IDEA-B Formula	IDEA-B Preschool	IDEA-B Disc. (Deaf)	IDEA Formula Deaf	IDEA-B Pre-School Deaf	Juvenile Mentoring Program	Elem. & Secondary School Counseling Program	Drug & Violence Prevention	Food Service
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	Receivables									
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	11,688,809	16,178	145,356	38,371	-	6,826	253,165	31,565	5,504,932
1250	Accrued Interest	-	-	-	-	-	-	-	-	12,310
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	3,166,655
1400	Other Current Assets	-	-	-	-	-	-	-	-	646
1000	Total Assets	\$ 11,688,809	\$ 16,178	\$ 145,356	\$ 38,371	\$ -	\$ 6,826	\$ 253,165	\$ 31,565	\$ 8,684,543
	Liabilities and Fund Balance									
	Current Liabilities									
2110	Accounts Payable	\$ 1,334,283	\$ 8,453	\$ -	\$ 1,832	\$ -	\$ -	\$ -	\$ 147	\$ 12,364
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	862,202	400	-	-	-	-	-	-	1,748
2170	Due to Other Funds	9,492,324	-	143,856	36,504	-	6,826	252,998	31,418	430,186
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	-	7,325	1,500	35	-	-	167	-	-
2990	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	Total Liabilities	\$ 11,688,809	\$ 16,178	\$ 145,356	\$ 38,371	\$ -	\$ 6,826	\$ 253,165	\$ 31,565	\$ 444,318
3000	Fund Balance									
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	3,166,655
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	646
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	5,072,924
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
	Total Fund Balance	-	-	-	-	-	-	-	-	8,240,225
4000	Total Liabilities and Fund Balance	\$ 11,688,809	\$ 16,178	\$ 145,356	\$ 38,371	\$ -	\$ 6,826	\$ 253,165	\$ 31,565	\$ 8,684,543

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Exhibit H-1

Data Control Codes	Assets									
	244	255	256	257	258	260	261	262		
	Carl D. Perkins Title I Part C	ESEA II Teacher Principal Training	Title I Part F Comprehensive School Reform	Read for TX Local Reading Improvement	Refuge Children Impact	ESEA Part D Title I	Texas Reading Initiative for Grades K-3	ESEA Title II Part D		
1110 Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
1170 Investment, at cost	-	-	-	-	-	-	-	-		
<b>Receivables</b>										
1225 Taxes Receivable, net	-	-	-	-	-	-	-	-		
1240 Due from Federal Agencies	1,945,331	4,234,297	205,009	350,174	1,801	161	3,529,010	123,228		
1250 Accrued Interest	-	-	-	-	-	-	-	-		
1260 Due from Other Funds	-	-	-	-	-	-	-	-		
1290 Other Receivables	-	-	-	-	-	-	-	-		
Inventories, at Cost	-	-	-	-	-	-	-	-		
1300	-	-	-	-	-	-	-	-		
1400 Other Current Assets	-	-	-	-	-	-	-	-		
<b>Total Assets</b>	<b>\$ 1,945,331</b>	<b>\$ 4,234,297</b>	<b>\$ 205,009</b>	<b>\$ 350,174</b>	<b>\$ 1,801</b>	<b>\$ 161</b>	<b>\$ 3,529,010</b>	<b>\$ 123,228</b>		
<b>Liabilities and Fund Balance</b>										
<b>Current Liabilities</b>										
2110 Accounts Payable	\$ 1,399,146	\$ 31,630	\$ -	\$ 6,251	\$ -	\$ -	\$ 183,909	\$ 1,188		
2140 Bond Interest Payable	-	-	-	-	-	-	-	-		
2160 Accrued Wages Payable	36,388	1,014,566	9,743	-	-	-	-	-		
2170 Due to Other Funds	475,474	2,753,017	195,266	183,283	1,715	161	3,208,467	78,609		
2180 Due to Other Governments	-	-	-	-	-	-	-	-		
2200 Accrued Expenditures	34,323	435,084	-	180,640	86	-	136,634	43,431		
2990 Other Payables	-	-	-	-	-	-	-	-		
2300 Deferred Revenues	-	-	-	-	-	-	-	-		
<b>Total Liabilities</b>	<b>\$ 1,945,331</b>	<b>\$ 4,234,297</b>	<b>\$ 205,009</b>	<b>\$ 350,174</b>	<b>\$ 1,801</b>	<b>\$ 161</b>	<b>\$ 3,529,010</b>	<b>\$ 123,228</b>		
<b>Fund Balance</b>										
3000	-	-	-	-	-	-	-	-		
3410 Reserved for Investment in Inventories	-	-	-	-	-	-	-	-		
3430 Reserved for Prepaids	-	-	-	-	-	-	-	-		
3450 Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-		
3440 Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-		
3590 Designated for Campus Activity	-	-	-	-	-	-	-	-		
3600 Unreserved	-	-	-	-	-	-	-	-		
<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,945,331</b>	<b>\$ 4,234,297</b>	<b>\$ 205,009</b>	<b>\$ 350,174</b>	<b>\$ 1,801</b>	<b>\$ 161</b>	<b>\$ 3,529,010</b>	<b>\$ 123,228</b>		

(continued)

Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004

Data Control Codes	Assets	263 Title III LEP/ Immigrant	264 21st Century Luna	265 21st Century New Neighborhood	266 21st Century Beacons Community	267 21st Century Communities of Light	268 FIE Earmark	269 ESEA Title V Innovative Programs	271 Teaching American History	272 Early Childhood Intervention
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
1225	Receivables	-	-	-	-	-	-	-	-	-
1240	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1250	Due from Federal Agencies	9,609,214	361,157	108,877	559,288	467,544	56,145	831,553	19,426	485,101
1260	Accrued Interest	-	-	-	-	-	-	-	-	-
1290	Due from Other Funds	-	-	-	-	-	-	-	-	-
1300	Other Receivables	-	-	-	-	-	-	-	-	-
1400	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	Total Assets	\$ 9,609,214	\$ 361,157	\$ 108,877	\$ 559,288	\$ 467,544	\$ 56,145	\$ 831,553	\$ 19,426	\$ 485,101
Liabilities and Fund Balance										
Current Liabilities										
2110	Accounts Payable	\$ 6,331	\$ 3,524	\$ 42,625	\$ 75,380	\$ 68,691	\$ -	\$ 42	\$ -	\$ 14,302
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	132,751	-	-	-	139,202	-	-	-	-
2170	Due to Other Funds	9,356,726	312,133	30,889	414,605	166,103	-	804,348	18,748	439,790
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	113,406	45,500	35,363	69,303	93,548	56,145	27,163	678	31,009
2300	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	Total Liabilities	\$ 9,609,214	\$ 361,157	\$ 108,877	\$ 559,288	\$ 467,544	\$ 56,145	\$ 831,553	\$ 19,426	\$ 485,101
3000	Fund Balance	-	-	-	-	-	-	-	-	-
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
4000	Total Fund Balance	-	-	-	-	-	-	-	-	-
4000	Total Liabilities and Fund Balance	\$ 9,609,214	\$ 361,157	\$ 108,877	\$ 559,288	\$ 467,544	\$ 56,145	\$ 831,553	\$ 19,426	\$ 485,101

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	274	275	276	277	278	279	280	281	284
		IDEA Visually Impaired	Improving Health Education	Read for TX Tutorial Assistant	Academics 2000 Local Impr.	Tools for Schools	Urban Systemic (NSP)	Title XI Coordinated Services	American Indian Program	Texas Families Together & Safe
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>									
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	-	30,124	6,415	439	13,017	116,506	3,010	79,255	96,332
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	\$ -	\$ 30,124	\$ 6,415	\$ 439	\$ 13,017	\$ 116,506	\$ 3,010	\$ 79,255	\$ 96,332
	<b>Liabilities and Fund Balance</b>									
	<b>Current Liabilities</b>									
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ -	\$ 2,567	\$ 16
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-	-	-	1,500	-
2170	Due to Other Funds	-	-	6,415	439	12,867	-	3,010	74,929	96,316
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	-	30,124	-	-	150	116,496	-	259	-
2990	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	-	\$ 30,124	\$ 6,415	\$ 439	\$ 13,017	\$ 116,506	\$ 3,010	\$ 79,255	\$ 96,332
3000	<b>Fund Balance</b>									
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	-	-	-	-	-	-	-	-	-
4000	<b>Total Liabilities and Fund Balance</b>	\$ -	\$ 30,124	\$ 6,415	\$ 439	\$ 13,017	\$ 116,506	\$ 3,010	\$ 79,255	\$ 96,332

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	285	286	288	289	292	296	297	301	302
		Urban Systemic Initiatives	Title I School Improvement	Development and Implementation	IDEA -C Early Intervention	Fit & Healthy Ready To Learn	Goals 2000 Education Act Title III	Asthma Grant	Title I School Impr. Program Hernandez Elem	Title I School Impr. Program Sam Houston
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>									
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	1,352,028	430,084	6,225	122	3,550	29,602	282,351	411,951	154,978
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 1,352,028</b>	<b>\$ 430,084</b>	<b>\$ 6,225</b>	<b>\$ 122</b>	<b>\$ 3,550</b>	<b>\$ 29,602</b>	<b>\$ 282,351</b>	<b>\$ 411,951</b>	<b>\$ 154,978</b>
	<b>Liabilities and Fund Balance</b>									
	<b>Current Liabilities</b>									
2110	Accounts Payable	\$ -	\$ 24,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-	-	-	500	-
2170	Due to Other Funds	1,352,028	357,871	6,225	122	3,550	29,602	282,351	406,757	111,738
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	-	47,853	-	-	-	-	-	4,694	42,000
2990	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>\$ 1,352,028</b>	<b>\$ 430,084</b>	<b>\$ 6,225</b>	<b>\$ 122</b>	<b>\$ 3,550</b>	<b>\$ 29,602</b>	<b>\$ 282,351</b>	<b>\$ 411,951</b>	<b>\$ 154,978</b>
3000	<b>Fund Balance</b>									
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,352,028</b>	<b>\$ 430,084</b>	<b>\$ 6,225</b>	<b>\$ 122</b>	<b>\$ 3,550</b>	<b>\$ 29,602</b>	<b>\$ 282,351</b>	<b>\$ 411,951</b>	<b>\$ 154,978</b>

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	303	304	305	306	308	309	310	312	313
		Title I School Impr. Program Silberstein	Title I School Impr. Program Henderson	Texas 21st Century Success Express	Texas 21st Century Passing Zone	Texas 21st Century Bridge to Success	Adult Ed English Literacy	Adult Ed English Literacy	Texas 21st Century Neighborhood Now	Texas 21st Century The Learning Zone
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>									
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	364,908	540,315	616,837	580,358	590,025	57,465	2,023	457,027	574,197
1250	Accrued Interest	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 364,908</b>	<b>\$ 540,315</b>	<b>\$ 616,837</b>	<b>\$ 580,358</b>	<b>\$ 590,025</b>	<b>\$ 57,465</b>	<b>\$ 2,023</b>	<b>\$ 457,027</b>	<b>\$ 574,197</b>
	<b>Liabilities and Fund Balance</b>									
	<b>Current Liabilities</b>									
2110	Accounts Payable	1,765	-	79,599	30,000	1,915	-	-	77,700	112,882
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	16,358	5,805	55,149	68,919	33,374	15,408	196	54,471	59,672
2170	Due to Other Funds	310,370	496,978	485,227	481,101	521,626	42,057	1,827	323,113	401,643
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	36,415	37,532	16,862	338	33,110	-	-	1,743	-
2990	Other Payables	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>364,908</b>	<b>540,315</b>	<b>616,837</b>	<b>580,358</b>	<b>590,025</b>	<b>57,465</b>	<b>2,023</b>	<b>457,027</b>	<b>574,197</b>
3000	<b>Fund Balance</b>									
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 364,908</b>	<b>\$ 540,315</b>	<b>\$ 616,837</b>	<b>\$ 580,358</b>	<b>\$ 590,025</b>	<b>\$ 57,465</b>	<b>\$ 2,023</b>	<b>\$ 457,027</b>	<b>\$ 574,197</b>

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Exhibit H-1

Data Control Codes	Assets	314 Adult Ed. Regional Centers of Excellence	328 COPS In Schools	368 Foreign Language	370 A Stars School Program	371 Abstinence Education (TDH)	373 HIPPI Program	375 Public Charter School	377 Schools To Careers	381 GR Adult Education	382 Temporary Asst. for Needy Families
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>										
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	7,789	273,480	-	109,778	188,384	14,892	93,763	2,414	30,166	6,810
1250	Accrued Interest	-	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	1,972	-	-	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	<b>7,789 \$</b>	<b>273,480 \$</b>	<b>1,972 \$</b>	<b>109,778 \$</b>	<b>188,384 \$</b>	<b>14,892 \$</b>	<b>93,763 \$</b>	<b>2,414 \$</b>	<b>30,166 \$</b>	<b>6,810 \$</b>
	<b>Liabilities and Fund Balance</b>										
	<b>Current Liabilities</b>										
2110	Accounts Payable	-	-	-	-	254	-	-	50	436	-
2140	Bond Interest Payable	-	-	-	-	-	-	2,320	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-	-	91,250	-	-	-
2170	Due to Other Funds	7,789	273,480	-	109,778	163,743	14,490	-	-	-	-
2180	Due to Other Governments	-	-	-	-	-	-	-	-	-	-
2200	Accrued Expenditures	-	-	-	-	24,387	402	193	2,364	29,730	6,810
2290	Other Payables	-	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	1,972	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>7,789</b>	<b>273,480</b>	<b>1,972</b>	<b>109,778</b>	<b>188,384</b>	<b>14,892</b>	<b>93,763</b>	<b>2,414</b>	<b>30,166</b>	<b>6,810</b>
3000	<b>Fund Balance</b>										
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>7,789 \$</b>	<b>273,480 \$</b>	<b>1,972 \$</b>	<b>109,778 \$</b>	<b>188,384 \$</b>	<b>14,892 \$</b>	<b>93,763 \$</b>	<b>2,414 \$</b>	<b>30,166 \$</b>	<b>6,810 \$</b>

(continued)



**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	384	385	386	389	393	394	397	398	400	401
		Texas After-School Initiative	State Visually Handicapped	State Deaf	Adult Apprenticeship Training	Texas Successful Schools	Pregnancy Education Parenting	AP/IB Incentive	Investment Capital	Seagoville School Based Health Center	Optional Extended Year
1110	Cash	-	-	-	-	-	-	-	-	-	-
1170	Investment, at cost	-	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>										
1225	Taxes Receivable, net	-	-	-	159,496	-	20,559	7,191	3,826	-	35,486
1240	Due from Federal Agencies	213,448	63,746	-	-	-	-	-	-	-	-
1250	Accrued Interest	-	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	360,816	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-	-
	<b>Total Assets</b>	<b>\$ 213,448</b>	<b>\$ 63,746</b>	<b>\$ -</b>	<b>\$ 159,496</b>	<b>\$ 360,816</b>	<b>\$ 20,559</b>	<b>\$ 7,191</b>	<b>\$ 3,826</b>	<b>\$ -</b>	<b>\$ 35,486</b>
	<b>Liabilities and Fund Balance</b>										
	<b>Current Liabilities</b>										
2110	Accounts Payable	-	-	-	32,148	2,434	10,706	-	-	-	-
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	120,997	-	-	6,843	2,756	-	35,486
2170	Due to Other Funds	213,428	63,746	-	-	-	-	-	-	-	-
2180	Due to Other Governments	-	-	-	6,351	2,076	9,853	348	1,070	-	-
2200	Accrued Expenditures	20	-	-	-	-	-	-	-	-	-
2990	Other Payables	-	-	-	-	356,306	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-	-
	<b>Total Liabilities</b>	<b>\$ 213,448</b>	<b>\$ 63,746</b>	<b>\$ -</b>	<b>\$ 159,496</b>	<b>\$ 360,816</b>	<b>\$ 20,559</b>	<b>\$ 7,191</b>	<b>\$ 3,826</b>	<b>\$ -</b>	<b>\$ 35,486</b>
	<b>Fund Balance</b>										
3000	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	-
3410	Reserved for Prepaids	-	-	-	-	-	-	-	-	-	-
3430	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-	-
3450	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	-
3440	Designated for Campus Activity	-	-	-	-	-	-	-	-	-	-
3590	Unreserved	-	-	-	-	-	-	-	-	-	-
3600		-	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Total Liabilities and Fund Balance</b>	<b>\$ 213,448</b>	<b>\$ 63,746</b>	<b>\$ -</b>	<b>\$ 159,496</b>	<b>\$ 360,816</b>	<b>\$ 20,559</b>	<b>\$ 7,191</b>	<b>\$ 3,826</b>	<b>\$ -</b>	<b>\$ 35,486</b>

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	404	409	411	413	415	418	419	420	421	422
		ARI & AMI	Ninth Grade Success Initiative	State Technology Fund	Telecommunication Infrastructure	Pre-Kindergarten/Expansion	TRS Supplemental Payment	Texas Commission on Arts	Telecommunications Infrastructure	One Community One Child (Spence MS)	Telecom Infrastructure Fund (11)
1110	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-	-	-
	<b>Receivables</b>										
1225	Taxes Receivable, net	-	-	-	-	-	-	-	-	-	-
1240	Due from Federal Agencies	1,949,438	500,602	382,133	74,110	-	726,606	85	3,754	-	-
1250	Accrued Interest	-	-	-	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	299,251	-	3,122,527	-	-	-	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 1,949,438</b>	<b>\$ 500,602</b>	<b>\$ 681,384</b>	<b>\$ 74,110</b>	<b>\$ 3,122,527</b>	<b>\$ 726,606</b>	<b>\$ 85</b>	<b>\$ 3,754</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>Liabilities and Fund Balance</b>										
	<b>Current Liabilities</b>										
2110	Accounts Payable	\$ 178,678	-	\$ 104,357	-	\$ 906	-	\$ -	\$ -	\$ -	\$ -
2140	Bond Interest Payable	-	-	-	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	349,350	-	-	-	-	3,754	-	-
2170	Due to Other Funds	1,371,206	500,602	201,655	23,557	-	726,606	85	-	-	-
2180	Due to Other Governments	-	-	26,022	50,553	529	-	-	-	-	-
2200	Accrued Expenditures	399,554	-	-	-	-	-	-	-	-	-
2990	Other Payables	-	-	-	-	-	-	-	-	-	-
2300	Deferred Revenues	-	-	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>\$ 1,949,438</b>	<b>\$ 500,602</b>	<b>\$ 681,384</b>	<b>\$ 74,110</b>	<b>\$ 1,435</b>	<b>\$ 726,606</b>	<b>\$ 85</b>	<b>\$ 3,754</b>	<b>\$ -</b>	<b>\$ -</b>
3000	<b>Fund Balance</b>										
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	3,121,092	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,121,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,949,438</b>	<b>\$ 500,602</b>	<b>\$ 681,384</b>	<b>\$ 74,110</b>	<b>\$ 3,122,527</b>	<b>\$ 726,606</b>	<b>\$ 85</b>	<b>\$ 3,754</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	Assets	423 LEP Student Success Initiative	424 Pre-K & K Grant	426 Urban School Grant	427 Information Collaboration	428 Telecom Infrastructure Fund (10)	435 Out-of-District Tuition for RSDPD	439 Reading Initiatives
1110	Cash	\$ -	\$ -	-	\$ -	-	\$ -	-
1170	Investment, at cost	-	-	-	-	-	-	-
	<b>Receivables</b>							
1225	Taxes Receivable, net	-	-	-	-	-	-	-
1240	Due from Federal Agencies	64,602	170,913	1,726	6,780	2,240	-	-
1250	Accrued Interest	-	-	-	-	-	-	-
1260	Due from Other Funds	-	-	-	-	-	-	625
1290	Other Receivables	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	-	-
1400	Other Current Assets	-	-	-	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 64,602</b>	<b>\$ 170,913</b>	<b>\$ 1,726</b>	<b>\$ 6,780</b>	<b>\$ 2,240</b>	<b>\$ -</b>	<b>\$ 625</b>
	<b>Liabilities and Fund Balance</b>							
	<b>Current Liabilities</b>							
2110	Accounts Payable	\$ -	\$ -	-	\$ -	-	\$ -	-
2140	Bond Interest Payable	-	-	-	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-	-	-	-
2170	Due to Other Funds	64,602	170,913	1,726	6,780	1,080	-	-
2180	Due to Other Governments	-	-	-	-	-	-	-
2200	Accrued Expenditures	-	-	-	-	1,160	-	-
2990	Other Payables	-	-	-	-	-	-	625
2300	Deferred Revenues	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>\$ 64,602</b>	<b>\$ 170,913</b>	<b>\$ 1,726</b>	<b>\$ 6,780</b>	<b>\$ 2,240</b>	<b>\$ -</b>	<b>\$ 625</b>
3000	<b>Fund Balance</b>							
3410	Reserved for Investment in Inventories	-	-	-	-	-	-	-
3430	Reserved for Prepaids	-	-	-	-	-	-	-
3450	Reserved for Food Services and Child Nutrition	-	-	-	-	-	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	-	-
3590	Designated for Campus Activity	-	-	-	-	-	-	-
3600	Unreserved	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
4000	<b>Total Liabilities and Fund Balance</b>	<b>\$ 64,602</b>	<b>\$ 170,913</b>	<b>\$ 1,726</b>	<b>\$ 6,780</b>	<b>\$ 2,240</b>	<b>\$ -</b>	<b>\$ 625</b>

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

(continued)

**Dallas Independent School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2004**

concluded

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	201	202	203	204	205	206	207	208	209
	Abstinence (Smart-2)	Title VII Emergency Immigrant	Abstinence (Smart)	Drug Free Schools	Head Start	McKinney Homeless Children	Academics 2000 Reading Impr.	School Health	Adult Education Corr./Inst
<b>Revenues</b>									
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	-	-	-	-	-	-	-	-	-
5900 Federal Program	141,153	-	255,900	1,492,892	-	255,959	-	-	58,789
<b>Total Revenues</b>	141,153	-	255,900	1,492,892	-	255,959	-	-	58,789
<b>Expenditures</b>									
<b>Current:</b>									
0011 Instruction	1,567	-	4,743	157,963	-	-	-	-	52,484
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	596	-	6,746	1,143,484	-	-	-	-	6,229
0021 Instructional Leadership	138,990	-	244,411	116,885	-	-	-	-	56
0023 School Leadership	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-
0028 Guidance and Counseling Services	-	-	-	2,275	-	1,400	-	-	-
0031 Social Work Services	-	-	-	-	-	-	-	-	-
0032 Health Services	-	-	-	-	-	-	-	-	-
0033 Student Transportation	-	-	-	-	-	-	-	-	-
0034 Food Services	-	-	-	-	-	-	-	-	-
0035 Co-Curricular Activities	-	-	-	-	-	-	-	-	-
0036 General Administration	-	-	-	-	-	-	-	-	-
0041 Plant Maintenance and Operations	-	-	-	629	-	-	-	-	-
0051 Security and Monitoring Services	-	-	-	247	-	-	-	-	-
0052 Data Processing Services	-	-	-	-	-	-	-	-	-
0053 Community Services	-	-	-	71,209	-	254,559	-	-	-
0061 Debt Service-	-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	141,153	-	255,900	1,492,892	-	255,959	-	-	58,789
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	211	212	213	216	218	219	220	221	222
	ESEA Title I Regular	ESEA Title I Migrant	Even Start	School Improvement	Javits Sol-Net	Bilingual Education	Adult Basic Education	Adult Education Prof/Dav	Learn and Serve
<b>Revenues</b>									
5700 Local	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	14,882	1,062,216	-	36,984	2,575,041	128,496	-
5900 Federal Program	58,800,258	384,172	-	-	-	-	-	-	-
<b>Total Revenues</b>	58,800,258	384,172	14,882	1,062,216	-	36,984	2,575,041	128,496	-
<b>Expenditures</b>									
Current-									
0011 Instruction	40,963,591	43,452	14,131	518,823	-	275	1,536,603	92,114	-
0012 Instructional Resources and Media Services	1,738	-	-	31,745	-	-	-	-	-
0013 Curriculum and Staff Development	3,972,340	3,408	551	398,542	-	36,719	674,662	20,806	-
0021 Instructional Leadership	3,628,600	34,762	-	45,450	-	-	66,750	-	-
0023 School Leadership	92,295	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	3,180	-
0031 Guidance and Counseling Services	2,867,577	-	-	26,800	-	-	107,811	-	-
0032 Social Work Services	282,514	-	-	-	-	-	-	-	-
0033 Health Services	985,202	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	6,569	-
0041 General Administration	532,301	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	8,556	-	-	-	-	-	346	-	-
0052 Security and Monitoring Services	62,296	-	-	-	-	-	139,772	-	-
0053 Data Processing Services	66,477	-	-	-	-	-	49,087	5,827	-
0061 Community Services	5,356,587	302,550	-	41,256	-	-	-	-	-
<b>Debt Service-</b>									
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	184	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	58,800,258	384,172	14,682	1,062,216	-	36,984	2,575,041	128,496	-
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	-	-	-	-	-	-	-	-	-

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	223	224	225	226	227	228	233	236	239
	Ald to Families	IDEA-B Formula	IDEA-B Preschool	Disc. (Deaf)	IDEA Formula Deaf	IDEA-B Pre-School Deaf	Juvenile Mentoring Program	Elem. & Secondary School Counseling Program	Drug & Violence Prevention
<b>Revenues</b>									
5700 Local	-	-	-	-	-	-	-	-	-
5800 State Program	-	-	-	-	-	-	-	-	-
5900 Federal Program	420,977	21,706,259	445,362	208,795	133,714	27,040	6,704	346,973	-
<b>Total Revenues</b>	<u>420,977</u>	<u>21,706,259</u>	<u>445,362</u>	<u>208,795</u>	<u>133,714</u>	<u>27,040</u>	<u>6,704</u>	<u>346,973</u>	<u>-</u>
<b>Expenditures</b>									
<b>Current-</b>									
0011 Instruction	227,206	12,694,214	109,142	101,075	133,714	-	-	4,935	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	115,814	2,846,262	336,220	-	-	-	-	-	-
0021 Instructional Leadership	13,350	2,722,742	-	-	-	-	3,966	-	-
0023 School Leadership	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	5,748	2,839,592	-	106,220	-	-	-	342,038	-
0032 Social Work Services	-	-	-	-	-	-	-	-	-
0033 Health Services	-	41,104	-	-	-	-	-	-	-
0034 Student Transportation	-	493,447	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	38,815	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-
0053 Data Processing Services	58,744	27,672	-	-	-	-	-	-	-
0061 Community Services	115	411	-	1,500	-	27,040	2,738	-	-
<b>Debt Service-</b>									
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>420,977</u>	<u>21,706,259</u>	<u>445,362</u>	<u>208,795</u>	<u>133,714</u>	<u>27,040</u>	<u>6,704</u>	<u>346,973</u>	<u>-</u>
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</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>

(continued)



**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	240	244	255	256	257	258	260	261
	Food Service	Carl D. Perkins Title I Part C	ESEA II Teacher Principal Training	Title I Comprehensive School Reform	Read for TX Local Reading Improvement	Refuge Children Impact	ESEA Part D Title I	Texas Reading Initiative for Grades K-3
<b>Revenues</b>								
5700 Local	\$ 5,715,748	-	-	-	-	-	-	-
5800 State Program	675,398	-	-	-	-	-	-	-
5900 Federal Program	50,915,430	2,285,228	10,311,885	217,544	118,649	100,882	-	5,422,322
<b>Total Revenues</b>	57,306,576	2,285,228	10,311,885	217,544	118,649	100,882	-	5,422,322
<b>Expenditures</b>								
Current-								
0011 Instruction	-	1,894,756	7,800,922	217,461	61,810	23,494	-	3,347,751
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	134,762	1,453,267	-	56,839	-	-	1,897,575
0021 Instructional Leadership	-	49,485	571,899	83	-	-	-	104,764
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	206,203	84,172	-	-	-	-	52,150
0032 Social Work Services	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	60,920,543	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-
0041 General Administration	-	-	232,425	-	-	-	-	-
0051 Plant Maintenance and Operations	2,390,434	-	1,374	-	-	-	-	-
0052 Security and Monitoring Services	-	-	4,266	-	-	-	-	-
0053 Data Processing Services	-	-	-	-	-	77,388	-	20,082
0061 Community Services	-	-	163,560	-	-	-	-	-
Debt Service-								
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	63,310,977	2,285,228	10,311,885	217,544	118,649	100,882	-	5,422,322
1100 Excess(Deficiency) of Revenues Over Expenditures	(6,004,401)	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	14,244,626	-	-	-	-	-	-	-
3000 Fund Balances, end of year	\$ 8,240,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	262	263	264	265	266	267	268	269
	ESEA Title II Part D	Title III LEP/Immigrant	21st Century Las Lunas	21st Century New Neighborhood	21st Century Beacons Community	21st Century Communities of Light	FIE Earmark	ESEA Title V Innovative Programs
<b>Revenues</b>								
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	-	-	-	-	-	-	-	-
5900 Federal Program	1,339,911	6,093,141	773,141	640,827	1,029,332	1,059,776	297,950	1,233,752
<b>Total Revenues</b>	1,339,911	6,093,141	773,141	640,827	1,029,332	1,059,776	297,950	1,233,752
<b>Expenditures</b>								
Current-								
0011 Instruction	759,116	2,323,227	242	9,714	6,287	6,888	-	253,979
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	410,521	2,004,520	-	-	-	-	-	471,900
0021 Instructional Leadership	140,922	115,460	-	-	-	-	-	316,923
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	5,950	-	10,528	12,950	21,350	16,450	-	54,924
0032 Social Work Services	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-
0041 General Administration	-	9,261	-	-	-	-	297,950	65,333
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	387
0052 Security and Monitoring Services	917	-	-	-	-	-	-	-
0053 Data Processing Services	22,465	1,640,673	762,371	618,163	1,001,695	1,036,438	-	70,306
0061 Community Services	-	-	-	-	-	-	-	-
Debt Service-	-	-	-	-	-	-	-	-
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
6030 <b>Total Expenditures</b>	1,339,911	8,093,141	773,141	640,827	1,029,332	1,059,776	297,950	1,233,752
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	271	272	273	274	275	276	277	278	279	280
	Teaching American History	Early Childhood Intervention	IDEA Visually Impaired	Improving Health Education	Read for TX Tutorial Assistant	Academics 2000 Local Impr.	Tools for Schools	Urban Systemic (NSP)	Title XI Coordinated Services	
Revenues										
5700 Local	-	-	-	-	-	-	-	-	-	
5800 State Program	-	822,293	-	-	-	-	-	-	-	
5900 Federal Program	132,800	1,115,051	8,598	266,976	-	-	2,180	3,746,546	1,005	
Total Revenues	132,800	1,937,344	8,598	266,976	-	-	2,180	3,746,546	1,005	
Expenditures										
Current-										
0011 Instruction	24,102	109	8,598	-	-	-	2,180	153,201	-	
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	
0013 Curriculum and Staff Development	101,045	6,923	-	1,093	-	-	-	3,593,345	-	
0021 Instructional Leadership	7,653	-	-	262,006	-	-	-	-	-	
0023 School Leadership	-	-	-	-	-	-	-	-	-	
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-	
0032 Social Work Services	-	-	-	-	-	-	-	-	-	
0033 Health Services	-	652,631	-	-	-	-	-	-	-	
0034 Student Transportation	-	-	-	-	-	-	-	-	-	
0035 Food Services	-	-	-	-	-	-	-	-	-	
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	
0041 General Administration	-	-	-	-	-	-	-	-	-	
0051 Plant Maintenance and Operations	-	408	-	77	-	-	-	-	-	
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	
0053 Data Processing Services	-	-	-	-	-	-	-	-	-	
0061 Community Services	-	1,277,273	-	3,800	-	-	-	-	1,005	
Debt Service-										
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	
Total Expenditures	132,800	1,937,344	8,598	266,976	-	-	2,180	3,746,546	1,005	
Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	
Transfer In / Out	-	-	-	-	-	-	-	-	-	
Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	
Fund Balances, end of year	-	-	-	-	-	-	-	-	-	

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	281 American Indian Program	284 Texas Families Together & Safe	285 Urban Systemic Initiatives	286 Title I School Improvement	288 Development and Implementation	289 Early Intervention	292 Fit & Healthy Ready To Learn	296 Goals 2000 Education Act Title III	297 Asthma Grant
<b>Revenues</b>									
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	-	-	-	-	-	-	-	-	-
5900 Federal Program	132,854	177,315	-	25,527	-	10,042	-	-	1,000
5020 Total Revenues	132,854	177,315	-	25,527	-	10,042	-	-	1,000
<b>Expenditures</b>									
Current-									
0011 Instruction	2,203	33,006	-	24,626	-	7,213	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	-	-	809	-	2,806	-	-	1,000
0021 Instructional Leadership	123,697	-	-	-	-	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	23	-	-	-
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	331	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	-	92	-	-	-	-	-
0061 Community Services	6,623	144,309	-	-	-	-	-	-	-
Debt Service-									
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	132,854	177,315	-	25,527	-	10,042	-	-	1,000
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	301		302		303		304		305		306		308		309	
	Title I School Impr. Program Hernandez Elem		Title I School Impr. Program Sam Houston		Title I School Impr. Program Siberstein		Title I School Impr. Program Henderson		Texas 21st Century Success Express		Texas 21st Century Passing Zone		Texas 21st Century Bridge to Success		Adult Ed English Literacy	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues																
5700 Local																
5800 State Program	492,751		298,512		1,162,479		1,251,360		679,605		656,864		727,277		54,782	
5900 Federal Program																
5020 Total Revenues	492,751		298,512		1,162,479		1,251,360		679,605		656,864		727,277		54,782	
Expenditures																
Current:																
0011 Instruction	314,679		192,833		870,278		748,435		58,183		65,150		23,813		46,164	
0012 Instructional Resources and Media Services	26,253														2,311	
0013 Curriculum and Staff Development	104,087		57,522		188,335		402,882		98							
0021 Instructional Leadership	18,596		41,400		72,977		41,250									
0023 School Leadership							7,157									
0026 Communication and Dissemination													7,700		3,760	
0031 Guidance and Counseling Services	9,275		6,475		20,650		22,575		7,700		9,800					
0032 Social Work Services																
0033 Health Services																
0034 Student Transportation									101							
0035 Food Services																
0036 Co-Curricular Activities																
0041 General Administration																
0051 Plant Maintenance and Operations	2,046															
0052 Security and Monitoring Services															2,547	
0053 Data Processing Services																
0061 Community Services	19,815		282		10,238		29,061		613,523		581,914		695,632			
Debt Service-																
0071 Principal on long-term debt																
0171 Interest on long-term debt																
0081 Facilities Acquisition													132			
6030 Total Expenditures	492,751		298,512		1,162,479		1,251,360		679,605		656,864		727,277		54,782	
1100 Excess(Deficiency) of Revenues Over Expenditures																
7900 Transfer in / Out																
0100 Fund Balances, beginning of year																
3000 Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	310 Adult Ed English Literacy	312 Texas 21st Century Neighborhood Now	313 Texas 21st Century The Learning Zone	314 Adult Ed. Regional Centers of Excellence	326 COPS In Schools	368 Foreign Language	370 A Stars School Program	371 Abstinence Education (TDH)
<b>Revenues</b>								
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,806	\$ -	\$ -
5800 State Program	-	-	-	-	-	-	-	-
5900 Federal Program	1,925	530,262	764,071	8,425	231,287	-	-	122,473
<b>Total Revenues</b>	1,925	530,262	764,071	8,425	231,287	12,806	-	122,473
<b>Expenditures</b>								
<b>Current-</b>								
0011 Instruction	379	52,750	75,746	-	-	-	-	19,649
0012 Instructional Resources and Media Services	-	-	-	-	-	12,806	-	-
0013 Curriculum and Staff Development	1,546	811	-	2,360	-	-	-	276
0021 Instructional Leadership	-	-	-	-	-	-	-	102,548
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	5,641	5,600	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	6,065	231,287	-	-	-
0053 Data Processing Services	-	-	-	-	-	-	-	-
0061 Community Services	-	471,060	682,725	-	-	-	-	-
<b>Debt Service-</b>								
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	1,925	530,262	764,071	8,425	231,287	12,806	-	122,473
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	373	376	377	381	382	384	386	388
	HiPPY Program	Public Charter School	Schools To Careers	GR Adult Education	Temporary Asst. for Needy Families	Texas After-School Initiative	State Visually Handicapped	State Deaf
<b>Revenues</b>								
5700 Local	-	-	-	-	-	-	-	-
5800 State Program	-	-	-	228,244	32,070	310,971	46,593	2,821,765
5900 Federal Program	12,528	-	-	-	-	-	-	-
<b>Total Revenues</b>	12,528	-	-	228,244	32,070	310,971	46,593	2,821,765
<b>Expenditures</b>								
<b>Current-</b>								
0011 Instruction	-	-	-	51,379	29,345	5,543	4,233	2,604,450
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	-	-	21,085	309	-	-	-
0021 Instructional Leadership	-	-	-	85,553	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	-	-	8,213	2,416	-	-	77,117
0032 Social Work Services	-	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	42,360	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	-	60,057	-	-	-	-
0061 Community Services	12,528	-	-	1,957	-	305,428	-	140,198
<b>Debt Service-</b>								
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	12,528	-	-	228,244	32,070	310,971	46,593	2,821,765
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	-	-	-	-	-	-	-	-

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	389	393	394	397	399	400	401	404
	Apprenticeship Training	Texas Successful Schools	Pregnancy Education Parenting	APIB Incentive	Investment Capital	Seagoville School Based Health Center	Optional Extended Year	ARI & AMI
<b>Revenues</b>								
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	169,615	61,674	373,295	6,843	3,737	21,144	1,061,984	6,218,824
5900 Federal Program	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>169,615</b>	<b>61,674</b>	<b>373,295</b>	<b>6,843</b>	<b>3,737</b>	<b>21,144</b>	<b>1,061,984</b>	<b>6,218,824</b>
<b>Expenditures</b>								
<b>Current:</b>								
0011 Instruction	151,202	61,674	76,626	6,843	3,737	-	1,061,984	4,226,988
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	-	-	-	-	-	-	1,964,952
0021 Instructional Leadership	18,413	-	-	-	-	-	-	6,785
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	19,600
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-
0032 Social Work Services	-	-	170,389	-	-	-	-	-
0033 Health Services	-	-	126,280	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-	43
0041 General Administration	-	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	-	-	-	21,144	-	198
0061 Community Services	-	-	-	-	-	-	-	-
<b>Debt Service-</b>								
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	258
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>169,615</b>	<b>61,674</b>	<b>373,295</b>	<b>6,843</b>	<b>3,737</b>	<b>21,144</b>	<b>1,061,984</b>	<b>6,218,824</b>
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)



**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	409 Ninth Grade Success Initiative	411 State Technology Fund	413 Telecommunication Infrastructure	415 Pre-Kindergarten/Expansion	418 TRS Supplemental Payment	419 Texas Commission on Arts	420 Telecommunications Infrastructure
<b>Revenues</b>							
5700 Local	\$ -	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	1,003,062	4,496,657	-	7,664,109	10,683,874	85	-
5900 Federal Program	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>1,003,062</u>	<u>4,497,707</u>	<u>-</u>	<u>7,664,109</u>	<u>10,683,874</u>	<u>85</u>	<u>-</u>
<b>Expenditures</b>							
<b>Current-</b>							
0011 Instruction	803,158	2,830,716	-	4,128,645	6,882,425	-	-
0012 Instructional Resources and Media Services	-	444,791	-	-	176,719	-	-
0013 Curriculum and Staff Development	-	1,222,200	-	384,839	86,551	-	-
0021 Instructional Leadership	-	-	-	-	102,478	-	-
0023 School Leadership	-	-	-	-	548,276	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	199,904	-	-	-	345,883	-	-
0032 Social Work Services	-	-	-	-	21,487	-	-
0033 Health Services	-	-	-	-	153,819	-	-
0034 Student Transportation	-	-	-	-	4,882	-	-
0035 Food Services	-	-	-	-	730,096	-	-
0036 Co-Curricular Activities	-	-	-	-	8,610	-	-
0041 General Administration	-	-	-	29,533	135,727	85	-
0051 Plant Maintenance and Operations	-	-	-	-	1,086,220	-	-
0052 Security and Monitoring Services	-	-	-	-	177,377	-	-
0053 Data Processing Services	-	-	-	-	93,846	-	-
0061 Community Services	-	-	-	-	125,415	-	-
<b>Debt Service-</b>							
0071 Principal on long-term debt	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	4,063	-	-
<b>Total Expenditures</b>	<u>1,003,062</u>	<u>4,497,707</u>	<u>-</u>	<u>4,543,017</u>	<u>10,683,874</u>	<u>85</u>	<u>-</u>
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	3,121,092	-	-	-
7900 Transfer In / Out	-	110,012	-	-	-	-	-
0100 Fund Balances, beginning of year	-	(110,012)	-	-	-	-	-
<b>Fund Balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,121,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	421 One Community One Child (Spence MS)	422 Telecom Infrastructure Fund (11)	423 Student Success Initiative	424 Pre-K & K Grant	426 Urban School Grant	427 Information Collaboration	428 Telecom Infrastructure Fund (10)
<b>Revenues</b>							
5700 Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800 State Program	31,230	51,165	56,377	170,913	-	7,290	-
5900 Federal Program	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>31,230</b>	<b>51,165</b>	<b>56,377</b>	<b>170,913</b>	<b>-</b>	<b>7,290</b>	<b>-</b>
<b>Expenditures</b>							
<b>Current-</b>							
0011 Instruction	12,338	51,165	37,731	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-
0013 Curriculum and Staff Development	-	-	18,646	-	-	-	-
0021 Instructional Leadership	-	-	-	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	-	-	-	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-
0036 Co-Curricular Activities	-	-	-	-	-	-	-
0041 General Administration	-	-	-	-	-	-	-
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-	-	-	-
0053 Data Processing Services	-	-	-	-	-	-	-
0061 Community Services	18,892	-	-	-	-	-	-
<b>Debt Service-</b>							
0071 Principal on long-term debt	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>31,230</b>	<b>51,165</b>	<b>56,377</b>	<b>170,913</b>	<b>-</b>	<b>7,290</b>	<b>-</b>
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-
7900 Transfer In / Out	-	-	-	-	-	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-
3000 Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	435	439	446	447	448	479	480	481
	Out-of-District Tuition for RDSPD	Reading Initiatives	Tobacco Compliance Grant	Telecom Infrastructure Fund (LB12C)	Texas Grants to Reduce Academic Dropouts	New Teacher Project Meadows	Funds for Family Literacy	Gifts and Donations
<b>Revenues</b>								
5700 Local	- \$	- \$	- \$	- \$	- \$	86,135 \$	- \$	2,783,332 \$
5800 State Program	293,825	3,979	1,905	28,111	4,200	-	2,783	-
5900 Federal Program	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>293,825</b>	<b>3,979</b>	<b>1,905</b>	<b>28,111</b>	<b>4,200</b>	<b>86,135</b>	<b>2,783</b>	<b>2,783,332</b>
<b>Expenditures</b>								
<b>Current-</b>								
0011 Instruction	116,230	-	273	-	-	86,135	2,783	747,275
0012 Instructional Resources and Media Services	-	3,979	-	11,250	-	-	-	-
0013 Curriculum and Staff Development	-	-	754	16,861	-	-	-	163,958
0021 Instructional Leadership	135,853	-	763	-	-	-	-	-
0023 School Leadership	-	-	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	106,025
0031 Guidance and Counseling Services	41,742	-	-	-	4,200	-	-	-
0032 Social Work Services	-	-	-	-	-	-	-	3,638
0033 Health Services	-	-	-	-	-	-	-	-
0034 Student Transportation	-	-	-	-	-	-	-	-
0035 Food Services	-	-	-	-	-	-	-	1,481,071
0036 Co-Curricular Activities	-	-	-	-	-	-	-	167,334
0041 General Administration	-	-	-	-	-	-	-	31,471
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	14,260
0052 Security and Monitoring Services	-	-	115	-	-	-	-	1,188
0053 Data Processing Services	-	-	-	-	-	-	-	67,112
0061 Community Services	-	-	-	-	-	-	-	-
<b>Debt Service-</b>								
0071 Principal on long-term debt	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>293,825</b>	<b>3,979</b>	<b>1,905</b>	<b>28,111</b>	<b>4,200</b>	<b>86,135</b>	<b>2,783</b>	<b>2,783,332</b>
<b>Excess(Deficiency) of Revenues Over Expenditures</b>	-	-	-	-	-	-	-	-
<b>Transfer In / Out</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, beginning of year</b>	-	-	-	-	-	-	-	-
<b>Fund Balances, end of year</b>	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$

(continued)

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
NonMajor Governmental Funds  
For the Year Ended June 30, 2004**

Data Control Codes	483	484	486	491	493	495	497	498	499	Total
	Honors Development Grant	Project Ropes	Texas Instruments	Fast Track Grant	Sun and Star Japanese Study	Best Practice Meadows	Toward No Tobacco	Restoration Center Work Source	Technology Immersion Prog TIP	Nonmajor Government Funds
Revenues										
5700 Local	\$ 22,189	\$ -	\$ 163,474	\$ -	\$ 783	\$ 49,340	\$ -	\$ -	\$ -	\$ 14,749,149
5800 State Program	-	6,445	-	-	-	-	-	249,355	-	37,609,815
5900 Federal Program	-	-	-	-	-	-	-	-	-	182,956,419
5020 Total Revenues	22,189	6,445	163,474	-	783	49,340	-	249,355	-	235,315,383
Expenditures										
Current-										
0011 Instruction	22,189	-	163,433	-	-	154	-	197,762	-	106,702,221
0012 Instructional Resources and Media Services	-	-	-	-	-	-	-	-	-	709,281
0013 Curriculum and Staff Development	-	-	41	-	783	-	-	34,677	-	24,375,688
0021 Instructional Leadership	-	6,445	-	-	-	-	-	16,916	-	9,284,771
0023 School Leadership	-	-	-	-	-	-	-	-	-	720,788
0026 Communication and Dissemination	-	-	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	-	-	-	-	-	-	-	-	-	7,671,417
0032 Social Work Services	-	-	-	-	-	-	-	-	-	474,390
0033 Health Services	-	-	-	-	-	-	-	-	-	2,163,237
0034 Student Transportation	-	-	-	-	-	-	-	-	-	498,329
0035 Food Services	-	-	-	-	-	-	-	-	-	61,650,740
0036 Co-Curricular Activities	-	-	-	-	-	-	-	-	-	1,489,681
0041 General Administration	-	-	-	-	-	-	-	-	-	1,499,546
0051 Plant Maintenance and Operations	-	-	-	-	-	-	-	-	-	3,537,432
0052 Security and Monitoring Services	-	-	-	-	-	-	-	-	-	490,525
0053 Data Processing Services	-	-	-	-	-	-	-	-	-	457,285
0061 Community Services	-	-	-	-	-	49,186	-	-	-	16,805,460
Debt Service-										
0071 Principal on long-term debt	-	-	-	-	-	-	-	-	-	-
0171 Interest on long-term debt	-	-	-	-	-	-	-	-	-	4,637
0081 Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
6030 Total Expenditures	22,189	6,445	163,474	-	783	49,340	-	249,355	-	238,535,428
1100 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	-	-	-	-	(3,220,045)
7900 Transfer In / Out	-	-	-	-	-	-	-	-	-	110,012
0100 Fund Balances, beginning of year	-	-	-	-	-	-	-	-	-	16,946,389
3000 Fund Balances, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	13,836,356

concluded

Dallas Independent School District  
 Budgetary Comparison Schedule - NonMajor Fund  
 Food Service Fund  
 June 30, 2004

Exhibit H - 3

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
0100	Fund Balance, July 1, 2003	\$ 14,244,626	\$ 14,244,626	\$ 14,244,626	\$ -
	RESOURCES (Inflows)				
5700	Local and intermediate sources	13,693,120	13,693,120	5,715,748	(7,977,372)
5800	State program revenues	869,507	869,507	675,398	(194,109)
5900	Federal program revenues	56,590,071	56,590,071	50,915,430	(5,674,641)
5000	Amounts available for appropriation	71,152,698	71,152,698	57,306,576	(13,846,122)
	CHARGES TO APPROPRIATIONS				
0035	Food Service	68,566,058	71,038,387	60,920,543	10,117,844
0051	Plant maintenance and operations	2,586,640	2,586,640	2,390,434	196,206
6000	Total charges to appropriations	71,152,698	73,625,027	63,310,977	10,314,050
3000	Fund balance, June 30, 2004	\$ 11,772,297	\$ 11,772,297	\$ 8,240,225	\$ (3,532,072)

Dallas Independent School District  
Budgetary Comparison Schedule - Major Fund  
Debt Service Fund  
June 30, 2004

Exhibit H - 4

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
0100	Fund Balance, July 1, 2003	<u>\$ 17,787,297</u>	<u>\$ 17,787,297</u>	<u>\$ 60,482,695</u>	<u>\$ 42,695,398</u>
	RESOURCES (Inflows)				
7900	Sale of Bonds	-	-	-	-
	Premium on Bonds	-	-	2,371,655	2,371,655
5700	Local and intermediate sources	<u>78,884,379</u>	<u>78,884,379</u>	<u>77,718,320</u>	<u>(1,166,059)</u>
5000	Amounts available for appropriation	<u>78,884,379</u>	<u>78,884,379</u>	<u>80,089,975</u>	<u>1,205,596</u>
	CHARGES TO APPROPRIATIONS (Outflows)				
0071	Principal and interest on long-term debt	<u>78,884,379</u>	<u>78,884,379</u>	<u>78,491,169</u>	<u>393,210</u>
6030	Total charges to appropriations	<u>78,884,379</u>	<u>78,884,379</u>	<u>78,491,169</u>	<u>393,210</u>
3000	Fund balance, June 30, 2004	<u><u>\$ 17,787,297</u></u>	<u><u>\$ 17,787,297</u></u>	<u><u>\$ 62,081,501</u></u>	<u><u>\$ 44,294,204</u></u>

**Dallas Independent School District**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Fiduciary Funds**  
**June 30, 2004**

	<u>Agency Funds</u>
<b>Cash and cash equivalents</b>	
Beginning	\$ 3,250,040
Additions	11,343,891
Deletions	<u>10,703,757</u>
Ending	<u><u>\$ 3,890,174</u></u>
 <b>Due to student groups</b>	
Beginning	\$ 3,250,040
Additions	11,343,891
Deletions	<u>10,703,757</u>
Ending	<u><u>\$ 3,890,174</u></u>

EXHIBIT J-1

Dallas Independent School District  
Schedule of Delinquent Taxes Receivable  
For the Year Ended June 30, 2004

Last Ten Years Ended August 31 (See Note)	1		2	3	10 Beginning Balance 7/1/2003	20 Current Year's Total Levy	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2004
	Maintenance	Tax Rates		Net Assessed/Approved Value For School Tax Purposes						
1995 and prior years	Various		Various	35,459,582,431	9,986,643	-	489,565	42,319	(1,191,721)	8,283,038
1996	1.3316		0.8650	36,803,403,695	3,606,706	-	128,154	8,324	(802,272)	2,667,956
1997	1.3740		0.8650	38,106,648,354	3,444,304	-	162,544	10,219	(496,052)	2,775,489
1998	1.3740		0.8650	40,469,448,988	3,338,468	-	182,554	11,492	(343,601)	2,800,821
1999	1.3740		0.8650	44,624,425,308	4,334,284	-	409,651	25,789	(381,753)	3,517,091
2000	1.3980		0.0063	49,107,307,100	5,676,009	-	598,792	37,687	(238,953)	4,800,577
2001	1.4780		0.0695	53,136,828,664	9,545,195	-	751,385	35,365	(1,058,275)	7,700,170
2002	1.4780		0.0695	57,284,326,734	15,352,583	-	3,262,078	155,485	(1,622,456)	10,312,554
2003	1.4780		0.1095	58,484,300,287	35,826,897	-	13,273,042	986,504	(6,508,018)	15,059,333
2004	1.5000		0.1395	58,380,724,174	-	913,002,082	806,426,440	74,997,703	-	31,577,939
1000 TOTALS					\$ 91,111,089	\$ 913,002,082	\$ 825,664,205	\$ 76,310,897	\$ (12,643,101)	\$ 89,494,868
9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code							\$ 4,621,391			

Note: In 2003 the fiscal year end date was changed from August 31st to June 30th.



**Dallas Independent School District**  
**Schedule of Expenditures for Computations of Indirect Cost for 2003-2004**  
**General and Special Revenue Funds**  
**Year Ended June 30, 2004**

## 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	\$ 402,176	\$0	\$ 418,712	\$ 13,583,695	\$ 150,695	\$ 811,732	\$ 15,367,010
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	3,923,448	-	-				\$ 3,923,448
6212	Audit Services				185,000			\$ 185,000
6213	Tax Appraisal and Collection		3,915,305					\$ 3,915,305
621X	Other Prof. Services	87,493	-	320,875	6,119,678	-	278,000	\$ 6,806,046
6220	Tuition and Transfer Payments						139,039	\$ 139,039
6240	Contr. Maint. and Repair					20,816	1005	\$ 21,821
6260	Rentals	11,276	-	7458	191,571	-	7,685	\$ 217,990
6290	Miscellaneous Contr.	39,612	-	8715	155,719	-	20,298	\$ 224,344
6310	Supplies and Materials	854			2,500		1,848	\$ 5,202
6320	Textbooks and Reading Materials	570	-	-	14,069	-	195	\$ 14,834
63XX	Other Supplies Materials	87,173	-	36,489	833,875	(64,925)	45,750	\$ 938,362
6410	Travel, Subsistence, Stipends	38,267	-	1,337	169,688	-	73,344	\$ 282,636
6430	Election Costs	96,073						\$ 96,073
6490	Miscellaneous Operating	105,406	-	108,536	446,172	-	179,871	\$ 839,985
6600	Capital Outlay						130,681	\$ 130,681
6000	TOTAL	\$ 4,792,348	\$ 3,915,305	\$ 902,122	\$ 21,701,967	\$ 106,586	\$ 1,689,448	\$ 33,107,776

Total expenditures for General and Special Revenue Funds

1,263,442,915

LESS Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)(Only Funds 100-199/200-499/810-879)

10 \$28,769,763

Total Debt &amp; Lease (6500)(Only Funds 100-199/200-499/810-879)

11 8,662,165

Plant Maintenance (Function 51, 6100-6400)

12 124,206,245

Food (Function 35, 6341)

13

Stipends (6132 and 6412)

14 0

Subtotal:

\$161,638,173

Net Allowed Direct Cost

\$1,101,804,742

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)

15 964,415,624

Historical Cost of Buildings over 50 years old

16 121,907,590

Amount of Federal Money in building Cost (Net of Above)

17 10,000

Total Cost of Furniture &amp; Equipment before Depreciation (1530&amp;1540)

18 93,750,870

Historical Cost of Furniture &amp; Equipment over 16 years old

19 39,181,261

Amount of Federal Money in Furniture &amp; Equipment (Net of Above)

20 \$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 June 30, 2004**

**Exhibit J-3**

Data Control Code	Explanation	Amount
1	Total General Fund Balance 6/30/04 (Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 115,787,646</u>
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	<u>\$ 13,870,965</u>
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	<u>\$ -</u>
4	Estimated amount needed to cover all cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues) (unaudited)	<u>\$ 101,634,309</u>
5	Estimate of one month's average cash disbursements during the regular school session (9/1/03-5/31/04) (unaudited)	<u>\$ 100,078,998</u>
6	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5) (unaudited)	<u>\$ 215,584,272</u>
7	Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 - 6) (unaudited)	<u>\$ (99,796,626)</u>

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Current-			
Instruction	\$ 657,964,234	\$ 717,479,558	\$ 734,514,593
Instructional Resources and Media Services	19,276,924	18,836,667	19,981,062
Curriculum and Staff Development	37,049,471	31,303,411	34,086,359
Instructional Leadership	24,259,931	20,612,925	23,691,584
School Leadership	60,841,057	61,082,797	71,056,165
Communication and Dissemination	-	-	-
Guidance and Counseling Services	38,891,333	41,007,861	47,597,254
Social Work Services	2,329,771	2,176,802	2,645,235
Health Services	11,236,356	11,029,193	12,878,668
Student Transportation	16,925,053	18,444,181	14,622,840
Food Services	53,719,671	53,559,421	59,503,710
Co-Curricular Activities	9,815,744	9,489,533	11,067,978
General Administration	37,447,203	37,633,240	33,374,643
Plant Maintenance and Operation	118,503,640	104,300,326	128,973,176
Security and Monitoring Services	8,847,056	8,744,934	13,768,123
Data Processing Services	32,336,892	25,808,191	20,910,929
Community Services	20,414,284	19,566,322	24,132,230
Debt Service	20,905,252	34,705,368	39,848,218
Capital Outlay	169,578	11,105,668	24,349,526
Payments to Juvenile Justice	-	365,024	624,298
Payments to Tax Increment Fund	9,248,085	4,551,449	4,621,391
<b>Total Expenditures</b>	<b>\$ <u>1,180,181,536</u></b>	<b>\$ <u>1,231,802,871</u></b>	<b>\$ <u>1,322,247,982</u></b>

**Notes:**

(1) GASB 34 implemented in 2002.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Program Revenues:			
Charges for Services	\$ 12,905,484	\$ 7,466,888	\$ 8,167,296
Operating Grants and Contributions	162,730,210	203,775,324	235,315,383
General Revenues:			
Property Taxes - General	808,892,570	849,858,791	829,003,189
Property Taxes - Debt Service	38,674,522	64,221,808	77,173,360
State aid-formula Grants	151,752,063	150,640,924	162,295,685
Grants and Contributions not Restricted	-	-	3,220,045
Unrestricted Investment Earnings	7,338,237	12,341,249	15,389,491
Gain (Loss) on Sale of Equipment	-	-	(671,773)
Miscellaneous	<u>21,911,844</u>	<u>10,703</u>	<u>4,156,673</u>
<b>Total Revenues</b>	<b>\$ <u>1,204,204,931</u></b>	<b>\$ <u>1,288,315,687</u></b>	<b>\$ <u>1,334,049,349</u></b>

**Notes:**

(1) GASB 34 implemented in 2002.

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

	<u>1995 (2)</u>	<u>1996</u>	<u>1997</u>
Current-			
Instruction	\$ 448,445,182	\$ 441,499,746	\$ 485,851,584
Instructional Resources and Media Services	16,617,974	17,169,740	19,310,139
Curriculum and Staff Development	11,487,266	16,425,148	17,220,766
Instructional Leadership	17,169,251	18,444,675	16,042,329
School Leadership	43,684,014	43,411,420	50,622,528
Communication and Dissemination	961,067	1,524,872	-
Guidance and Counseling Services	23,122,441	21,518,514	26,366,999
Social Work Services	8,868,181	9,470,555	3,860,553
Health Services	8,000,821	7,592,177	8,327,368
Student Transportation	6,847,870	5,492,461	3,347,807
Food Services	42,090,599	46,304,520	45,178,204
Co-Curricular Activities	5,933,598	6,645,149	6,331,271
General Administration	18,344,532	19,247,950	19,463,942
Plant Maintenance and Operation	109,437,924	110,629,856	106,790,445
Security and Monitoring Services	-	-	5,179,582
Data Processing Services	5,164,360	12,150,177	10,656,718
Community Services	6,303,252	7,849,355	11,059,469
Debt Service	34,951,813	37,967,031	41,981,076
Capital Outlay	45,493,574	118,529,531	109,934,035
Payments to Juvenile Justice	-	-	-
Payments to Tax Increment Fund	-	-	-
<b>Total Expenditures</b>	<b>\$ <u>852,923,719</u></b>	<b>\$ <u>941,872,877</u></b>	<b>\$ <u>987,524,815</u></b>

**Notes:**

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

	1998	1999	2000	2001	2002	2003	2004
\$	496,733,130	\$ 508,492,721	\$ 574,084,455	\$ 643,919,253	\$ 644,992,655	\$ 699,188,897	\$ 728,518,271
	16,901,965	17,956,177	17,982,627	19,276,462	18,879,947	18,845,055	19,842,246
	20,117,974	22,545,533	23,619,481	31,293,486	36,690,757	30,498,743	33,845,064
	19,266,465	20,335,600	21,642,393	21,819,049	23,979,712	20,099,051	23,501,712
	51,353,173	52,082,863	56,358,934	60,842,443	59,468,757	59,489,049	70,447,035
	-	-	-	-	-	-	-
	28,509,988	30,027,196	34,449,484	36,647,130	38,116,914	39,944,825	47,218,784
	4,196,571	4,937,158	3,369,455	3,266,708	2,280,383	2,119,985	2,622,549
	8,723,902	9,184,448	9,894,083	10,742,150	11,011,242	10,741,358	12,768,289
	5,968,119	3,626,344	13,653,221	16,140,861	15,953,079	17,396,450	14,585,426
	48,881,720	50,114,906	52,326,652	52,794,233	54,944,328	53,325,715	61,650,740
	6,755,829	7,602,452	7,198,685	9,010,046	9,721,398	9,601,887	10,973,098
	24,414,975	24,173,821	25,906,983	29,559,255	36,712,657	36,913,775	33,157,778
	95,995,295	104,312,977	105,098,316	116,451,273	117,501,239	102,242,690	127,717,344
	6,843,801	6,889,954	7,576,668	8,151,889	8,785,521	8,476,879	14,169,748
	26,794,531	25,940,188	18,003,486	16,968,653	43,345,262	26,782,708	22,719,642
	10,760,298	13,029,918	12,331,992	16,245,011	20,305,558	19,179,951	23,929,987
	44,902,514	50,195,561	48,658,508	52,033,911	50,876,965	35,915,558	87,130,026
	24,353,676	15,096,146	8,998,364	7,276,083	16,332,969	19,423,408	195,484,571
	-	-	-	-	-	365,024	624,298
	-	-	-	-	9,248,085	4,551,449	4,621,391
\$	<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>	<u>\$ 1,215,102,457</u>	<u>\$ 1,535,527,999</u>

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

<u>Source</u>	<u>1995 (3)</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Revenue From Local Sources-				
Local Maintenance and Debt Service Tax (2),	\$ 486,088,595	\$ 506,853,504	\$ 545,217,946	\$ 587,472,941
Tuition from Patrons	1,203,274	1,264,428	1,164,666	1,133,693
Other Revenue From Local Sources	29,535,697	54,757,483	30,645,708	29,069,943
Local Revenue	-	-	-	-
Transportation Fees from Patrons	-	-	-	-
Cafeteria and Co-Curricular Revenue	7,566,512	7,592,840	8,589,067	8,851,900
Total Revenue from Local Sources	524,394,078	570,468,255	585,617,387	626,528,477
Revenue from State Sources-				
Per Capita and Foundation	136,560,805	123,778,994	141,324,467	154,205,079
Transportation	-	-	-	-
Other Foundation Revenue from State	188,231	638,001	5,144,221	7,233,397
Other State Revenue	44,803,702	37,040,261	37,814,764	40,791,921
Total Revenue from State Sources	181,552,738	161,457,256	184,283,452	202,230,397
Revenue from Federal Sources-				
Federal Source Revenues	51,872,385	53,369,573	56,694,332	64,737,008
Other Revenue	34,029,816	35,747,925	35,389,035	33,957,529
Total Revenue from Federal Sources	85,902,201	89,117,498	92,083,367	98,694,537
Total Revenues	\$ 791,849,017	\$ 821,043,009	\$ 861,984,206	\$ 927,453,411

**Notes:**

- (1) Includes General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.
- (2) Includes interest and penalty collections and other judgments.
- (3) Restated in accordance with GASB No. 24

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 633,063,886 \$ 1,284,511	687,309,641 \$ 1,860,722	783,761,872 \$ 1,415,844	843,113,045 \$ 1,037,999	863,504,556 \$ 962,152	909,763,717 809,374
26,988,662	25,011,015	30,538,469	26,502,354	35,794,447	41,077,631
-	-	-	-	-	-
9,639,273	10,529,990	11,774,070	11,347,593	8,513,434	(1,867,831)
<u>670,976,332</u>	<u>724,711,368</u>	<u>827,490,255</u>	<u>882,000,991</u>	<u>908,774,589</u>	<u>949,782,891</u>
143,802,199	165,295,026	131,538,298	106,131,452	126,929,612	117,817,370
-	-	-	-	-	-
10,350,523	20,900,556	32,907,045	24,933,199	21,631,876	24,093,675
<u>40,723,721</u>	<u>38,441,822</u>	<u>39,671,388</u>	<u>49,023,876</u>	<u>60,338,816</u>	<u>57,994,455</u>
<u>194,876,443</u>	<u>224,637,404</u>	<u>204,116,731</u>	<u>180,088,527</u>	<u>208,900,304</u>	<u>199,905,500</u>
62,295,219	72,084,813	75,381,869	91,624,757	95,338,318	118,083,199
<u>43,815,036</u>	<u>37,961,327</u>	<u>46,569,259</u>	<u>46,129,723</u>	<u>56,931,388</u>	<u>70,536,700</u>
<u>106,110,255</u>	<u>110,046,140</u>	<u>121,951,128</u>	<u>137,754,480</u>	<u>152,269,706</u>	<u>188,619,899</u>
\$ <u>971,963,030</u> \$	\$ <u>1,059,394,912</u> \$	\$ <u>1,153,558,114</u> \$	\$ <u>1,199,843,998</u> \$	\$ <u>1,269,944,599</u> \$	\$ <u>1,338,308,290</u>



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

Fiscal Year	Total Tax Levy		Current Tax Collections (2)	Percent of Levy Collected	Delinquent Taxes Collected	
					Delinquent Taxes	Interest and Penalty
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
2003		891,957,975		856,131,078	96.0%	11,336,826 7,521,436
2004		913,002,082		881,424,143	96.5%	20,550,959 10,971,295

**Notes:**

- (1) Includes only uncollected from the current year.
- (2) Starting April 2001 the Dallas County Tax Office is the collecting agent for the District replacing the city of Dallas

	<u>Total Taxes Collected Plus Interest and Penalty</u>	<u>Percent of Total Collections to Tax Levy</u>		<u>Outstanding Delinquent Taxes Only (1)</u>	<u>Outstanding Delinquent Taxes as Percent of Tax Levy</u>
\$	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%
	874,989,340	98.1%		35,826,897	4.02%
	912,946,397	100.0%		31,577,939	3.46%

**Dallas Independent School District**  
**Ratio of Net General Bonded Debt to Assessed Value and**  
**Net Bond Debt Per Capita**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Fund</b>
1995	1,030,150	35,459,582,431	288,237,326	18,541,429
1996	1,039,100	36,803,403,695	438,443,854	15,680,415
1997	1,047,350	38,106,648,354	415,089,294	14,576,082
1998	1,052,300	40,469,448,988	394,072,365	13,920,870
1999	1,068,800	44,624,425,308	381,112,730	19,886,557
2000	1,083,508	49,107,307,100	359,452,300	17,763,584
2001	1,188,580	53,136,828,664	333,613,743	17,865,455
2002	1,199,809	57,284,326,734	641,844,869	17,787,297
2003	1,211,000	58,484,300,287	693,695,315	60,482,695
2004	1,214,800 [1]	58,380,724,174	949,764,644	62,081,501

[1] North Central Texas Council of Governments (NCTCOG)

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
269,695,897	0.76%	262
422,763,439	1.15%	407
400,513,212	1.05%	382
380,151,495	0.94%	361
361,226,173	0.81%	338
341,688,716	0.70%	315
315,748,288	0.59%	266
624,057,572	1.09%	520
633,212,620	1.08%	523
887,683,143	1.52%	731

**Dallas Independent School District**  
**Property Tax Rates and Tax Levies - Direct and Overlapping Governments**  
**(per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**  
**(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>							
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
2003	0.39990	0.59930	0.65000	0.69980	0.44000	0.74036	1.61000
2004	0.42280	0.59930	0.65000	0.69980	0.46000	0.77349	0.23000
<b>Tax Levies</b>							
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
2003	12,547,096	48,958,223	1,803,458	463,732,762	16,655,284	436,980	5,804,651
2004	13,053,709	48,780,688	2,030,544	459,255,036	16,123,261	476,888	6,334,454

Source: Information furnished by each governmental unit.

<u>City of Mesquite</u>	<u>City of University Park</u>	<u>City of Garland</u>	<u>City of Baich Springs</u>	<u>County of Dallas</u>	<u>Dallas County Hospital</u>	<u>Dallas County Community College</u>	<u>Dallas Independent School District</u>
\$ 0.55170	\$ 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
0.54148	0.32932	0.64110	0.61700	0.19600	0.25400	0.06000	1.58753
0.54148	0.32601	0.64110	0.54000	0.20390	0.25400	0.07780	1.63950
\$ 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
28,851,628	11,783,798	58,589,581	2,676,476	251,709,607	326,195,157	79,860,135	891,957,975
30,399,070	12,247,097	59,226,635	2,679,911	259,797,076	323,597,654	103,121,004	913,002,082

**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>(2) Total Assessed Value</b>
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
2003		46,103,830,066		12,380,470,221		58,484,300,287
2004		46,973,555,699		11,407,168,475		58,380,724,174

Source: Dallas Central Appraisal District.

Note:

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

(2) This figure excludes all exemptions and reductions

**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	\$ 41,382,407	94.10%	\$ 38,940,845
Balch Springs, City of	10,844,910	37.50%	4,066,841
Carrollton, City of	135,119,187	8.98%	12,133,703
Dallas County	180,892,652	45.26%	81,872,014
Dallas County CCD	9,850,000	45.26%	4,458,110
Dallas, City of	906,961,614	80.32%	728,471,568
DeSoto, City of	52,734,626	11.67%	6,154,131
Farmers Branch, City of	16,055,166	29.04%	4,662,420
Garland, City of	154,224,252	1.25%	1,927,803
Mesquite, City of	59,272,497	3.53%	2,092,319
Seagoville, City of	1,850,393	99.64%	1,843,732
Total Net Overlapping Bonded Debt			<u>\$ 886,623,486</u>
Direct:			
Dallas Independent School District, at 6/30/04	\$ 949,764,644	100.00%	<u>\$ 949,764,644</u>
Total Direct and Overlapping Bonded Debt			<u><u>\$ 1,836,388,130</u></u>

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

(1) Percentage of overlapping debt-per TMR



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

<b>Fiscal Year</b>	<b><u>Commercial Construction</u></b>		<b><u>Residential Construction</u></b>		<b><u>Bank Deposits (1)</u></b>	
	<b><u>Value</u></b>		<b><u>Value</u></b>			
1995	\$	228,962,690	\$	191,024,938	\$	45,200,000,000
1996		272,422,780		180,135,490		57,311,688,000
1997		246,520,994		170,595,254		32,241,073,000
1998		536,343,397		247,163,537		30,874,327,000
1999		749,630,454		328,862,265		26,686,330,000
2000		915,997,501		442,352,646		28,537,890,000
2001		829,922,317		443,265,319		37,131,000,000
2002		810,076,693		605,458,751		42,845,000,000
2003		239,442,831		387,386,531		42,845,000,000
2004		500,952,269		534,308,384		63,547,000,000

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.

Property Value		
Commercial	Residential	Nontaxable
\$ 24,149,773,561	\$ 12,411,797,427	\$ 2,853,444,950
25,390,025,559	12,716,622,795	3,894,994,996
28,143,811,672	12,274,901,576	5,021,460,584
31,056,664,951	13,315,688,491	4,989,410,548
34,139,972,233	14,768,275,043	5,251,236,653
36,004,966,764	16,627,580,401	5,562,878,428
37,954,072,412	18,857,608,395	6,617,603,150
37,164,995,144	21,319,305,143	7,103,570,821
35,434,076,559	22,946,647,615	7,391,657,425
34,420,094,756	24,952,604,886	7,391,657,425

**Dallas Independent School District  
Computation of Legal Debt Margin  
June 30, 2004  
(Unaudited)**

Assessed Value	\$ 58,380,724,174
Debt Limit Ten Percent of Assessed Value	5,838,072,417
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	949,764,644
Less - Net Assets in Debt Service Fund	<u>62,081,501</u>
Total Amount of Debt Applicable to Debt Limit	<u>887,683,143</u>
Legal Debt Margin:	\$ <u><u>4,950,389,274</u></u>

**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 Fund Expenditures (2)			Total General Expenditures	Ratio of Debt Service to General Expenditures
	Principal	Interest (1)	Total		
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%
2003	4,055,000	23,550,703	27,605,703	1,215,102,457	2.27%
2004	44,465,000	34,026,169	78,491,169	1,535,527,999	5.11%

**Notes:**

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

(2) Excludes \$318,105,000 in defeased bonds.

**Dallas Independent School District  
Ten Largest Taxpayers  
2004 Tax Roll  
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Assessed Valuation (000's)</u>	<u>Percent of Total Taxable Assessed Valuation</u>
Southwestern Bell/Cingular	Telephone Company	\$ 1,053,686	1.8049%
Crescent Real Estate	Real Estate	707,216	1.2114%
Texas Utilities Electric Company	Electric Utility	575,626	0.9860%
Southwest Airlines	Real Estate/Aircraft	535,219	0.9168%
Trammel Crow	Real Estate	330,416	0.5660%
Galleria Mall Investments LP	Real Estate	247,194	0.4234%
PC Village Apartments Dallas	Real Estate	246,799	0.4227%
Metropolitan Life Insurance Company	Insurance/Real Estate	198,440	0.3399%
Dallas Main LP	Real Estate	191,553	0.3281%
Park Lane Land Partnership LTD	Real Estate	187,224	0.3207%
<b>Total</b>		<b>\$ 4,273,373</b>	<b>7.3198%</b>

Source: Dallas County Tax Assessor/Collector, 2003 Tax Roll

**Dallas Independent School District  
Demographic Statistics - Dallas County (1)  
Last Ten Calendar Years  
(Unaudited)**

<b>Calendar Year</b>	<b>School Average Daily Attendance(2)</b>	<b>Civilian Labor Force</b>	<b>Average # Employed Monthly</b>	<b>Average # Unemployed Monthly</b>	<b>Unemployment Rate</b>
1994	137,880	1,123,518	1,060,601	62,917	5.6%
1995	141,817	1,135,804	1,077,878	57,926	5.1%
1996	146,050	1,139,822	1,088,530	51,292	4.5%
1997	149,535	1,174,238	1,124,920	49,318	4.2%
1998	152,555	1,222,111	1,178,115	43,996	3.6%
1999	154,759	1,250,832	1,163,317	87,515	7.0%
2000	155,427	1,235,879	1,193,084	42,795	3.5%
2001	157,726	1,265,215	1,198,041	67,174	5.3%
2002	150,742	1,294,526	1,199,798	94,728	7.3%
2003	149,597	1,271,486	1,175,182	96,304	7.6%
2004	148,131	1,285,486	1,213,682	71,804	5.6%

(1) Source: Texas Workforce Commission.

(2) Current and prior District Annual Financial Reports

**Labor Market Department**

**Dallas Independent School District**  
**Miscellaneous Statistical Data**  
**June 30, 2004**  
**(Unaudited)**

**Form of Government:** Independent School District

**Geographic Area:** 351 square miles

<b>Instruction Sites:</b>	<b><u>Number</u></b>	<b><u>Capacity/Sq. Ft.</u></b>	<b><u>Acreage</u></b>
Senior High Schools	36	5,419,734	1,125.31
Middle Schools	25	3,066,904	433.80
Elementary Schools	<u>157</u>	<u>8,781,226</u>	<u>1,198.59</u>
<b>Totals</b>	<b><u>218</u></b>	<b><u>17,267,864</u></b>	<b><u>2,757.70</u></b>



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

**Independent Auditors' Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Dallas Independent School District:

We have audited the 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 June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 15, 2004. 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.

**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 an opinion on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable 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 misstatements caused by error or fraud 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 04-01.



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

October 15, 2004



KPMG LLP  
Suite 3100  
717 North Harwood Street  
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 June 30, 2004. 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.

As described in item 04-02, in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding Allowable Costs/Cost Principles that are applicable to its Special Education Cluster program. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, 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 June 30, 2004. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 04-04 and 04-06.

## **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.

We noted certain matters involving internal control over compliance 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 compliance that, in our judgment, could adversely affect District's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 04-02 through 04-05.

A material weakness is a reportable 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 the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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. Our consideration of internal control over compliance 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, of the reportable conditions described above we considered items 04-02 and 04-05 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**

October 15, 2004

# DALLAS INDEPENDENT SCHOOL DISTRICT

## Schedule of Findings and Questioned Costs

June 30, 2004

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

<u>Program</u>	<u>CFDA number</u>
Schools/Child Nutrition Commodity Program	10.550
Urban Systemic Program	47.076
ESEA Title I, Part A – School Improvements Program	84.010
Texas Reading First Initiative for Grades K – 3	84.357
Special Education Cluster:	
IDEA-B-Formula	84.027
IDEA-B-Preschool	84.173

- (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 04-01 – Financial Statement Level*

#### **Pledged Collateral**

#### **(Non-Compliance GAS Report)**

#### **Criteria or Specific Requirement:**

Texas Government Code, Chapter 2557 (Public Funds Collateral Act), provides that the total value of eligible securities to secure deposits of public funds must be in an amount not less than the amount of the deposit of public funds less any Federal depository insurance.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

#### **Condition Found:**

As noted in footnote (F) of the District's 2004 financial statements, the District's cash deposits were undercollateralized in two instances during the year ended June 30, 2004.

#### **Questioned Costs:**

None.

#### **Effect:**

Noncompliance with state law exists if deposits are undercollateralized.

#### **Recommendation:**

District management should ensure that policies and procedures are in place and functioning for monitoring the levels of the District's deposits and pledged collateral.

#### **Management's Response:**

The district has increased its collateral position from approximately \$1,000,000 to \$2,000,000, at no cost to the district. In addition, the money market utilized for our overnight repurchase agreement sweep account that was instituted in May 2004 is U.S. Treasury based and has no collateral requirement. Money that comes back into the bank account unexpectedly will be swept into this account, and will not affect our daily collateral position.

### **(3) Findings and Questioned Costs Relating to Federal Awards:**

#### ***Finding #: 04-02***

CFDA TITLE: Special Education Cluster

CFDA NUMBER: 84.027 & 84.173

FEDERAL AWARD NUMBER: Various

FEDERAL AWARD YEAR: 03/04

FEDERAL AGENCY: U.S. Department of  
Education

PASS-THROUGH ENTITY: Texas Education  
Agency

#### **Allowable Costs/Cost Principles**

**Type of Finding:** Material Noncompliance and Material Weakness

#### **Criteria Or Specific Requirement:**

In accordance with OMB Circular A-87, Attachment B, Salaries and wages requires additional documentation to normal payroll documentation, and states:

"(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

(3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

The District is to have controls in place in order to operate efficiently and effectively with respect to its activities allowed and allowable cost.

#### **Condition Found:**

It was noted that 23 out of 23 full time employees tested did not complete the required semi-annual certifications for the school year 2003-2004. The employees were funded out of Special Education Funds.

#### **Questioned Cost (Including How Computed)**

Questioned cost for this finding amounts to \$556,706 (The 23 employee's salary and benefits tested).

#### **Information To Provide Perspective:**

There have not been semiannual certifications done for the employees charged to the Special Education grant.

#### **Possible Asserted Effect:**

The cognizant agency could render these charges unallowable and the District could be required to repay the payroll amounts paid to the employees that were charged to the grant.

#### **Cause:**

It was noted through discussions with special education grant personnel that lack of knowledge of the requirement was the reason for not having the semiannual certifications.

#### **Recommendation:**

We recommend that the District ensure that all employees who are charged to the Special Education grant maintain the semiannual certifications as required by OMB Circular A-87 to support these costs.

#### **Management's Response:**

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employee worked solely on that program for the period covered by the certification. These certifications will be prepared a least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. The district will identify all federally funded or grant funded employees, determine the reporting requirements for each, notify each employee in writing of their individual reporting requirements, and establish a recurring periodic supervisory review of ensure that the reports are being completed.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

#### ***Finding #: 04-03***

CFDA TITLE: Special Education Cluster  
Title 1, Part A  
Urban Systemic Program

CFDA NUMBER: 84.027/ 84.173  
84.010  
47.076

FEDERAL AWARD NUMBER: Various  
Various  
Various

FEDERAL AWARD YEAR: 03/04  
03/04  
03/04

FEDERAL AGENCY: U.S. Department of  
Education  
U.S. Department of  
Education  
National Science Foundation

PASS-THROUGH ENTITY: Texas Education  
Agency  
Texas Education  
Agency  
N/A

#### **Suspension and Debarment**

**Type of Finding:** Reportable Condition

#### **Criteria Or Specific Requirement:**

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

#### **Condition Found:**

It was noted that the Purchasing Department does not obtain certifications from the vendors where purchases were over \$25,000. There is also no documentation in the file that the Excluded Parties List System maintained by the General Services Administration was reviewed prior to contract with vendor. KPMG was able to ensure that all vendors tested were not suspended or debarred.

#### **Questioned Cost (Including How Computed):**

None

#### **Information To Provide Perspective:**

Per discussion with Purchasing department personnel, the department checks on the State Suspended or Debarred list, but does not document the review. Personnel responsible for processing purchase orders rely on the personnel that input the vendor data to review for suspension and debarment requirements.

#### **Possible Asserted Effect:**

The District could be at risk for contracting with a possible suspended or debarred vendor and may be in violation with federal regulations.

## DALLAS INDEPENDENT SCHOOL DISTRICT

### Schedule of Findings and Questioned Costs

June 30, 2004

#### **Cause:**

The Purchasing department indicated that the vendor could provide a certification even when it isn't true; thus, a certification is not requested.

#### **Recommendation:**

We recommended that the District do one of three things: (1) obtain a certified letter from its vendors indicating that the vendor is not suspended or debarred; (2) include a clause in the vendor contracts specifically addressing suspension and debarment; or (3) review the Excluded Parties List System and document the review in the vendor file.

#### **Management's Response:**

The district's procedure is to check the state and federal web suspended and debarred list. The District's plan is to run a monthly report that compares the vendor database to the state and federal suspended and debarred list. This comparison will be documented as to run date, names of matches or no match found, and signed by the person running the report. The vendor will complete a Debarment and Suspension certificate, indicating compliance with all applicable state and federal language and requirements, for all awards \$25,000 or greater

#### **Finding #: 04-04**

CFDA TITLE: Urban Systemic Program

CFDA NUMBER: 47.076

FEDERAL AWARD NUMBER: Various

FEDERAL AWARD YEAR: 2004

FEDERAL AGENCY: National Science Foundation

PASS-THROUGH ENTITY: N/A

#### **Allowable Costs/Cost Principles**

**Type of Finding:** Noncompliance and Reportable Condition

#### **Criteria Or Specific Requirement:**

In accordance with OMB Circular A-87, Attachment B, paragraph 8.h., salaries and wages requires additional documentation to normal payroll documentation, and states:

"(1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit."

"(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency."



## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

#### **Condition Found:**

For the Urban Systemic Program (USP), it was noted that two employees whose salaries were charged 100% to the grant did not have signed certifications for the period tested February to August 2003. We subsequently obtained copies of those certifications that were signed August 25 and 26, 2004. Additionally, we noted that there was one individual whose salary was charged 100% to the grant but did not have a signed contract in his personnel file.

For the Title 1, Part A program, it was noted two employees out of 19 tested whose salaries were split funded did not have time and effort distribution records required by OMB Circular A-87. The employees were funded 30% and 50%, respectively, out of Title I Part A Fund (211).

#### **Questioned Cost (Including How Computed):**

Questioned costs for USP amounts to \$203,827 (100% of the three employee's annual salary and benefits).

Questioned costs for Title 1, Part A amounts to \$40,227 (\$18,127 being 30% of salary and \$21,100 being 50% of the employees' annual salary and benefits).

#### **Information To Provide Perspective:**

The grant program manager was unable to provide a properly signed certification. Subsequently, the signed certifications were provided to KPMG as of August 2004, after the period being tested.

Further, the Human Resources department is trying to determine what happened with the missing contract.

For Title 1, Part A, management was unable to provide time and effort reports for the split funded employees.

#### **Possible Asserted Effect:**

The cognizant agency could render these charges unallowable and the District could be required to repay the payroll amounts paid to the employees that were charged to the grant.

#### **Cause:**

Per discussion with the Program Coordinator and Operations Coordinator for USP, the individuals without certifications are teachers that have been working within the program as lead teachers. They inadvertently missed signing the certifications in a timely manner.

It was noted through discussions with grant personnel that lack of knowledge of the requirement was the reason for not having time and effort distribution records for those employees that were split funded for the Title 1, Part A program.

#### **Recommendation:**

We recommend that the District ensure that all employees who have all or a portion of their salary charged to a grant maintain proper documentation as required by OMB Circular A-87 to support these costs. Additionally, the District needs to ensure that all contracts are properly filed in each employees personnel file.

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

#### **Management's Response:**

Where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employee worked solely on that program for the period covered by the certification. These certifications will be prepared a least semi annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. The district will identify all federally funded or grant funded employees, determine the reporting requirements for each, notify each employee in writing of their individual reporting requirements, and establish a recurring periodic supervisory review to ensure that the reports are being completed.

#### ***Finding #: 04-05***

CFDA TITLE: Title 1, Part A

CFDA NUMBER: 84.010

FEDERAL AWARD NUMBER: Various

FEDERAL AWARD YEAR: 03/04

FEDERAL AGENCY: U.S. Department of  
Education

PASS-THROUGH ENTITY: Texas Education  
Agency

#### **Level of Effort**

**Type of Finding:** Reportable Condition and Material Weakness

#### **Criteria Or Specific Requirement:**

A Local Education Agency (LEA) may receive funds under an applicable program only if the State Education Agency (SEA) finds that the combined fiscal effort per student or the aggregate expenditures of the LEA from State and local funds for free public education for the preceding year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding year, unless specifically waived by the Department of Education.

#### **Condition Found:**

It was noted that the District is in compliance with the requirement, but that the District does not have controls in place to monitor this requirement.

#### **Questioned Cost (Including How Computed):**

Not Applicable

#### **Information To Provide Perspective:**

The Grants Acquisition Department was knowledgeable of the requirement, and was under the understanding that TEA monitored the requirement. However, the TEA website was reviewed, and it states "The LEA is responsible for producing documentation of compliance with maintenance of effort for the LEA's independent auditor."

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

#### **Possible Asserted Effect:**

If an LEA fails to maintain fiscal effort, the SEA must reduce the amount of the allocation of funds under an applicable program in any fiscal year in the exact proportion by which the LEA fails to maintain effort by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures.

#### **Cause:**

Per discussion with the Executive Manager of Grants Acquisition Department, the Department was not aware that they had to monitor this requirement.

#### **Recommendation:**

We recommend that the District ensure that all Title I requirements are being met and monitored even if Texas Education Agency indicates that they will monitor it.

#### **Management's Response:**

The district provides student and proposed expenditure information during the development of the Annual Operating Budget. In addition to this information, the district will prepare a schedule that includes the applicable state and local funds and the number of students on the last Friday in the month of October. The district will certify that the amount of projected expenditures per student is greater than 90% of the second preceding year. The district will also prepare and certify this schedule at the close of the fiscal year, not later than July 31st of each year.

#### ***Finding #: 04-06***

CFDA TITLE: Title 1, Part A

CFDA NUMBER: 84.010

FEDERAL AWARD NUMBER: Various

FEDERAL AWARD YEAR: 03/04

FEDERAL AGENCY: U.S. Department of  
Education

PASS-THROUGH ENTITY: Texas Education  
Agency

#### **Allowable Costs/Cost Principles**

***Type of Finding:*** Noncompliance

#### **Criteria Or Specific Requirement:**

All costs charged to a grant should be based on the allowable costs as outlined in the grant agreement and applicable OMB Cost Circulars.

#### **Condition Found:**

It was noted that the Board had approved a Purchase Order for a total amount of \$273,500, which was to be split between five different funds. The Purchase Order indicated a \$7,000 amount to be charged to the Title II grant. However, the purchase was incorrectly coded and charged to the Title I grant.

# **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

June 30, 2004

### **Questioned Cost (Including How Computed):**

\$7,000

### **Information To Provide Perspective:**

The requisition was incorrectly coded to a Title I fund when the expenditure was part of Title II.

### **Possible Asserted Effect:**

If purchase order and requisitions can be incorrectly coded to the grant, unallowable expense could be charged to Title I Part A grant.

### **Cause:**

Per discussion with the Executive Manager of Grants Acquisition Department, a mistake was made when coding the Purchase Order.

### **Recommendation:**

We recommend that the District ensure that all Purchase Orders and requisitions are correctly coded to the right Fund accounts to avoid any unallowable costs.

### **Management's Response:**

The district will ensure that all program managers are appropriately trained to code and record expenditures.

**Dallas Independent School District  
Schedule of Expenditures of Federal Awards  
For Twelve Months Ended June 30, 2004**

<b>Pass-Through Grantor's Number</b>	<b>Federal/State Grantor-Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Audit Period Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct			
	American Indian Education	84.060A	\$ 135,596
	Systemwide Improvement Grants	84.291R	37,551
	21st Century-La Luces A Noche	84.287A	783,207
	21st Century-The New Neighborhood	84.287A	649,986
	21st Century-The Beacons in the Community	84.287A	1,027,696
	21st Century-Community of Light	84.287A	1,058,216
	ESEA Counseling Demonstration Program	84.215E	354,064
	FIE Earmark Grant Awards	84.214K	301,985
	Teaching American History	84.215X	135,282
	<b>Total Direct</b>		<b>4,483,583</b>
Passed Through Texas Education Agency			
46710010579056710	Title III LEP	84.365	5,105,382
46710010579056711	Title III Immigrant	84.365	1,006,171
04691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	1,521,782
3346115	McKinney Homeless Children	84.196	85,685
44018	McKinney-Vento Homeless Education	84.196	174,379
04610101057905	ESEA, Title I, Part A	84.010A	60,000,389
4615001057905	Title I, Part C, Migrant	84.011	391,765
4612002711100006	Even Start Literacy Program	84.213C	14,682
441000232104012	Adult Education Corrections/Institutionalized	84.002A	59,982
441000132104012	Federal Adult Education Section	84.002A	2,626,105
441000332104012	Adult Education Professional Development	84.027	131,148
466000105790544	IDEA-B Formula	84.027	22,105,456
466100105790544	IDEA-B Preschool	84.173	454,554
466000205790544	IDEA-B Discretionary (Deaf)	84.027	210,943
466000105790544	IDEA-B Formula (Deaf)	84.027	136,474
466100105790544	IDEA-B Preschool (Deaf)	84.173	27,598
439110105790544	IDEA- Part C, Early Intervention	84.181	10,042
442000605790510	Carl D. Perkins, Title I, Part C	84.048A	2,298,624
04685001057905	ESEA, Title V, Part A Innovative Programs	84.298	1,259,112
04694501057905	ESEA, Title II, Part A Teacher and Principal Training	84.367A	10,524,722
046300010057905	ESEA, Title II, Part D, Enhancing Education Through Technology	84.318X	1,352,292
3615402057905108	Improving Teaching and Learning (Bayles)	84.332A	221,150
064502621000100	READ for Texas, Local Reading Improvement	84.338A	118,658
36154002057905	Refugee Children School Impact Grant	93.576	11,922
461540271100144	Refugee Children School Impact Grant	93.576	91,022
364550110210134	TX Reading First Initiative for Grades K-3	84.357A	5,486,395
466002212010	IDEA-B Visually Impaired	84.027	8,598
26100105790209	Title I School Improvement Program	84.010A	25,696
03610104057905116	Title I School Improvement Program	84.010A	1,081,952
3610104057905269	Title I School Improvement Program	84.010A	502,921
3610104057905160	Title I School Improvement Program	84.010A	304,368
3610104057905209	Title I School Improvement Program	84.010A	1,183,916
3610104057905152	Title I School Improvement Program	84.010A	1,274,112
441000832104012	English Literacy & Civics Education	84.002A	55,913
441000832104012A	English Literacy & Civics Education	84.002A	1,965
269500131201124	TX 21st Century Learning Center, Cycle 1 - Success Express	84.287C	692,850
269500131201024	TX 21st Century Learning Center, Cycle 1 - Passing Zone	84.287C	670,157
269500131200924	TX 21st Century Learning Center, Cycle 1 - Bridge to Success	84.287C	741,742
269500131200824	TX 21st Century Learning Center, Cycle 1 - Neighborhood Now	84.287C	540,836
269500131200724	TX 21st Century Learning Center, Cycle 1 - The Learning Zone	84.287C	779,148
4410005711100001	Adult Education - Regional Centers for Excellence	84.002A	8,599
	<b>Total Passed Through Texas Education Agency</b>		<b>123,299,207</b>

**Dallas Independent School District  
Schedule of Expenditures of Federal Awards  
For Twelve Months Ended June 30, 2004**

<b>Pass-Through Grantor's Number</b>	<b>Federal/State Grantor-Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Audit Period Expenditures</b>
	Passed Through State Department Of Health		
C3018-01C	Early Childhood Intervention	84.181	192,031
C1019-02	Early Childhood Intervention	84.181	958,143
C4018-01D	Early Childhood Intervention	84.181	2,458
U87/CCU622615-01	Improve Health Education	93.938	270,793
	<b>Total Passed Through State Department Of Health</b>		<b>1,423,425</b>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<b>129,206,215</b>
	Passed Through State Department Of Health		
5APHPA000838-04	Students Making Abstinence Real Today (SMART-1)	93.995	26,098
5APHPA000838-05-00	Students Making Abstinence Real Today (SMART-1)	93.995	234,753
1APHPA002073-02	Students Making Abstinence Real Today (SMART-2)	93.995	142,997
99980617	Home Instruction Program for Pre-School Youngsters (HIPPY)	93.645	12,528
UCN 99990104	Texas Families Together & Safe	93.556	177,478
7560012787-2003	Abstinence Education	93.235	39,572
7560012787-2004	Abstinence Education	93.235	84,777
	<b>Total Passed Through State Department Of Health</b>		<b>718,203</b>
	Passed Through Texas Education Agency		
336250112	Federal-TANF	93.558	127,996
4362501711001	Federal-TANF	93.558	301,389
	<b>Total Passed Through Texas Education Agency</b>		<b>429,385</b>
	<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		<b>1,147,588</b>
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
	Passed Through Texas Education Agency		
N/A	National School Breakfast	10.553	7,694,225
N/A	National School Lunch	10.555	38,366,604
	<b>Total Passed Through Texas Education Agency</b>		<b>46,060,829</b>
	Direct		
	Schools/Child Nutrition Commodity Program (Noncash)	10.550	3,477,270
	Summer Feeding Program	10.559	1,377,331
	<b>Total Direct</b>		<b>4,854,601</b>
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		<b>50,915,430</b>
	<b>NATIONAL SCIENCE FOUNDATION</b>		
	Direct		
	Urban Systemic Program	47.076	288,756
	Urban Systemic Program	47.076	263,173
	Urban Systemic Program	47.076	947,026
	Urban Systemic Program	47.076	1,128,604
	Urban Systemic Program	47.076	1,181,442
	<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>		<b>3,809,001</b>
	<b>OTHER FUNDING AGENCIES</b>		
	Tools For Schools	66.606	2,180
	Asthma Grant	93.938	1,000
	Juvenile Mentoring Program	16.726	6,826
	COPS in Schools Award	16.710	231,287
	Medicaid and School Health Related Services	93.778	1,901,930
	JROTC	12.000	1,397,437
	<b>TOTAL OTHER FUNDING AGENCIES</b>		<b>3,540,660</b>
	<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 188,618,894</b>

**Dallas Independent School District  
Schedule of Expenditures of Federal Awards  
For Twelve Months Ended June 30, 2004**

Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Audit Period Expenditures
<b>Reconciliation to Exhibit H-2</b>		
Total Federal Assistance		\$ 188,618,894
Less:		
Medicaid and School Health Related Services	(1,901,930)	
JROTC Expenditures	(1,397,437)	
Indirect Cost for Federal Awards Grants	<u>(2,364,113)</u>	(5,663,480)
Add:		
Title XI Coordinated Services		<u>1,005</u>
Revised Total Federal Assistance		182,956,419
Total Non-major Government Funds-Federal Program Revenue (Exhibit H-2)		<u>\$ 182,956,419</u>

**Note**

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 Basic Financial Statements. Schools/Child Nutrition Commodity Program is a non cash transaction for \$3,477,269