



Comprehensive Annual Financial Report  
for the Fiscal Year Ended  
June 30, 2017

Report Issued by the  
Finance and Accounting  
Services Division

# **Dallas Independent School District**

**Dallas Independent School District  
For the Fiscal Year Ended June 30, 2017**

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October 30, 2017

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

The Texas Education Code requires that all school districts file a set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited by a Texas certified public accountant in accordance with generally accepted auditing standards. Pursuant to this requirement, we hereby issue the Comprehensive Annual Financial Report for Dallas Independent School District (the “District” or “Dallas ISD”) for the fiscal year ended June 30, 2017.

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

The financial statements of the District have been audited by Weaver and Tidwell LLP, a firm of certified public accountants licensed in Texas. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the Financial Section of this report.

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

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

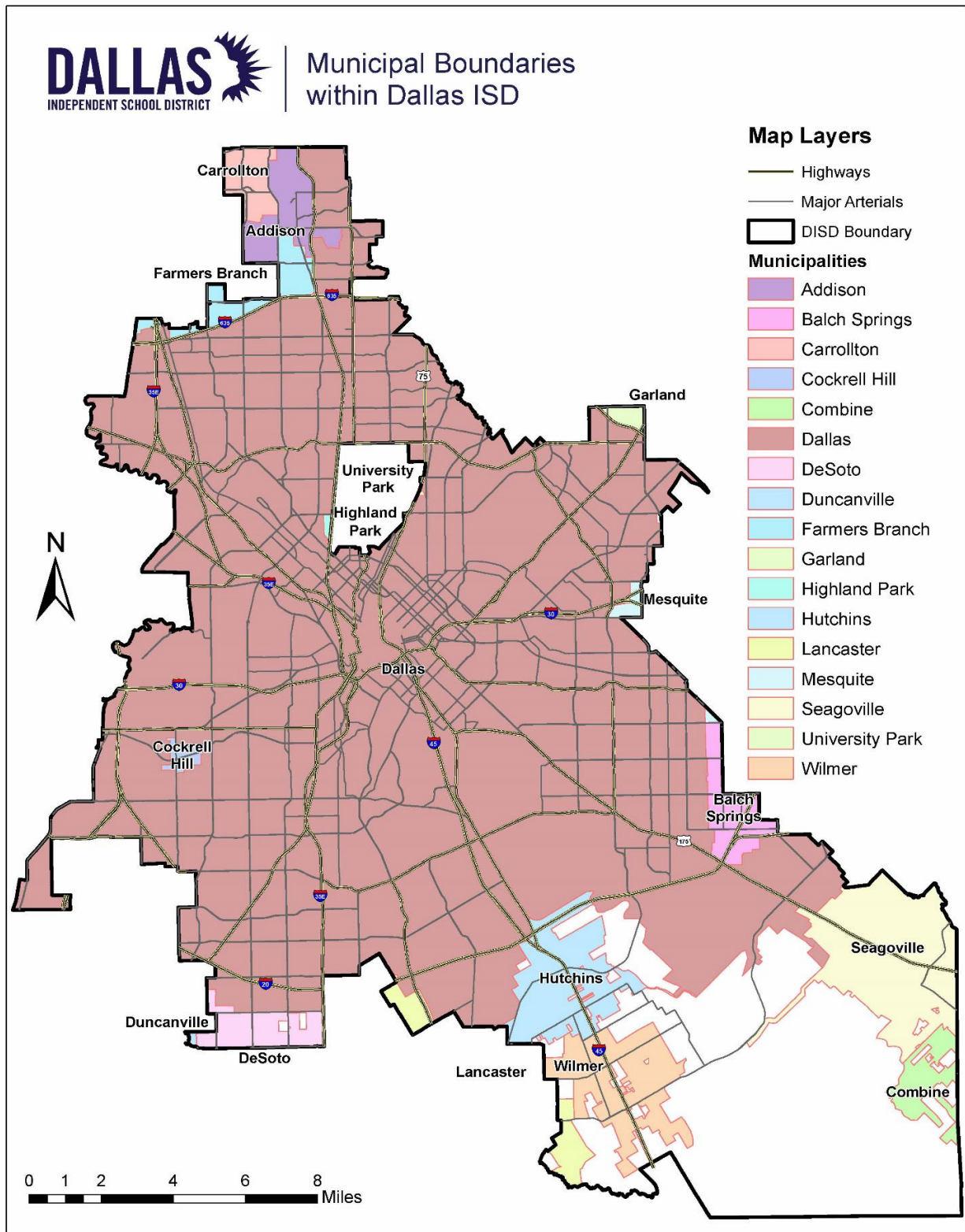
## **DISTRICT PROFILE**

The Dallas Independent School District is an independent public school district operating under applicable laws and regulations of the State of Texas providing a full range of educational services appropriate to grade levels prekindergarten through twelve. The District is the second-largest public school district in the state, and the 14th-largest district by enrollment in the nation. In the 2016-2017 school year, the District served an ethnically and culturally diverse enrollment of 157,886 students in 240 schools. Our students came from homes where approximately 70 different languages are spoken. The ethnic composition was approximately 70.2% Hispanic, 22.5% African-American, 4.9% White, 1.4% Asian, and 1.0% other ethnicities. Dallas ISD had 20,757 full-time employees in 2016-2017. The District sits in the heart of the large, diverse and dynamic Dallas-Fort Worth metropolitan area, which has a population of approximately 7.1 million people in 12 counties in North Central Texas. The District comprises 384 square miles and encompasses all or portions of the municipalities of Dallas, Addison, Balch Springs, Carrollton, Cockrell Hill, Combine, DeSoto, Duncanville, Farmers Branch, Garland, Highland Park, Hutchins, Lancaster, Mesquite, Seagoville, University Park, and Wilmer.

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

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

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





## **GOVERNMENTAL STRUCTURE, BUDGET PROCESS, AND BUDGETARY CONTROL**

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

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

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

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



## **THE ECONOMIC CONDITION OF THE DISTRICT**

### **THE LOCAL ECONOMY**

The local economy continues to remain strong and vibrant. As of December 2016, the Dallas-Plano-Irving metropolitan division had a real gross product of \$353.2 billion and is expected to grow to \$434.0 billion (+4.2%) by 2021. The economy in the Dallas-Plano-Irving metropolitan division is also among the most diverse in the nation. Industry sectors and their share of overall employment was as follows: 21.6% trade, transportation and logistics, 18.7% professional and business services, 11.5% health services, 10.5% leisure and hospitality, 10.3% public administration including education, 7.5% manufacturing, 6.1% construction, 5.8% financial services, 2.3% information, 1.2% natural resources and mining, and 4.5% other services. The Dallas metropolitan area is home to several Fortune 500 Companies, and the City of Dallas diversified economy shields the area from large swings in unemployment. As of December 2016, the Dallas-Fort Worth metropolitan area had an unemployment rate of 3.7% and a median household income of \$59,946. The Dallas-Plano-Irving metropolitan division population was 4,736,043 and is projected to grow to 5,158,643 (+1.7%) by 2021. The population of the City of Dallas was 1.3 million.

### **LONG-TERM FINANCIAL PLANNING**

Strength in the local economy has helped to sustain growth in local property values in recent years. The District's certified net taxable property value grew from \$76.0 billion in 2011 to \$91.2 billion in 2016, a 20.0% increase over the five-year period. The District's certified net taxable property value for 2017 increased by 10.7% versus 2016 to \$100.9 billion. Revenue from local sources represented approximately 72.2% of Dallas ISD's General Fund total revenue, with revenue from property taxes driving local revenues. Additionally, the District's taxable value base is diverse. In 2017, the taxable value base was diversified among commercial, residential, and business personal property. The District's top ten taxpayers comprised only 4.76% of the District's total taxable value and no one taxpayer had a significant impact on the District's property tax income.

Net taxable property values are projected to grow 8% annually through the 2018 tax year and thereafter 6.5 to 6.0% annually through the 2020 tax year. It is assumed that a Maintenance & Operations tax rate of \$1.040050 per \$100 valuation will be levied, and the estimated tax collection rate will remain at 98% through the forecast period.

It is critical to note that as local revenue increases due to rising net taxable property values, state revenue decreases. This is because the state education finance system is designed to decrease the State's contribution to education when local property values rise or student attendance decreases. It is also critical to note that in 2018-2019 the District is projected to be subject to Chapter 41 of Texas Education Code recapture.

Student enrollment heavily influences Average Daily Attendance, which is one of the key drivers of the District's state revenue. Student enrollment grew slightly each year after 2009-10, rising to 160,253 in fiscal year 2014-15, but fell 1.03% in 2015-16 to 158,604 and again fell in 2016-17 to 157,886. Based on a demographic study conducted for the District in early 2017, student enrollment is projected to decrease to 154,278 by 2021 and 151,921 by 2026 under a moderate growth projection. The reasons for the projected decline are various, but the District is responding by strategically investing in early learning education, public school choice, college readiness, accelerating campus excellence, and a competitive teacher compensation plan in order to deliver differentiated, competitive educational options for area students and ultimately drive increased enrollment. Details are provided in the Major Initiatives section.

In regards to federal revenue, the District is projected to continue to add the Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs) rebates to the General Fund revenues for fiscal year 2017-2018 through fiscal year 2018-2019. The subsidies end in 2035 and 2033, respectively. BABs and QSCBs are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. There is flexibility to deposit the tax rebate into the General Fund or the Debt Service Fund. Management made the decision to move the subsidy rebate to the Maintenance and Operations (M&O) General Fund.

The average age of all school buildings in 2016-2017 was 50.3 years old. The average age of buildings by level was 51.4 years for elementary, 47.2 years for middle, and 49.3 for high schools. Voters approved a \$1.6 billion bond referendum on November 3, 2015, and the District's 2015 Bond Program began after the first sale of bonds in February 2016. Under the leadership and supervision of the Construction Services Department, the \$1.6 billion is improving and building District facilities. This includes \$100 million for technology improvements to campuses. As of June 30, 2017, the Program scope consisted of 180 projects, including 9 new facilities, 18 addition/renovations, and 153 straight renovation projects. The completion of construction is targeted for 2022. As of June 30, 2017, five projects were in construction and nine other projects were in procurement/bidding. Overall, the entire 2015 bond program is within budget.

## RELEVANT FINANCIAL POLICIES

Similar to all public school districts in Texas, the District is required to comply with laws, regulations, and guidelines mandated by the Texas Legislature, Texas Education Agency, Federal agencies, and other State regulatory bodies and Federal agencies. Additionally, the Board has adopted local policies to guide the financial practices of the District. One of those policies is CE(LOCAL) which includes the Fund Balance Policy provision below. Awareness of this provision will be useful to readers of the financial statements.

*The District shall strive to maintain a yearly fund balance in which the unassigned fund balance adequately finances two months of operating expenditures plus the cash flow deficits that occur during the fall months prior to the receipt of tax revenue... Use of the unassigned fund balance will be restricted to funding general fund operating expenditures unless an emergency occurs... The Superintendent of Schools and the Chief Financial Officer may assign a portion of the fund balance for an intended purpose, as required by generally accepted accounting principles.*

As of June 30, 2016, the General Fund unassigned fund balance was \$98,359,896 which was short of the Board's stated goal of two months' operating expenditures due to the assignment of fund balance for the \$75,000,000 of Multi-Modal Limited Maintenance Tax Notes and \$143,340,000 of Limited Maintenance Tax Qualified School Construction Bonds. As of June 30, 2017, the District transferred \$103,668,000 from the General Fund to the Debt Service Fund to pay \$75,000,000 of Multi-Modal Limited Maintenance Tax Notes due in 2034 and \$28,668,000 (the maximum allowable) of \$143,340,000 of Limited Maintenance Tax Qualified School Construction Bonds due in 2033. As of June 30, 2017, the General Fund unassigned fund balance was \$133,385,186 which is more compliant with the Fund Balance Policy. Going forward through 2033, the District expects to annually transfer \$7,167,000 from the General Fund to the Debt Service Fund in order to set aside funds for the future Qualified School Construction Bond liability.

## **MAJOR INITIATIVES**

The District continues to transform itself in pursuit of the vision to become a premier urban district and the mission to educate all students for success. The ultimate goal of the strategic plan to raise student achievement for all students is based on graduating students prepared to succeed in college and a career. The District is pursuing this priority by making strategic investments in the major initiatives detailed below during 2017-2018.

### **Collegiate Academies**

Dallas ISD is expanding opportunities for students, thanks to an exciting partnership with the Dallas County Community College District. In fall 2016, Dallas ISD opened eight new collegiate academies (Cohort 1), one of which is a Pathways to Technology Early College High School (P-TECH), the first of its kind in the State of Texas.

In 2017-2018 the District will add 10 additional collegiate academies (Cohort 2), and in 2018-2019 the District will open one additional collegiate academy (Cohort 3). These schools will enable students to:

- Earn an Associate of Applied Science degree tuition-free while in high school
- Earn as many as 60 hours of tuition-free college credit as a high school student
- Eliminate thousands of dollars in college tuition costs by earning college credit hours while in high school
- Start college at a four-year university already having completed two years in high school, thereby earning a four-year degree in less time than their peers
- Enter the job market with a work-ready skill upon completion of high school
- Become familiar with the effort required to successfully complete college-level coursework while a high school student

The collegiate academies are designed to serve incoming ninth-grade students who have the determination to attend college, are first-generation college students, and have been historically underrepresented in higher education. Each collegiate academy will accept 100 ninth-grade students per year. The collegiate academy model begins in ninth grade, and students will only be accepted into the program as freshmen. They will move together as a cohort as they progress through high school.

Each collegiate academy will have a higher education partner and offer its own academic pathway leading to an Associate of Applied Science degree. The career pathways available to students will encompass health sciences, information technology, cybersecurity, culinary arts, animal sciences, law enforcement, and other areas.

For the Collegiate Academies initiative, the District plans a strategic investment of \$16,904,989 across all cohorts during 2017-2018.

### **Accelerating Campus Excellence (ACE)**

Dallas ISD's Accelerating Campus Excellence (ACE) plan accelerates school transformation through three primary factors: strong school leadership, effective teachers, and high expectations for both students and staff. The ACE plan incentivizes top teachers and principals to work at the District's highest-need schools to ensure that effective teachers are in the classrooms where they are most needed.

Since the program's inception in 2015, ACE schools have improved in all areas. Academic performance has increased in core content areas, attendance has improved, and parents feel more positive about their child's school.

In 2016, Texas Education Agency (TEA) accountability ratings showed that six of the seven ACE schools moved from “Improvement Required” to “Met Standard.” Furthermore, these campuses collectively received nine distinction designations from the State.

The District plans a strategic investment of \$5,104,790 for the ACE program initiative for 2017-2018.

### **Early Learning**

Increased publicity and public awareness about the brief window of time during which a child’s brain develops has prompted more demand for early childhood education options, which the District has addressed with a renewed emphasis on early learning programs. This emphasis has ramped up investment in early childhood education initiatives to accommodate a growth in pre-K registrations and provide support for hundreds of teachers through the addition of new pre-K specialists and coaches.

The District plans a strategic investment of \$6,312,894 for the Early Learning initiative for 2017-2018.

### **Public School Choice**

As Dallas continues to grow and transform, so must its public education system. Dallas ISD must prepare its students to thrive in a future world that will continue to change. Thriving in the future requires the ability to think critically and creatively, solve problems with no obvious solutions, make judgments about alternative points of view, communicate effectively, work collaboratively with people from diverse backgrounds, and navigate unprecedented levels of information. It demands that students are resilient, imaginative, and curious about the world around them.

As the District seeks to ensure that all students graduate from high school ready for college and career, Public School Choice (PSC) will be a mechanism for growing the range of options so that all Dallas ISD students can attend a “best-fit school.” A “best-fit school” is a school where educators can more meaningfully and more deeply engage students intellectually by tapping into their specific interests, aspirations, and preferred learning styles.

Public School Choice will showcase a single, schoolwide “anchor model” around which all teaching and learning happens, such as a Science/Technology/Engineering/Math (STEM) model, a performing and visual arts model, or a Montessori model. All students are unique individuals. They learn in different ways; they aspire to different careers; and they are interested in different subjects. The more “best-fit” options, the better. The goal is clear: If all students are able to attend a high-quality, “best-fit school,” they will realize their full academic potential.

The District plans a strategic investment of \$3,000,000 for the Public School Choice initiative for 2017-2018.

### **Teacher Excellence Initiative (TEI)**

In 2011, Dallas ISD leaders proposed a pay-for-performance model that would reward teachers for effectiveness. On Aug. 23, 2012, Dallas ISD’s Board of Trustees voted to approve TEI as part of the District’s action plan. TEI replaced the long-established method of compensating teachers by tenure and college degrees with a system that compensates teachers based on performance, student perceptions, and student achievement. The strategic compensation plan in TEI gives teachers the opportunity to significantly increase their salaries in shorter spans of time based on teacher effectiveness.

The District plans a strategic investment of \$17,000,000 for the Teacher Excellence Initiative for 2017-2018.

## **AWARDS AND ACKNOWLEDGMENTS**

### **AWARDS**

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

The FIRST (Financial Integrity Rating System of Texas) program is a financial accountability system for Texas school districts that was developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. FIRST measures and rates districts' financial performance, toward the dual goals of improving the quality of Texas school districts' financial management practices, and encouraging districts to provide the maximum possible allocation of district resources toward direct instructional purposes. The District was rated "Superior" for 2016-2017. Superior is the highest possible rating and demonstrates the soundness of Dallas ISD's financial management practices.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the District published a Comprehensive Annual Financial Report (CAFR) in which contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe this fiscal 2017 CAFR continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


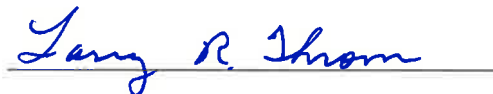
The District received the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award for the fiscal year ended June 30, 2016. This award certifies that the CAFR substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. A Certificate of Excellence is valid for a period of one year. We believe this fiscal 2017 CAFR continues to meet the Certificate of Excellence program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The District received the ASBO Meritorious Budget Award for its 2016-17 fiscal year budget. This award certifies that the budget adheres to the principles and standards of ASBO International's Meritorious Budget Award criteria. A Meritorious Budget Award is valid for a period of one year. We believe the 2017-2018 fiscal year budget continues to conform to the program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

The GFOA also presented a Distinguished Budget Presentation Award to the District for its 2016-17 fiscal year budget. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year.

**ACKNOWLEDGMENTS**

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

  
\_\_\_\_\_  
Michael Hinojosa, Ed.D.  
Superintendent of Schools  
\_\_\_\_\_  
Larry R. Thom  
Chief Financial Officer  
\_\_\_\_\_  
Edward E. Sorola, RTSBA  
Executive Director of Finance and Accounting Services  
\_\_\_\_\_  
Shonna S. Pumphrey, CPA, RTSBA  
Director of Accounting Services



Government Finance Officers Association

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

Presented to

**Dallas Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive style with a large, stylized 'J' and 'E'.

Executive Director/CEO





**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

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

**Dallas Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



**Anthony N. Dragona, Ed.D., RSBA**  
President

**John D. Musso, CAE**  
Executive Director



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Dallas Independent School District  
Texas**

For the Fiscal Year Beginning

**July 1, 2016**



Executive Director



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

This Meritorious Budget Award is presented to

# DALLAS INDEPENDENT SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget  
for the Fiscal Year 2016-2017.

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



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, reading 'John D. Musso'.

**John D. Musso, CAE, RSBA**  
Executive Director

# Board of Trustees



**Dan Micciche**  
*President*  
District 3: Northeast  
Dallas



**Edwin Flores**  
*First Vice President*  
District 1: Northwest Dallas,  
including North Dallas,  
Addison, and parts of  
Carrollton and Farmers  
Branch



**Joyce Foreman**  
*Second Vice President*  
District 6: Southwest  
Dallas



**Audrey Pinkerton**  
*Board Secretary*  
District 7: North  
Central Oak Cliff and  
parts of West Dallas



**Dustin Marshall**  
District 2: North and Near  
East Dallas



**Jaime Resendez**  
District 4: Southeast  
Dallas, Seagoville,  
Balch Springs



**Lew Blackburn, Ph.D.**  
District 5: Oak Lawn,  
West Dallas, Wilmer,  
Hutchins and portions  
of East Oak Cliff



**Miguel Solis**  
District 8: Love Field,  
Northwest Dallas, and  
Central Dallas



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

**Certificate of the Board**

Dallas Independent School District  
Name of School District

Dallas  
County

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

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2017, at a meeting of the Board of School Trustees of such school district on the 16<sup>th</sup> day of NOVEMBER, 2017.

Andrew Pinkerton  
Signature of Board Secretary

Dan  
Signature of Board President

Dallas Independent School District  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017

**ADMINISTRATIVE OFFICIALS**

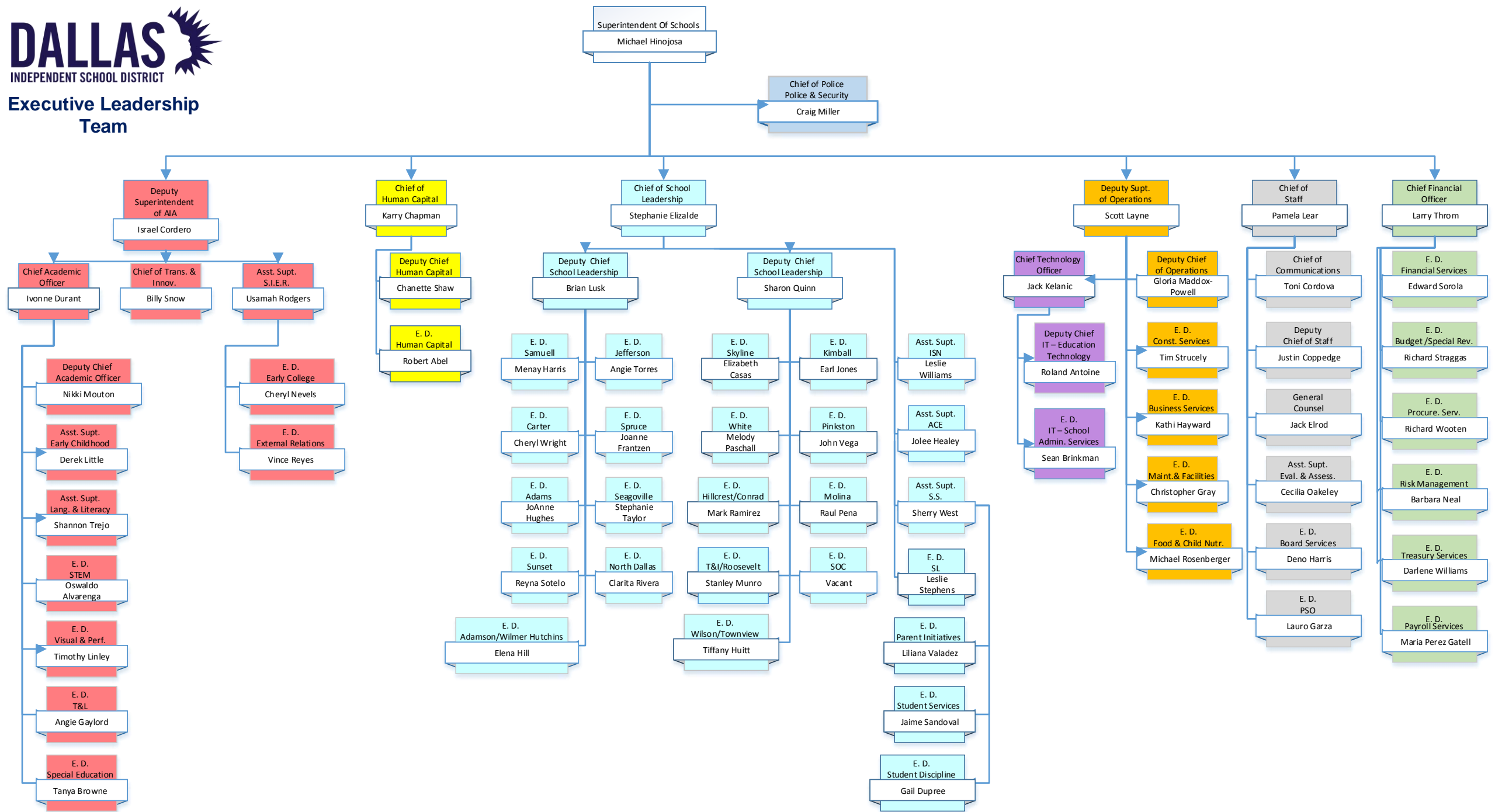
**Michael Hinojosa, Ed.D.**  
**Superintendent of Schools**

Karry Chapman.....	Chief of Human Capital Management
Israel Cordero.....	Deputy Superintendent of Academic Improvement and Accountability
Stephanie Elizalde.....	Chief of School Leadership
Scott Layne.....	Deputy Superintendent of Operations
Pamela Lear.....	Chief of Staff
Craig Miller.....	Chief of Police
Larry Throm.....	Chief Financial Officer
Toni Cordova.....	Chief of Communications
Ivonne Durant.....	Chief Academic Officer
Jack Kelanic.....	Chief Technology Officer
Billy Snow.....	Chief of Transformation and Innovation
Mike Singleton, CPA.....	Chief Internal Auditor





Executive Leadership Team







## Independent Auditor's Report

Board of Trustees  
Dallas Independent School District  
Dallas, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas Independent School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the **management's discussion and analysis, budgetary comparison information** and notes to the budgetary comparison, and TRS pension schedules and notes to the TRS pension schedules on pages 5 through 15, 62 and 63, and 64 through 66, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing **the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.** We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that **collectively comprise the District's basic financial statements.** The introductory section, combining and other statements, required Texas Education Agency schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

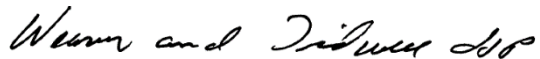
The combining and other statements, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and other statements, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees  
Dallas Independent School District

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Weaver and Tidwell LLP". The signature is written in a cursive, flowing style.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 30, 2017

## **Dallas Independent School District**

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

This section of the District's CAFR discusses and analyzes the District's financial performance for the fiscal year ended June 30, 2017. The intent of this management discussion and analysis is to look at financial performance as a whole. Therefore, readers should also review the transmittal letter, financial statements, and the notes to the basic financial statements to further enhance their understanding of the District's financial performance.

## **FINANCIAL HIGHLIGHTS**

The District's total combined net position as presented on the Government-wide Statement of Net Position was \$513.7 million. For the year ended June 30, 2017, the net position of the District increased by \$38.3 million.

The District's governmental funds financial statements reported a combined ending fund balance of \$1,198.9 million. This balance consists of \$260.1 million in the General Fund of which \$118.0 million is assigned, \$8.8 million is non-spendable, and \$133.4 million is unassigned and available for spending at the District's discretion. Restricted fund balance totals \$824.5 million and is used by the Debt Service Fund, Capital Projects Fund and Non-Major Funds. Fund balance in the Non-Major Funds also consists of \$6.8 million in non-spendable and \$3.8 million in assigned.

For the year ended June 30, 2017, total revenue from all sources was \$2.0 billion. Program revenues accounted for \$342.5 million of total revenues. General revenues and special items accounted for \$1.6 billion.

The General Fund had \$1.4 billion in revenues, which primarily consisted of property taxes and state aid and \$1.4 billion in expenditures, in addition to a \$104.5 million transfer out to the Debt Service Fund. This resulted in a decrease to the fund balance of \$122.5 million.

In June 2017, the District issued \$4.4 million in "Qualified Zone Academy Bonds, Taxable Series 2017" for the purchase of new technology.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**Fund Financial Statements.** The remaining statements are fund financial statements that focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The fund financial statements provide more detailed information about the District's most

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

significant funds rather than the District as a whole. Funds are a governmental accounting tool that the District uses to track specific sources of funding and spending for particular purposes. Some funds are required by state law and by bond covenants. The Board of Trustees establishes other funds to control and manage resources for specific purposes or to delineate the use of certain taxes and grants.

The District has three kinds of funds:

- **Governmental Funds**—All of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine the availability of financial resources to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information immediately following the governmental funds statements that explain the relationship (or differences) between them. These include debt financing, capital assets, and revenue recognition.
- **Proprietary Funds**—Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The District's five proprietary funds are Internal Service Funds. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its risk management, graphics, program evaluation and accountability, technology and deferred maintenance programs. The proprietary fund statements offer short and long-term financial information about the activities the District operates like a business.
- **Fiduciary Funds**—Fiduciary funds are used to account for resources held by the District in a custodial capacity. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. Fiduciary funds are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The fiduciary fund statement provides information about the financial relationships in which the District acts solely as a custodian or agent for funds that belong to others.

**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

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

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

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

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

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

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



**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position.** As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's combined net position between fiscal years 2017 and 2016 increased by \$38.3 million. The District's net investment in capital assets is \$268.4 million and includes investments in capital assets (e.g. land, building, equipment, improvements, and construction in progress) less any debt used to acquire those assets that is still outstanding.

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

Of the remaining net position, \$79.5 million are restricted resources subject to external restrictions on how they are used, and \$165.8 million are unrestricted resources available to meet the District's ongoing obligations.

Exhibit 2 provides a summary of the Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position for governmental activities for years ended June 30, 2017 and 2016, respectively.

**Exhibit 2  
Net Position  
Governmental Activities**

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change Increase/ (Decrease)</u>	<u>% Change Increase/ (Decrease)</u>
Current and Other Assets	\$ 1,586,959,005	\$ 1,705,093,440	\$ (118,134,435)	(6.9%)
Capital Assets	2,605,775,524	2,542,913,333	62,862,191	2.5%
<b>Total Assets</b>	<u>4,192,734,529</u>	<u>4,248,006,773</u>	<u>(55,272,244)</u>	<u>(1.3%)</u>
<b>Deferred Outflows of Resources</b>	<u>255,373,121</u>	<u>266,356,345</u>	<u>(10,983,224)</u>	<u>(4.1%)</u>
Current Liabilities	307,434,995	291,023,658	16,411,337	5.6%
Long Term Liabilities	3,600,478,502	3,716,131,453	(115,652,951)	(3.1%)
<b>Total Liabilities</b>	<u>3,907,913,497</u>	<u>4,007,155,111</u>	<u>(99,241,614)</u>	<u>(2.5%)</u>
<b>Deferred Inflows of Resources</b>	<u>26,522,625</u>	<u>31,795,743</u>	<u>(5,273,118)</u>	<u>(16.6%)</u>
Net Position:				
Net Investment in				
Capital Assets	268,379,771	19,321,452	249,058,319	1289.0%
Restricted	79,484,886	254,277,208	(174,792,322)	(68.7%)
Unrestricted	165,806,871	201,813,604	(36,006,733)	(17.8%)
<b>Total Net Position</b>	<u>\$ 513,671,528</u>	<u>\$ 475,412,264</u>	<u>\$ 38,259,264</u>	<u>8.0%</u>

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

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

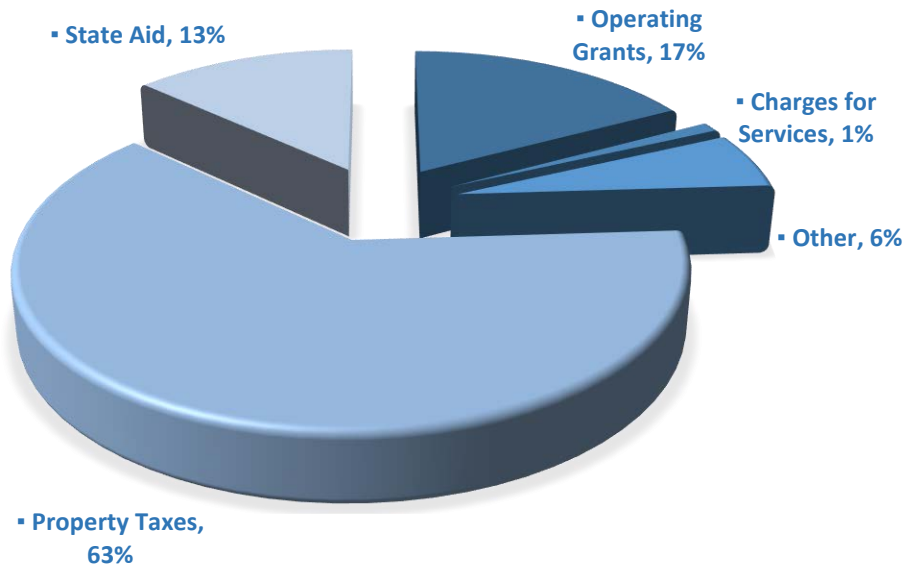
	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>\$ Change Increase/ (Decrease)</u>	<u>% Change Increase/ (Decrease)</u>
<b>Revenues</b>				
Program Revenues:				
Operating Grants and Contributions	\$ 334,916,110	\$ 361,222,410	\$ (26,306,300)	(7.3%)
Charges for Services	7,543,443	5,582,095	1,961,348	35.1%
General Revenues:				
Investment Earnings	10,901,449	8,457,518	2,443,931	28.9%
Property Taxes	1,237,362,483	1,122,388,194	114,974,289	10.2%
State Aid	257,588,928	345,639,301	(88,050,373)	(25.5%)
Grants and Contributions, Unrestricted	70,160,602	81,703,893	(11,543,291)	(14.1%)
Other	34,387,827	36,477,865	(2,090,038)	(5.7%)
Total Revenues	<u>1,952,860,842</u>	<u>1,961,471,276</u>	<u>(8,610,434)</u>	<u>(0.4%)</u>
<b>Expenses</b>				
Instruction	956,576,387	998,278,934	(41,702,547)	(4.2%)
Instructional Resources and Media Services	24,430,222	25,176,186	(745,964)	(3.0%)
Curriculum and Staff Development	51,704,106	58,250,759	(6,546,653)	(11.2%)
Instructional Leadership	37,602,700	36,526,926	1,075,774	2.9%
School Leadership	106,125,020	107,487,393	(1,362,373)	(1.3%)
Guidance, Counseling and Evaluation Services	72,535,828	73,248,880	(713,052)	(1.0%)
Social Work Services	2,997,092	3,313,751	(316,659)	(9.6%)
Health Services	21,451,753	21,511,094	(59,341)	(0.3%)
Student (Pupil) Transportation	55,779,292	53,830,113	1,949,179	3.6%
National Breakfast and Lunch	123,592,132	118,626,758	4,965,374	4.2%
Cocurricular/Extracurricular Activities	38,266,030	36,421,282	1,844,748	5.1%
General Administration	51,693,840	53,243,020	(1,549,180)	(2.9%)
Facilities Maintenance and Operations	157,815,314	166,498,335	(8,683,021)	(5.2%)
Security and Monitoring Services	23,036,834	21,386,056	1,650,778	7.7%
Data Processing Services	45,348,246	46,293,855	(945,609)	(2.0%)
Community Services	12,992,401	13,166,512	(174,111)	(1.3%)
Debt Service - Interest on Long Term Debt	126,555,232	199,431,914	(72,876,682)	(36.5%)
Debt Service - Bond Related Fees	85,007	4,410,076	(4,325,069)	(98.1%)
Facilities Acquisition and Construction	1,078,436	1,336,580	(258,144)	(19.3%)
Payments to Juvenile Justice Alt. Ed. Prg.	8,814	5,622	3,192	56.8%
Payments to Tax Increment Fund	7,476	-	7,476	100.0%
Other Intergovernmental Charges	4,919,416	4,791,696	127,720	2.7%
Total Expenses	<u>1,914,601,578</u>	<u>2,043,235,742</u>	<u>(128,634,164)</u>	<u>(6.3%)</u>
Increase (decrease) in Net Position	38,259,264	(81,764,466)	120,023,730	146.8%
Net Position - Beginning	475,412,264	557,176,730	(81,764,466)	(14.7%)
Net Position - Ending	<u>\$ 513,671,528</u>	<u>\$ 475,412,264</u>	<u>\$ 38,259,264</u>	<u>8.0%</u>

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

The District's total revenues decreased \$8.6 million, or 0.4%, over the prior year due to a decrease in state aid revenue.

**Other Financial Highlights.** For the year ended June 30, 2017, the District's total revenues were \$2.0 billion. Approximately 63% of the District's revenue was generated from property taxes, 13% was state aid, 17% from operating grants and the remaining 7% was generated from miscellaneous revenue sources (See Exhibit 4).

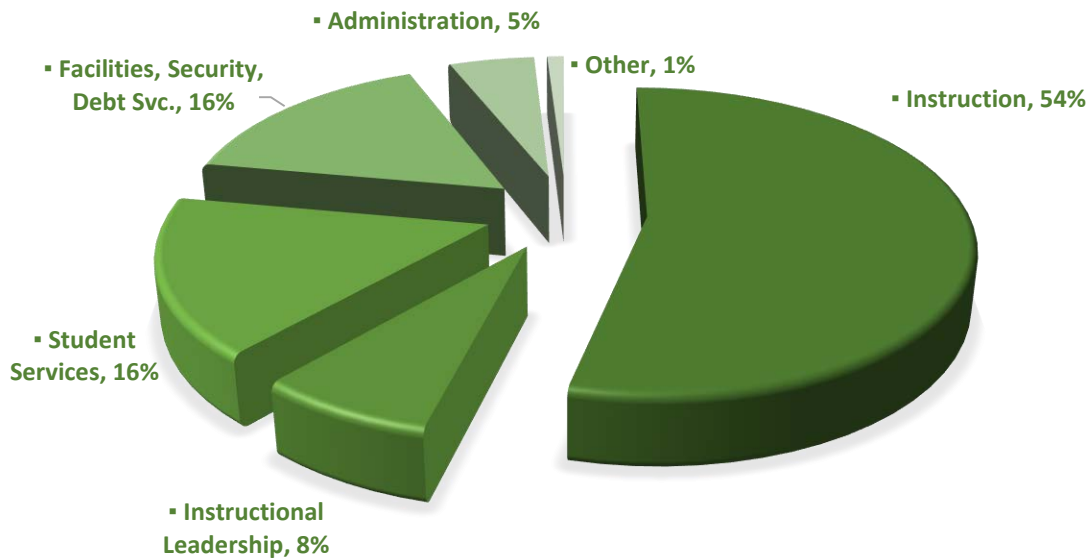
**Exhibit 4  
Sources of Revenue  
Governmental Activities**



**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

For the year ended June 30, 2017, the District's total cost of all programs and services was \$2.0 billion. Approximately 54% of the District's governmental activities were dedicated to instructional areas. Direct student services, such as counseling, nursing, and transportation services, comprised 16% of governmental expenses. The costs to operate facilities, including utilities, security services and debt payments comprised 16% of the cost of all programs (See Exhibit 5).

**Exhibit 5  
Expenditure Allocations  
Governmental Activities**



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

For the fiscal year ended June 30, 2017, the District's governmental funds reported ending fund balances of \$1.2 billion. Of this amount, \$133.4 million constitutes unassigned fund balance available for use in activities at the District's discretion. The remainder of the fund balance is designated as non-spendable, restricted or assigned, to indicate that it is not available for new spending because it has already been purposed for bond projects, debt service and other obligations of the District.

The General Fund is the chief operating fund of the District. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned and total fund balance to the total fund expenditures. Unassigned fund balance represents 9.2% of the total General Fund expenditures, while total fund balance represents 18.0% of that same amount.

The Debt Service Fund has a total fund balance of \$216.0 million, of which \$112.3 million is restricted for the payment of debt service requirements. The Capital Projects Fund balance decreased by \$109.1 million to \$693.9 million. This is due to the issuance of Unlimited Tax School Building bonds and proceeds received from General Fund Maintenance Tax notes. Non-Major Governmental Funds have a total fund balance of \$29.0 million representing a decrease for the current year of \$0.8 million.

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

**Capital Assets.** At June 30, 2017, the District had \$2.6 billion of capital assets, net of depreciation and loss on disposition of assets, including land, equipment, buildings, and vehicles. This amount represents a net increase of \$62.9 million or 2.47% over last year (See Exhibit 6.)

**Exhibit 6  
District's Capital Assets**

	June 30, 2017	June 30, 2016	\$ Change	% Change
Land	\$ 219,651,075	\$ 207,321,469	\$ 12,329,606	5.95%
Building and Improvements	3,619,335,104	3,482,978,400	136,356,704	3.91%
Furniture and Equipment	229,757,441	217,616,191	12,141,250	5.58%
Total	<u>4,068,743,620</u>	<u>3,907,916,060</u>	<u>160,827,559</u>	<u>4.12%</u>
Accumulated Depreciation	(1,544,100,160)	(1,430,236,337)	(113,863,823)	7.96%
Net Book Value, net of CIP	<u>2,524,643,460</u>	<u>2,477,679,723</u>	<u>46,963,737</u>	<u>1.90%</u>
Construction in Progress	81,132,064	65,233,610	15,898,454	24.37%
Net Book Value	<u>\$ 2,605,775,524</u>	<u>\$ 2,542,913,333</u>	<u>\$ 62,862,191</u>	<u>2.47%</u>

For the year ended June 30, 2017, the District's capital spending totaled \$183.8 million in land, construction in progress, buildings and improvements and capital equipment.

The capital project program is for improving the District's facilities and technology infrastructure. The capital projects program currently consists of the 2008 - \$1.35 billion bond authorization, 2013 - \$143.3 million Limited Maintenance Tax Qualified School Construction Bonds, 2015 - \$75 million Multi-Modal Limited Maintenance Tax Notes (Bridge program), 2015 - \$1.6 billion bond authorization, and 2017 - \$4.4 million in Qualified Zone Academy Bonds, Taxable Series 2017. The 2008 and 2015 bond authorizations have \$96 million and \$100 million targeted for technology needs respectively. In addition, \$7.1 million in land, building and capital equipment were retired during the year. For more information on the District's capital assets, see Note H in the financial statements.

**Debt Administration.** For the year ended June 30, 2017, the District had \$3.6 billion in long-term debt outstanding. This represents a net decrease of \$115.7 million, or 3.1%, over last year. (See Exhibit 7).

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

	June 30, 2017	June 30, 2016	\$ Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Bonds and notes payable	\$ 2,939,100,000	\$ 3,057,490,000	\$ (118,390,000)	(3.9%)
Workers compensation liability	9,284,842	9,574,668	(289,826)	(3.0%)
Premium on bonds	192,207,755	221,917,322	(29,709,567)	(13.4%)
Net Pension Liability (District's Share)	459,885,905	427,149,463	32,736,442	7.7%
Long Term Debt Outstanding	<u>\$ 3,600,478,502</u>	<u>\$ 3,716,131,453</u>	<u>\$ (115,652,951)</u>	<u>(3.1%)</u>

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

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

**BUDGETARY HIGHLIGHTS**

During the fiscal year ended June 30, 2017, the Board amended the General Fund operating budget on a monthly basis. These amendments fall into the following categories:

- Amendment approved to recognize additional revenue of \$1.224 million from 2012 Property Taxable Value Audit, partially offset by \$0.122 million for attorney fee for representation during 2012 Property Taxable Value Audit.
- Amendment approved to recognize estimated \$2.1 million for Dallas Education Center rental revenue from non-DISD tenants.
- Amendment approved to recognize decrease of \$6.0 million in Pre-K revenue budget due to Texas HB-4 High Quality Prekindergarten Grant funding.
- Amendment approved to increase E-rate reimbursement revenue by \$4.84 million with a corresponding \$4.84 million increase in E-rate related expenditures.
- Amendment approved for increase of TRS On-Behalf revenue of \$3.0 million with a corresponding \$3.0 million offset in TRS On-Behalf expenditures.
- Amendment approved to increase expenditures by \$46.519 million for purchase of Dallas Education Center building partially offset by \$0.133 million in buyer settlement credits.
- Amendment approved to increase expenditures by \$3.10 million for repairs of prior year's hail and freeze damage to Dallas ISD facilities not completed in FY16.
- Amendment approved to increase Fiscal Year 2016-2017 expenditure budget by amount of unspent purchase order balances from Fiscal Year 2015-2016 totaling \$8.405 million.
- Amendment approved to increase expenditures by \$2.1 million for Dallas Education Center elevator modernization, garage assessment, phase I design, phase II design, and phase I construction.
- Amendment approved to recognize decrease of \$6.0 million Pre-K expenditure budget due to transfer of Pre-K Instructional Staff, Staff Development, and Instructional Leadership staff salary and benefit expenditure budgets to Texas HB-4 High Quality Pre-K Grant funding.
- Amendment approved to increase expenditures by \$0.630 million for attorney for representation during 2014 Property Taxable Value Audit.
- Amendment approved to increase expenditures by \$6.0 million to properly align expenditure functions.

The Debt Service Fund budget was amended in January 2017 and May 2017 by the following:

- Additional state aid revenue for facilities from homestead exemption of \$2.543 million
- Additional SB1 "Hold Harmless" revenue of \$0.050 million due to downward adjustment of taxable assessed value for 2016. Additional state aid for homestead exemption.

The Food Services revenue and expenditure budget did not change in the fiscal year ended June 30, 2017.

**Dallas Independent School District  
Management's Discussion and Analysis (Unaudited)  
For the Fiscal Year Ended June 30, 2017**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The primary factors considered in preparing the District's budget for the 2017-18 fiscal year include increases in local property values and increases in enrollment, primarily in prekindergarten.

The Board of Trustees adopted a balanced budget for 2017-18, which supports the District's goals.

Based on a demographic study conducted for the District in early 2017, student enrollment is projected to decrease to 154,278 by 2021 and 151,921 by 2026 under a moderate growth projection.

The appraised property values used for the 2017-18 budget are projected at an increase of 8%. The Maintenance and Operations tax rate remained at \$1.04005 per \$100 valuation for the 2017-18 year and the Interest and Sinking ("I&S") tax rate remained at \$0.242035 per \$100 valuation for the 2017-18 year.

In December 2010, the District issued \$950 million in taxable bonds, created by the American Recovery and Reinvestment Act of 2009 ("Build America Bonds"). The Build America Bonds carry a federal rebate on interest costs. The District continues to budget the federal subsidy from these bonds in the General Fund. Additionally, in December 2013 the District issued \$143.3 million in Limited Maintenance Tax Qualified School Construction Bonds. The Notes also carry a federal subsidy budgeted in the General Fund.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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



## **BASIC FINANCIAL STATEMENTS**

**Dallas Independent School District  
Statement of Net Position  
June 30, 2017**

Data Control Codes		Primary Government
		Governmental Activities
<b>ASSETS</b>		
1110	Cash and Cash Equivalents	\$ 964,835,224
1120	Investments	413,030,069
1220	Property Taxes Receivables (delinquent)	66,429,819
1230	Allowance for Uncollectible Taxes (credit)	(44,121,870)
1240	Due from Other Governments	102,684,263
1250	Accrued Interest	657,262
1267	Due from Fiduciary Funds	851,144
1290	Other Receivables, Net	66,992,391
1300	Inventories	14,233,540
1410	Prepaid Items	1,367,163
Capital Assets		
1510	Land	219,651,075
1520	Buildings and Improvements, Net	2,243,789,496
1530	Furniture and Equipment, Net	61,202,889
1580	Construction in Progress	81,132,064
1000	<b>Total Assets</b>	<b>4,192,734,529</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1701	Deferred Loss on Refunding	100,024,377
1705	Related to the TRS Pension	155,348,744
1700	<b>Total Deferred Outflows of Resources</b>	<b>255,373,121</b>
<b>LIABILITIES</b>		
2110	Accounts Payable	45,498,845
2120	Other Liabilities	51,826
2140	Interest Payable	54,709,762
2150	Payroll Deductions & Withholdings Payable	14,988,799
2160	Accrued Wages and Benefits Payable	150,299,794
2180	Due to Other Governments	29,106,409
2200	Accrued Expenses	8,553,862
2300	Unearned Revenue	4,225,698
Noncurrent Liabilities		
2501	Due Within One Year	74,469,226
2502	Due in More Than One Year	3,066,123,371
2540	Net Pension Liability (District's Share)	459,885,905
2000	<b>Total Liabilities</b>	<b>3,907,913,497</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2605	Related to the TRS Pension	26,522,625
2600	<b>Total Deferred Inflows of Resources</b>	<b>26,522,625</b>
<b>NET POSITION</b>		
3200	Net Investment in Capital Assets	268,379,771
3820	Restricted for Federal and State Programs	15,511,302
3850	Restricted for Debt Service	61,157,981
3890	Restricted for Other Programs	2,815,603
3900	Unrestricted	165,806,871
3000	<b>Total Net Position</b>	<b>\$ 513,671,528</b>

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

**Dallas Independent School District**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

				Net (Expense) Revenue and Changes in Net Position
		Program Revenues		
	1	3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government				
<b>GOVERNMENTAL ACTIVITIES</b>				
11 Instruction	\$ 956,576,387	\$ -	\$ 115,271,753	\$ (841,304,634)
12 Instructional Resources and Media Services	24,430,222	-	1,247,814	(23,182,408)
13 Curriculum and Staff Development	51,704,106	446,980	39,327,109	(11,930,017)
21 Instructional Leadership	37,602,700	49,664	7,263,442	(30,289,594)
23 School Leadership	106,125,020	-	6,856,516	(99,268,504)
31 Guidance, Counseling and Evaluation Services	72,535,828	-	15,423,452	(57,112,376)
32 Social Work Services	2,997,092	-	645,057	(2,352,035)
33 Health Services	21,451,753	-	2,097,176	(19,354,577)
34 Student (Pupil) Transportation	55,779,292	-	11,853,153	(43,926,139)
35 Food Services	123,592,132	1,464,642	110,333,436	(11,794,054)
36 Cocurricular/Extracurricular Activities	38,266,030	909,673	942,957	(36,413,400)
41 General Administration	51,693,840	-	5,150,750	(46,543,090)
51 Facilities Maintenance and Operations	157,815,314	4,672,484	7,691,540	(145,451,290)
52 Security and Monitoring Services	23,036,834	-	1,482,600	(21,554,234)
53 Data Processing Services	45,348,246	-	1,063,828	(44,284,418)
61 Community Services	12,992,401	-	8,265,527	(4,726,874)
72 Debt Service - Interest on Long Term Debt	126,555,232	-	-	(126,555,232)
73 Debt Service - Bond Related Fees	85,007	-	-	(85,007)
81 Facilities Acquisition and Construction	1,078,436	-	-	(1,078,436)
95 Payments to Juvenile Justice Alternative Ed. Prg.	8,814	-	-	(8,814)
97 Payments to Tax Increment Fund	7,476	-	-	(7,476)
99 Other Intergovernmental Charges	4,919,416	-	-	(4,919,416)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,914,601,578</b>	<b>\$ 7,543,443</b>	<b>\$ 334,916,110</b>	<b>\$ (1,572,142,025)</b>
Data				
Control	General Revenues			
Codes	Taxes			
MT	Property Taxes, Levied for General Purposes			1,003,755,255
DT	Property Taxes, Levied for Debt Service			233,607,228
SF	State Aid not Restricted to Specific Purpose			257,588,928
GC	Grants, Contributions and Other Revenue not Restricted			70,160,602
IE	Investment Earnings			10,901,449
MI	Miscellaneous Local and Intermediate Revenue			34,387,827
TR	Total General Revenues			1,610,401,289
CN	Change in Net Position			38,259,264
NB	Net Position - Beginning			475,412,264
NE	Net Position - Ending			<u>\$ 513,671,528</u>

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

**Dallas Independent School District  
Balance Sheet  
Governmental Funds  
June 30, 2017**

	10 General Fund	50 Debt Service Fund
<b>ASSETS</b>		
1110 Cash and Cash Equivalents	\$ 226,822,635	\$ 155,396,030
1120 Investments	154,203,500	59,917,017
1220 Property Taxes Receivables (delinquent)	55,202,674	11,227,145
1230 Allowance for Uncollectible Taxes (credit)	(36,749,388)	(7,372,482)
1240 Due from Other Governments	68,089,045	368,033
1250 Accrued Interest	544,762	-
1260 Due from Other Funds	18,647,726	-
1290 Other Receivables, Net	66,711,351	-
1300 Inventories	7,430,513	-
1410 Prepaid Items	1,367,163	-
1000 <b>Total Assets</b>	<b>562,269,981</b>	<b>219,535,743</b>
<b>LIABILITIES</b>		
2110 Accounts Payable	27,455,475	-
2120 Other Liabilities	51,826	-
2150 Payroll Deductions and Withholdings Payable	13,128,184	-
2160 Accrued Wages and Benefits Payable	138,282,769	-
2170 Due to Other Funds	1,423,905	-
2180 Due to Other Governments	29,099,082	-
2200 Accrued Expenditures	7,062,270	-
2300 Unearned Revenues	2,573,066	-
2000 <b>Total Liabilities</b>	<b>219,076,577</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2601 Unavailable Revenue - Property Taxes	17,041,165	3,544,602
2602 Other Deferred Resource Inflows (See Note J)	65,998,779	-
2600 <b>Total Deferred Inflows of Resources</b>	<b>83,039,944</b>	<b>3,544,602</b>
<b>FUND BALANCES</b>		
Nonspendable Fund Balance		
3410 Inventories	7,430,513	-
3430 Prepaid Items	1,367,163	-
Restricted Fund Balance		
3450 Federal or State Funds Grant Restriction	-	-
3470 Capital Acquisition and Contractual Obligation	-	-
3480 Retirement of Long Term Debt	-	112,323,141
3490 Other Restricted Fund Balance	-	-
Assigned Fund Balance		
3565 Retirement of Loans or Notes Payable	-	103,668,000
3590 Other Assigned Fund Balance	117,970,598	-
3600 Unassigned Fund Balance	133,385,186	-
3000 <b>Total Fund Balances</b>	<b>260,153,460</b>	<b>215,991,141</b>
4000 <b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 562,269,981</b>	<b>\$ 219,535,743</b>

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

60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 507,089,250	\$ 26,561,132	\$ 915,869,047
198,904,552	5,000	413,030,069
-	-	66,429,819
-	-	(44,121,870)
-	34,227,185	102,684,263
112,500	-	657,262
-	-	18,647,726
-	251,040	66,962,391
-	6,803,027	14,233,540
-	-	1,367,163
706,106,302	67,847,384	1,555,759,410
12,218,676	4,191,336	43,865,487
-	-	51,826
-	1,860,147	14,988,331
-	11,950,552	150,233,321
-	17,921,577	19,345,482
-	7,327	29,106,409
-	1,305,836	8,368,106
-	1,652,632	4,225,698
12,218,676	38,889,407	270,184,660
-	-	20,585,767
-	-	65,998,779
-	-	86,584,546
-	6,803,027	14,233,540
-	-	1,367,163
-	15,511,302	15,511,302
693,887,626	-	693,887,626
-	-	112,323,141
-	2,815,603	2,815,603
-	-	103,668,000
-	3,828,045	121,798,643
-	-	133,385,186
693,887,626	28,957,977	1,198,990,204
\$ 706,106,302	\$ 67,847,384	\$ 1,555,759,410

## **Dallas Independent School District**

**Dallas Independent School District  
Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position  
June 30, 2017**

<b>Total Fund Balances - Governmental Funds (from C-1)</b>	<b>\$ 1,198,990,204</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets net of accumulated depreciation, less assets held in internal service funds are not financial resources and therefore are not reported as assets in governmental funds.	2,605,536,204
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Some liabilities including bonds payables are not due and payable in the current period and therefore are not reported in the funds:

Bonds and Notes Payable	(2,939,100,000)	
Deferred Losses on Refundings	100,024,377	
Premium on Bonds	(192,207,755)	(3,031,283,378)

Accrued interest is not due and payable in the current period and therefore is not reported as a liability in the governmental funds.	(54,709,762)
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Certain assets are not available to pay for current period expenditures and therefore are deferred in the funds. These are:

Deferred Resource Inflow for Property Taxes	20,585,767	
Medicaid/SHARS	65,998,779	86,584,546

Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position (see D-1).	39,613,500
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The government-wide statement includes the District's proportionate share of the TRS net pension liabilities, as well as certain pension related transactions accounted for as Deferred Inflows and Outflows of Resources.

Net Pension Liability	(459,885,905)	
Deferred Outflows of Resources - TRS Pension	155,348,744	
Deferred Inflows of Resources - TRS Pension	(26,522,625)	(331,059,786)

<b>Total Net Position of Governmental Activities (see A-1)</b>	<b>\$ 513,671,528</b>
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The notes to the basic financial statements are an integral part of this statement.

**Dallas Independent School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

Data Control Codes	10 General Fund	50 Debt Service Fund
<b>REVENUES</b>		
5700 Local and Intermediate Sources	\$ 1,034,675,784	\$ 236,539,935
5800 State Program Revenues	327,366,933	2,592,637
5900 Federal Program Revenues	57,715,906	-
5020 <b>Total Revenues</b>	<u>1,419,758,623</u>	<u>239,132,572</u>
<b>EXPENDITURES</b>		
Current		
11 Instruction	794,440,032	-
12 Instructional Resources and Media Services	21,656,920	-
13 Curriculum and Instructional Staff Development	10,856,224	-
21 Instructional Leadership	30,297,109	-
23 School Leadership	93,851,613	-
31 Guidance, Counseling and Evaluation Services	55,546,157	-
32 Social Work Services	2,419,453	-
33 Health Services	19,335,094	-
34 Student (Pupil) Transportation	55,703,302	-
35 Food Services	-	-
36 Cocurricular/Extracurricular Activities	33,901,724	-
41 General Administration	48,379,339	-
51 Facilities Maintenance and Operations	148,816,179	-
52 Security and Monitoring Services	21,352,393	-
53 Data Processing Services	34,281,732	-
61 Community Services	3,918,999	-
Debt Service		
71 Principal on Long Term Debt	1,120,000	121,675,000
72 Interest on Long Term Debt	8,368,459	139,548,869
73 Bond Fees and Charges	60,147	24,860
Capital Outlay		
81 Facilities Acquisition and Construction	54,317,476	-
Intergovernmental		
95 Payments to Juvenile Justice Alternative Ed. Prg.	8,814	-
97 Payments to Tax Increment Fund	7,476	-
99 Other Intergovernmental Charges	4,919,416	-
6030 <b>Total Expenditures</b>	<u>1,443,558,058</u>	<u>261,248,729</u>
1100 Excess (Deficiency) of Revenues Over Expenditures	<u>(23,799,435)</u>	<u>(22,116,157)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
7911 Capital Related Debt Issued	-	-
7912 Sale of Real and Personal Property	5,843,740	-
7915 Transfers In	-	103,668,000
8911 Transfers Out (Use)	(104,490,930)	-
7080 <b>Total Other Financing Sources (Uses)</b>	<u>(98,647,190)</u>	<u>103,668,000</u>
1200 Net Change in Fund Balance	(122,446,625)	81,551,843
0100 Fund Balance - Beginning	382,600,085	134,439,298
3000 Fund Balance - Ending	<u>\$ 260,153,460</u>	<u>\$ 215,991,141</u>

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



60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 6,958,950	\$ 9,504,571	\$ 1,287,679,240
-	19,885,957	349,845,527
-	231,155,843	288,871,749
6,958,950	260,546,371	1,926,396,516
-	71,389,861	865,829,893
-	464,364	22,121,284
-	39,614,086	50,470,310
-	5,787,882	36,084,991
-	2,461,507	96,313,120
-	12,208,549	67,754,706
-	517,322	2,936,775
-	321,059	19,656,153
-	39,935	55,743,237
-	113,862,535	113,862,535
-	504,828	34,406,552
-	3,299,560	51,678,899
-	2,305,905	151,122,084
-	150,291	21,502,684
-	127,530	34,409,262
-	8,355,937	12,274,936
-	-	122,795,000
-	-	147,917,328
-	-	85,007
120,510,070	-	174,827,546
-	-	8,814
-	-	7,476
-	-	4,919,416
120,510,070	261,411,151	2,086,728,008
(113,551,120)	(864,780)	(160,331,492)
4,405,000	-	4,405,000
-	-	5,843,740
-	21,209	103,689,209
-	(21,209)	(104,512,139)
4,405,000	-	9,425,810
(109,146,120)	(864,780)	(150,905,682)
803,033,746	29,822,757	1,349,895,886
\$ 693,887,626	\$ 28,957,977	\$ 1,198,990,204

**Dallas Independent School District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances to the Statement of Activities**  
**June 30, 2017**

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<b>Total Net Change in Fund Balances - Governmental Funds (from C-2)</b>	<b>\$ (150,905,682)</b>
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. Capital outlays this current period, adjusted for dispositions and donations, were \$176,682,949. The current year depreciation, excluding internal service funds (also adjusted for dispositions), was \$113,828,252. Capital outlays exceeded the current year depreciation by \$62,854,697.

62,854,697

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

Principal Payment	122,795,000	
Amortization of Premium	29,709,567	
Amortization of Loss on Bond Refunding	(8,561,064)	

143,943,503

In the fund level statements, revenues are reported when they are available. In the Statement of Activities, revenues are reported when they are earned. Thus revenues reported as a deferred resource inflow in the fund level statements must be reclassified showing the portion of these earned in the current reporting period as revenues and the portion of these earned in prior periods as part of the beginning net position. Similarly, any revenues received and available in the current year which were earned in prior years must be reclassified from revenues and reported as part of the beginning net position. This includes revenues from property taxes and revenues earned in prior periods for the Medicaid/SHARS program. The change in ending net position decreased from the adjustment on taxes by (\$454,917). The impact from the SHARS Adjustment was to increase the change in net position by \$11,706,993, and there was an increase due to the sale of property, which was not capital, in the amount of \$334,990. The impact on the change in net position in the Statement of Activities from all of these was an increase in the amount of \$11,587,066.

11,587,066

Interest on long term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due. The change in accrued interest is (\$213,593). The change in ending net position will increase by that amount.

213,593

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

4,856,671

**Dallas Independent School District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances to the Statement of Activities**  
**June 30, 2017**

The District issued new bonds during the year. These are recognized as Other Financing Sources in the governmental funds, but these must be reclassified for the government-wide statements as an increase in long-term debt. The effect of these reclassifications will decrease the change in net position in the Statement of Activities.

(4,405,000)

Adjustments were required for GASB 68 for the current fiscal year. The District recorded the adjustment made to their contributions by TRS as a credit to expenses in the amount of (\$1,962,830). The District recorded their proportionate share of the pension expense during the measurement period. The amount expensed for this reporting period was \$55,595,182, causing a decrease in the change in net position. The District credited expenses by the amount of current year contributions made to TRS. The amounts for July and August 2016 were included in TRS's measurement of contributions for their measurement period ending August 31, 2016. This adjustment decreases expenses by (\$7,072,902), causing an increase in the change in net position. Adjustments had to be made to reflect change in the method used by TRS to report the District's proportionate share of the plan deferred resource outflows and inflows. The adjustment to outflows was a debit to expenses in the amount of \$18,363,040, and the adjustment to inflows was a credit to expenses in the amount of \$5,273,118. The District also credited expenses for the amount of contributions made after August 31, 2016 but during the current fiscal year, and reclassified them as deferred resource outflows related to TRS. This decreased expenses, causing the change in net position to increase by \$29,763,868. The impact of all these is to decrease the change in net position by (\$29,885,484).

(29,885,484)

**Total Change in Net Position of Governmental Activities (see B-1)**

\$ 38,259,264

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

**Dallas Independent School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2017**

	Governmental Activities
	Total Internal Service Funds
<hr/>	
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 48,966,177
Due from Other Funds	1,549,040
Other Receivables, Net	30,000
<b>Total Current Assets</b>	<u>50,545,217</u>
Noncurrent Assets	
Capital Assets	
Furniture and Equipment, Net	239,320
<b>Total Noncurrent Assets</b>	<u>239,320</u>
<b>Total Assets</b>	<u>50,784,537</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	1,633,358
Accrued Liabilities - Short Term	2,879,226
Payroll Deductions and Withholdings Payable	468
Accrued Wages and Benefits Payable	66,473
Due to Other Funds	140
Accrued Expenses	185,756
<b>Total Current Liabilities</b>	<u>4,765,421</u>
Noncurrent Liabilities	
Accrued Liabilities - Long Term	6,405,616
<b>Total Noncurrent Liabilities</b>	<u>6,405,616</u>
<b>Total Liabilities</b>	<u>11,171,037</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	239,320
Unrestricted Net Position	39,374,180
<b>Total Net Position</b>	<u>\$ 39,613,500</u>

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

**Dallas Independent School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Governmental Activities
	Total Internal Service Funds
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 34,007,932
<b>Total Operating Revenues</b>	<u>34,007,932</u>
<b>OPERATING EXPENSES</b>	
Personnel Services	8,078,083
Contractual Services	18,261,591
Supplies	3,464,365
Other Operating Expenses	134,681
Depreciation Expense	<u>35,471</u>
<b>Total Operating Expenses</b>	<u>29,974,191</u>
<b>Operating Income (Loss)</b>	4,033,741
<b>NON-OPERATING REVENUES</b>	
Transfers In	<u>822,930</u>
<b>Total Non-Operating Revenues</b>	<u>822,930</u>
<b>Change in Net Position</b>	4,856,671
 Total Net Position - Beginning	 <u>34,756,829</u>
 Total Net Position - Ending	 <u><u>\$ 39,613,500</u></u>

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

**Dallas Independent School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2017**

	Governmental Activities
	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>	
Cash Received from User Charges	\$ 33,877,966
Cash Payments to Employees for Services	(5,014,681)
Cash Payments for Insurance Claims	(3,378,946)
Cash Payments for Suppliers	(23,286,282)
<b>Net Cash Provided by Operating Activities</b>	<u>2,198,057</u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Transfer In	<u>822,930</u>
<b>Cash Flows from Capital &amp; Related Financing Activities</b>	
Acquisition of Capital Assets	<u>(43,065)</u>
Net Increase in Cash and Cash Equivalents	2,977,922
Cash and Cash Equivalents at Beginning of Year	<u>45,988,255</u>
Cash and Cash Equivalents at End of Year	<u><u>48,966,177</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating Income (Loss)	4,033,741
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities	
Depreciation	35,471
Effect of Increases and Decreases in Current Assets and Liabilities	
Decrease (increase) in Due from Other Funds	(129,966)
Increase (decrease) in Accounts Payable	(1,412,905)
Increase (decrease) in Payroll Deductions	(650)
Increase (decrease) in Accrued Wages Payable	(24,852)
Increase (decrease) in Due to Other Funds	(216)
Increase (decrease) in Accrued Liabilities	203,275
Increase (decrease) in Accrued Expenses	(16,755)
Increase (decrease) in Accrued Liabilities - Long Term	(489,086)
<b>Net Cash Provided by Operating Activities</b>	<u><u>\$ 2,198,057</u></u>

The 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, 2017**

	Agency Fund
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 4,965,094
<b>Total Assets</b>	<u>4,965,094</u>
<b>LIABILITIES</b>	
Accounts Payable	242,231
Due to Other Funds	851,144
Due to Other Governments	2,410
Due to Student Groups	3,661,676
Accrued Expenses	<u>207,633</u>
<b>Total Liabilities</b>	<u>\$ 4,965,094</u>

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

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**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. All capital asset depreciation is reported as a direct expense of the functional program that benefits from the use of the capital assets. Program revenues include: 1) charges for services and tuition charged by a given function and 2) grants and contributions that are restricted to meeting operational requirements of a particular function. Taxes, state aid, grants and contributions not restricted to specific programs are properly excluded from program revenues and reported instead as general revenues. During fiscal year 2016, the District adopted GASB Statement No. 72, Fair Value Measurement and Application.

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

**Basis of Accounting/Measurement Focus.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, and claims and judgments, are recorded only when matured and payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under notes payable are reported as other financing sources. Property tax revenues and revenues received from the State of Texas and investment earnings are considered to be susceptible to accrual and so have been recognized as revenues in the current period. Property taxes collected within 60 days of year-end and included in revenue were \$2,409,332 and \$511,049 for the General Fund and Debt Service Fund, respectively.

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

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

The District has accrued state aid revenues of \$63,835,117 which is included in receivables from other governments in the governmental funds balance sheet, to reflect cash that will be received in fiscal year 2017, which was generated by attendance and the type of instructional services provided in fiscal year 2016. The District has also accrued an offsetting liability of \$29,099,082 which is included in due to other governments, to reflect an anticipated Texas Education Agency final fiscal year 2017 settle-up adjustment that will occur in 2018.

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

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

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. All general tax revenues and other receipts not allocated by law or contractual agreement to some other funds are accounted for in this fund.
- The Debt Service Fund accounts for the use of ad valorem taxes and other revenues collected for the purposes of retiring bond principal and paying interest when due. The main source of revenue for debt service is the apportionment of local property taxes.
- The Capital Projects Fund is used to account for proceeds from long term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.

The District reports the following Non-Major funds:

- The Special Revenue Funds are used to account for Food Services activities, federal and state financed programs and other local programs where unused balances are returned to the grantor at the close of specified project periods. The budget for the Food Services Fund is adopted by the Board each fiscal year.

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

The District reports the following Proprietary Funds:

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

- The Graphics Shop Fund is used to account for printing services.
- The Risk Management Fund is used to account for the costs associated with the workers' compensation self-funded program. Accrued liabilities include provisions for claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience since the inception of the program.
- The Program Evaluation and Accountability Fund is used to account for the costs of program evaluation services and reports for district programs and internal and external grants, as well as reports and analyses of major assessments and educational indicators for the District.
- The Deferred Maintenance Fund is used to account for materials furnished by the Operations Department based on the assessed needs of the District's facilities.
- The Technology Services Fund is used to account for materials and projects furnished by the Technology Services Department.

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

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

**Assets, Liabilities, and Deferred Outflows and Inflows of Resources**

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

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

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

experience of adjustments to tax receivables. Uncollectible taxes are written off according to the Texas Property Tax Code. See Note C for the discussion of the write-off of uncollectible taxes in the current year.

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

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

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

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

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

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

**Compensated Absences.** Certain employees are entitled to receive accrued vacation and compensatory pay in a lump-sum cash payment upon termination of employment with the District. The amount of \$2,811,050 represents the recorded liability for employees vested in accumulated vacation and compensatory pay. The General Fund is used to liquidate compensated absences.

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

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

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

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

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**Government-wide Net Position**

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

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

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

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

**Restricted for Capital Projects.** The component of net position that reports the difference between capital assets net of accumulated depreciation and liabilities of the Capital Projects Fund with constraints placed on their use by the bond contracts and covenants contained in the Interim Bridge Plan.

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

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

**Governmental Fund Balances**

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

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

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

- **Restricted Fund Balance.** The portion of fund balance that reflects resources that are subject to externally enforceable legal restrictions imposed by parties outside the District. Restricted fund balances include funds for the Food Services, funds restricted for capital acquisitions, funds used to retire long term debts or resources from granting agencies.
- **Committed Fund Balance.** The portion of fund balance that reflects resources whose use is limited based upon resolutions by the District's Board of Trustees. At June 30, 2017, the District had no committed fund balance.
- **Assigned Fund Balance.** The portion of fund balance that is self-imposed by the District to be used for a particular purpose. The assigned fund balance can only be removed by the Superintendent of Schools or the Chief Financial Officer.
- **Unassigned Fund Balance.** The portion of the spendable fund balance within the General Fund that has not been classified within any categories above. It is the portion of fund balance available to finance operating expenditures.

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

As of the end of the current fiscal year, the District's Governmental Fund Balance was \$1,198,990,204 reported as follows:

<u>Fund Balances</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Nonspendable</b>					
Inventories	\$ 7,430,513	\$ -	\$ -	\$ 6,803,027	\$ 14,233,540
Prepaid Items	1,367,163	-	-	-	1,367,163
<b>Restricted</b>					
Federal or State Grants	-	-	-	15,511,302	15,511,302
Debt Services	-	112,323,141	-	-	112,323,141
Capital Acquisition	-	-	693,887,626	-	693,887,626
Local	-	-	-	2,815,603	2,815,603
<b>Assigned</b>					
Qualified School Construction Notes	114,672,000	-	-	-	114,672,000
Retirement of Loans/Notes Payable	-	103,668,000	-	-	103,668,000
Encumbrances	3,298,598	-	-	-	3,298,598
Campus Activity Fund	-	-	-	3,749,545	3,749,545
Local Funds	-	-	-	78,500	78,500
<b>Unassigned</b>	133,385,186	-	-	-	133,385,186
<b>Total Fund Balances</b>	<b>\$ 260,153,460</b>	<b>\$ 215,991,141</b>	<b>\$ 693,887,626</b>	<b>\$ 28,957,977</b>	<b>\$1,198,990,204</b>

Note: Encumbrances are documented by purchase orders and contracts. They are commitments to expend resources; appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or provided for in the subsequent year's budget. Outstanding encumbrances at June 30, 2017, that were subsequently provided for in the 2017-2018 budget totaled \$3,298,598 for the General Fund and were broken down by functions as follows:

Function 11 - Instruction	\$ 24,778
Function 21 - Instructional Leadership	746,980
Function 41 - General Administration	43,943
Function 51 - Plant maintenance and operations	732,488
Function 53 - Data processing services	1,194,551
Function 81 - Facility Acquisition & Construction	555,858
<b>Total</b>	<b>\$ 3,298,598</b>

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

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

**NOTE B: CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

At June 30, 2017, the net carrying amount of the District's cash deposits, excluding student activity fund deposits of \$4,965,094, was \$16,108,387. The bank balance of \$30,498,548 was on deposit with the contracted depository bank. District funds are insured up to \$250,000 for the combined amount of all time and savings accounts, and up to an additional \$250,000 for the combined total of all Demand Deposit Accounts (DDA's). Interest-bearing accounts were collateralized by pledged United States government securities with a fair value of \$29,028,520 at June 30, 2017, held by The Bank of New York Mellon. Because The Bank of New York Mellon holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law. All campus activity funds were centralized and were on deposit with the contracted depository. Agency and activity funds were in separate non-interest-bearing bank accounts at the depository bank, and as such, have full FDIC coverage of \$250,000 per bank account. At June 30, 2017, cash on hand in Agency Funds totaled \$4,965,094 and was on deposit with the contracted depository and separate bank accounts. The District's Agency Fund bank balance on June 30, 2017, was covered by federal depository insurance or by collateral held in the District's name.

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

- a. Depository bank: Bank of America, N.A.
- b. The date of highest deposit was April 13, 2017, with combined cash and certificates of deposit balance of \$97,378,824.
- c. On April 13, 2017, the amount of bonds, securities pledged, and FDIC coverage was \$99,071,401.
- d. The FDIC coverage portion of the collateral listed above was \$250,000.
- e. The District had no occasions during the year of not being sufficiently collateralized, in which the pledged collateral requirement was less than the collateral requirement.

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

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



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

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

As of June 30, 2017, the following are the District's cash equivalents and investments, with respective maturities and credit rating:

Type of Investment	Book Value	Percent	Fair Value	Percent	Maturity in Less Than 1 Year	Maturity in 1-10 Years	Maturity in Over 10 Years	Credit Rating
Cash	\$ 21,073,481	1.5%	\$ 21,073,481	1.5%	\$ 21,073,481	\$ -	\$ -	N/A
Money markets and FDIC insured investment accounts	66,501,787	4.8%	66,501,787	4.8%	66,501,787	-	-	N/A
Investment pools:								
LOGIC	211,525,254	15.3%	211,525,254	15.3%	211,525,254	-	-	AAAm
Lone Star	156,962,148	11.3%	156,962,148	11.3%	156,962,148	-	-	AAAm
Texas Class	273,431,332	19.8%	273,431,332	19.8%	273,431,332	-	-	AAAm
TexasTERM Fixed Term	226,057,322	16.3%	226,057,322	16.3%	226,057,322	-	-	AAAf
TexPool	14,248,994	1.0%	14,248,994	1.0%	14,248,994	-	-	AAAm
Total Investment pools	882,225,050	63.8%	882,225,050	63.8%	882,225,050	-	-	
*Total cash and cash equivalents	969,800,318	70.1%	969,800,318	70.1%	969,800,318	-	-	
Commercial Paper	303,749,958	22.0%	303,749,958	22.0%	303,749,958	-	-	
American Municipal Power Authority - Ohio	913,521	0.1%	913,521	0.1%			913,521	A2
Boone County Kentucky Municipal Bond	1,312,413	0.1%	1,312,413	0.1%			1,312,413	A+
Boone County Kentucky Municipal Bond	1,265,805	0.1%	1,265,805	0.1%			1,265,805	A+
Carbon County Pennsylvania Hospital Authority	2,249,197	0.2%	2,249,197	0.2%			2,249,197	AA
Cincinnati Ohio City School District QSCB Municipal Bond	2,968,083	0.2%	2,968,083	0.2%			2,968,083	Aa3
City of Alice, Texas GO LTD Bond	1,000,930	0.1%	1,000,930	0.1%			1,000,930	AA
City of West Palm Beach, Florida Bond	1,177,386	0.1%	1,177,386	0.1%			1,177,386	Aa3
Corpus Christi GO Municipal Bond	463,314	0.0%	463,314	0.0%			463,314	Aa2
Federal Farm Credit Bank	19,922,040	1.4%	19,922,040	1.4%	19,922,040			AA+
Federal Home Loan Mortgage Corporation	20,020,020	1.4%	20,020,020	1.4%	20,020,020			AA+
Freddie Mac	19,949,200	1.4%	19,949,200	1.4%	19,949,200			
Financing Corporation	15,570,241	1.1%	15,570,241	1.1%	15,570,241			AA+
Fontana Unified School District Municipal Bond	635,658	0.0%	635,658	0.0%			635,658	Aa3
Gainesville Florida Pension Municipal Bond	1,256,820	0.1%	1,256,820	0.1%			1,256,820	Aa3
Green Bay Wisconsin Municipal Bond	543,643	0.0%	543,643	0.0%			543,643	A1
Indiana State Finance Authority	675,751	0.0%	675,751	0.0%			675,751	A+
North Hudson Sewerage Authority, NJ (A)	1,074,139	0.1%	1,074,139	0.1%			1,074,139	A
Oregon State School Board Assoc GO Pension Municipal Bond	596,120	0.0%	596,120	0.0%			596,120	Aa2
Oregon State School Board Assoc Pension Municipal Bond	1,656,000	0.1%	1,656,000	0.1%		1,656,000		Aa2
Pennsylvania Economic Development Municipal Bond	2,318,713	0.2%	2,318,713	0.2%			2,318,713	A1
Port Douglas County Washington Municipal Bond	622,319	0.0%	622,319	0.0%			622,319	A+
Reading Pennsylvania Municipal Bond	4,320,934	0.3%	4,320,934	0.3%			4,320,934	A2
Reno Nevada Capital Improvement Revenue Bonds	277,957	0.0%	277,957	0.0%			277,957	A3*
San Bernardino County Redevelopment Successor Muni Bond	2,001,660	0.1%	2,001,660	0.1%			2,001,660	AA
San Francisco City & County Redevelopment Municipal Bond	960,080	0.1%	960,080	0.1%			960,080	A2
Texas State Public Finance Municipal Bond	771,880	0.1%	771,880	0.1%			771,880	A1
Texas State Public Finance Municipal Bond	732,047	0.1%	732,047	0.1%			732,047	A1
Texas State University System	952,283	0.1%	952,283	0.1%			952,283	Aa2
University of North Texas	1,535,115	0.1%	1,535,115	0.1%			1,535,115	Aa2
Walnut Valley Unified School District Municipal Bond	2,174,001	0.2%	2,174,001	0.2%			2,174,001	Aa2
*Total Investments	413,667,228	29.9%	413,667,228	29.9%	379,211,459	1,656,000	32,799,769	
Total cash, cash equivalents and investments	\$1,383,467,546	100.0%	\$1,383,467,546	100.0%	\$1,349,011,777	\$ 1,656,000	\$32,799,769	

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

In accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District's investments with a maturity date of greater than one year have been recorded at fair value based upon quoted market prices as of June 30, 2017 with increase or decrease in fair value being recorded as a component of earnings on investments.

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Investment Pools are measured at amortized cost or net asset value, i.e. fair value. As such, these investments are not required to be reported in the fair value hierarchy.

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

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

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

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

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

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

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	Fair Value Measurements Using				
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments
<i>Investments not Subject to Fair Value:</i>					
Money markets and FDIC insured investment accounts	\$ 66,501,787	\$ -	\$ -	\$ -	4.88%
<b>Investment Pools:</b>					
LOGIC	\$ 211,525,254	\$ -	\$ -	\$ -	15.53%
Lone Star	156,962,148	-	-	-	11.52%
Texas Class	273,431,332	-	-	-	20.07%
TexasTERM Fixed Term	226,057,322	-	-	-	16.59%
TexPool	14,248,994	-	-	-	1.05%
<i>Investments by Fair Value Level:</i>					
<b>Commercial Paper</b>	\$ 303,749,958	\$ -	\$ 303,749,958	\$ -	22.30%
<b>US Government Agency Securities:</b>					
Federal Farm Credit Bank	19,922,040	-	19,922,040	-	1.46%
Federal Home Loan Mortgage Corporation	20,020,020	-	20,020,020	-	1.47%
Freddie Mac	19,949,200	-	19,949,200	-	1.46%
Financing Corporation	15,570,241	-	15,570,241	-	1.14%
<b>Municipal Bonds:</b>					
American Municipal Power Authority - Ohio	913,521	-	913,521	-	0.07%
Boone County Kentucky Municipal Bond	1,312,413	-	1,312,413	-	0.10%
Boone County Kentucky Municipal Bond	1,265,805	-	1,265,805	-	0.09%
Carbon County Pennsylvania Hospital Authority	2,249,197	-	2,249,197	-	0.17%
Cincinnati Ohio City School District QSCB Municipal Bond	2,968,083	-	2,968,083	-	0.22%
City of Alice, Texas GO LTD Bond	1,000,930	-	1,000,930	-	0.07%
City of West Palm Beach, Florida Bond	1,177,386	-	1,177,386	-	0.09%
Corpus Christi GO Municipal Bond	463,314	-	463,314	-	0.03%
Fontana Unified School District Municipal Bond	635,658	-	635,658	-	0.05%
Gainesville Florida Pension Municipal Bond	1,256,820	-	1,256,820	-	0.09%
Green Bay Wisconsin Municipal Bond	543,643	-	543,643	-	0.04%
Indiana State Finance Authority	675,751	-	675,751	-	0.05%
North Hudson Sewerage Authority, NJ (A)	1,074,139	-	1,074,139	-	0.08%
Oregon State School Board Assoc GO Pension Municipal Bond	596,120	-	596,120	-	0.04%
Oregon State School Board Assoc Pension Municipal Bond	1,656,000	-	1,656,000	-	0.12%
Pennsylvania Economic Development Municipal Bond	2,318,713	-	2,318,713	-	0.17%
Port Douglas County Washington Municipal Bond	622,319	-	622,319	-	0.05%
Reading Pennsylvania Municipal Bond	4,320,934	-	4,320,934	-	0.32%
Reno Nevada Capital Improvement Revenue Bonds	277,957	-	277,957	-	0.02%
San Bernardino County Redevelopment Successor Muni Bond	2,001,660	-	2,001,660	-	0.15%
San Francisco City & County Redevelopment Municipal Bond	960,080	-	960,080	-	0.07%
Texas State Public Finance Municipal Bond	771,880	-	771,880	-	0.06%
Texas State Public Finance Municipal Bond	732,047	-	732,047	-	0.05%
Texas State University System	952,283	-	952,283	-	0.07%
University of North Texas	1,535,115	-	1,535,115	-	0.11%
Walnut Valley Unified School District Municipal Bond	2,174,001	-	2,174,001	-	0.16%
Total Investments	\$ 1,362,394,065	\$ -	\$ 413,667,228	\$ -	100.0%

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

**Interest Rate Risk.** In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a twelve month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the

**Dallas Independent School District  
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portfolio. The District's investment strategy states that no individual transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. Some investments are also purchased with longer maturities to match the \$143.3 million General Fund liability for 2013 QSCB notes due in August 2033. These bear a risk that market interest rates could at some point exceed the yield of the investments purchased.

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

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

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

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

**Foreign Currency Risk.** As of June 30, 2017, there are no foreign currency investments in the District's portfolio.

**Dallas Independent School District  
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**NOTE C: LOCAL REVENUES AND PROPERTY TAXES**

Local and intermediate sources are comprised of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
Property Taxes	\$ 1,014,472,938	\$ 235,743,275	\$ -	\$ -	\$ 1,250,216,214
Food Services	-	-	-	1,682,218	1,682,218
Gifts and Bequests	6,952,433	-	-	2,644,822	9,597,255
Campus Activity Funds	-	-	-	3,386,607	3,386,607
Interest Income	3,614,066	796,660	6,490,724	-	10,901,450
Tuition, Fees and Cocurricular	750,492	-	-	-	750,492
Rental Income	4,642,593	-	-	-	4,642,593
Transportation	-	-	-	-	-
Other	4,243,263	-	468,226	1,790,924	6,502,413
Totals	<u>\$ 1,034,675,784</u>	<u>\$ 236,539,935</u>	<u>\$ 6,958,950</u>	<u>\$ 9,504,571</u>	<u>\$ 1,287,679,240</u>

**Property Taxes.** The appraisal of property within the District is the responsibility of the Dallas County Appraisal District. The District's ad valorem property tax is levied each October 1 on the assessed value as 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, 2016 was \$129,087,921,530. After deductions of all exemptions and reductions provided by law and those granted by the District, 2016 tax year levy was based on property values of \$100,935,505,829.

The tax rates assessed for the year ended June 30, 2017, to finance General Fund operations and the payment of principal and interest on long term debt were \$1.04005 and \$0.242035 per \$100 valuation, respectively, for a total of \$1.282085 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, 2017, were 98.5% of the adjusted tax levy.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District has provided an allowance for estimated uncollectible property taxes and estimated adjustments within the General Fund and Debt Service Fund of \$36,749,388 and \$7,372,482 respectively, based upon historical collection experience and historical adjustment experience.

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

**Dallas Independent School District**  
**Notes to the Basic Financial Statements**  
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**NOTE D: RECEIVABLES**

Property tax receivable as of June 30, 2017, for the District's Major Funds and Non-Major Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Totals
Property Taxes	\$ 55,202,674	\$ 11,227,146	\$ 66,429,820
Less: Allowance for uncollectible	(36,749,388)	(7,372,482)	(44,121,870)
Totals	<u>\$ 18,453,285</u>	<u>\$ 3,854,664</u>	<u>\$ 22,307,950</u>

In addition, the District has recorded a state aid receivable of \$63.8 million and a receivable from other governmental entities of \$38.8 million as of June 30, 2017.

**NOTE E: UNEARNED REVENUE**

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. As of June 30, 2017, the components of unearned revenue reported in the General Fund and Non-Major Governmental funds were as follows:

	General	Non-Major	Totals
Grants	\$ -	\$ 1,652,632	\$ 1,652,632
Other	2,573,066	-	2,573,066
Totals	<u>\$ 2,573,066</u>	<u>\$ 1,652,632</u>	<u>\$ 4,225,698</u>

**NOTE F: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund:		
Non-Major Governmental Funds	\$ 17,796,582	\$ -
Internal Service Funds	-	1,423,905
Agency Funds	851,144	
	<u>18,647,726</u>	<u>1,423,905</u>
Non-Major Governmental Funds:		
General Fund	-	17,796,582
Internal Service Funds	-	124,995
	<u>-</u>	<u>17,921,577</u>
Internal Service Funds:		
General Fund	1,423,905	-
Non-Major Governmental Funds	124,995	-
Internal Service Funds	140	140
	<u>1,549,040</u>	<u>140</u>
Agency Funds:		
General Fund	-	851,144
	<u>-</u>	<u>851,144</u>
Totals	<u>\$ 20,196,766</u>	<u>\$ 20,196,766</u>

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

Interfund transfers are defined as "flows of assets without equivalent flows of assets in return and without a requirement for repayment". Interfund transfers during the year ended June 30, 2017, were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General Fund	ISF	822,930 *
General Fund	Debt Service	103,668,000 **
Texas Instruments Fund	Campus Activity Fund	21,209

\* Interfund transfers were made to offset operating losses in Internal Service Funds.

\*\*\$103 million transfer from the General Fund to the Debt Service Fund is for future payment of 2013 Limited Maintenance Tax Qualified School Construction Bonds and 2015 Multi-Modal Limited Maintenance Tax Notes.

**NOTE G: OPERATING LEASES**

The District leases offices, copiers, warehouse space, playground area and parking under non-cancelable operating leases. Rent expense including non-cancelable leases and other rent charges for the year ended June 30, 2017 was approximately \$15.6 million. Minimum future lease commitments on non-cancelable leases are summarized as follows:

<u>For the Year Ending June 30</u>	<u>Minimum Future Lease Commitments</u>
2018	\$14,593,008
2019	13,209,361
2020	3,877,049
2021	1,692,414
2022	-

**Dallas Independent School District  
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**NOTE H: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 is as follows:

	Balance at June 30, 2016	Additions	Transfers	Deletions	Balance at June 30, 2017
Capital assets, not being depreciated:					
Land	\$ 207,321,469	\$ 12,761,860	\$ -	\$ (432,254)	\$ 219,651,075
Construction in progress	65,233,610	117,547,441	(101,648,987)	-	81,132,064
Total capital assets, not being depreciated	<u>272,555,079</u>	<u>130,309,301</u>	<u>(101,648,987)</u>	<u>(432,254)</u>	<u>300,783,139</u>
Capital assets, being depreciated:					
Building and improvements	3,482,978,400	37,435,002	100,081,950	(1,160,248)	3,619,335,104
Furniture and equipment	217,616,190	16,053,203	1,567,037	(5,478,989)	229,757,441
Total capital assets, being depreciated	<u>3,700,594,590</u>	<u>53,488,205</u>	<u>101,648,987</u>	<u>(6,639,237)</u>	<u>3,849,092,545</u>
Less accumulated depreciation for:					
Buildings and improvements	1,277,122,388	99,212,413	-	(789,193)	1,375,545,608
Furniture and equipment	153,113,949	20,812,204	-	(5,371,601)	168,554,552
Total accumulated depreciation	<u>1,430,236,337</u>	<u>120,024,617</u>	<u>-</u>	<u>(6,160,794)</u>	<u>1,544,100,160</u>
Total capital assets, being depreciated, net	<u>2,270,358,254</u>	<u>(66,536,412)</u>	<u>101,648,987</u>	<u>(478,443)</u>	<u>2,304,992,386</u>
Capital assets, net	<u>\$ 2,542,913,333</u>	<u>\$ 63,772,889</u>	<u>\$ -</u>	<u>\$ (910,697)</u>	<u>\$ 2,605,775,524</u>

Capital assets include assets recorded in Internal Service Funds, net of depreciation, of \$239,320.



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

**Depreciation by Function**

		<b>Depreciation Expense</b>
		<hr/>
11	Instruction	\$ 68,847,526
12	Instructional Resources and Media Services	1,679,936
13	Curriculum and Instructional Staff Development	545,593
21	Instructional Leadership	579,403
23	School Leadership	7,113,890
31	Guidance, Counseling and Evaluation Services	2,352,979
32	Social Work Services	53,372
33	Health Services	1,161,050
34	Student (Pupil) Transportation	36,055
35	Food Services	9,691,673
36	Cocurricular/Extracurricular Activities	3,708,058
41	General Administration	819,271
51	Facilities Maintenance and Operations	7,810,801
52	Security and Monitoring Services	2,099,701
53	Data Processing Services	12,737,334
61	Community Services	583,635
81	Facilities Acquisition and Construction	204,340
		<hr/>
	Total	\$ 120,024,617
		<hr/>

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

The District has active construction projects. These projects include new school construction and renovation of existing facilities. The total construction commitments as of June 30, 2017 are \$108,395,334 for projects under the bond programs.

**NOTE I: LONG TERM OBLIGATIONS**

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

**Dallas Independent School District**  
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**General Obligation Bonds.** These bonds are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 0.00% to 8.00% and are due through 2036. At June 30, 2017, \$155,396,030 in cash, cash equivalents, investments, and accrued interest is restricted in the Debt Service Fund to service the outstanding bonds:

Series	Bond Series Name - General Obligation Bonds Maturity or Mandatory Redemption Date	Interest Rates	Original Issue Amount (in thousands)	Total Outstanding Principal Amount (in thousands)
2008	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2010 to February 15, 2034 (refunded after 2-15-18)	5.00% - 6.25%	393,325	7,945
2010	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2011 to February 15, 2021	1.25% - 5.00%	156,730	93,285
2010B	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2013 to February 15, 2018	3.00% - 5.50%	70,080	26,315
2010C	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2018 to February 15, 2026 and Term Bonds due 2030 and 2035	4.05% - 6.00%	950,300	950,300
2011	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2012 to February 15, 2028	3.50% - 5.00%	197,935	170,420
2012	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2013 to August 15, 2031	2.00% - 5.00%	390,235	362,570
2012A	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2013 to August 15, 2031	4.00% - 5.00%	46,825	43,570
2014A	Unlimited Tax Refunding Bonds - Serially in varying amounts from August 15, 2015 to August 15, 2034	1.00% - 5.00%	356,115	306,540
2015	Unlimited Tax Refunding Bonds - Serially in varying amounts from February 15, 2016 to February 15, 2032	2.125% - 5.00%	234,760	212,730
2016A	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2022 to February 15, 2036	3.00% - 5.00%	305,785	305,785
2016B	Unlimited Tax School Building Bonds - Serially in varying amounts from February 15, 2022 to February 15, 2036	3.00% - 8.00%	266,445	236,895
2017	Qualified Zone Academy Bonds, Taxable, No interest, principal due August 15, 2027	0.00% - 0.00%	4,405	4,405
Total				<u>\$ 2,720,760</u>

**Dallas Independent School District  
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In February 2017, the District defeased \$29,550,000 in debt from the Series 2016B Bonds originally due in February 2036. This resulted in a defeasance cashflow saving of \$15,062,800, and the liability has been removed from the governmental activities column of the statement of net position.

**Maintenance Tax Notes.** On December 1, 2013, the District issued \$143,340,000 in Limited Maintenance Tax Qualified School Construction Bonds. On July 1, 2015, the District issued \$75,000,000 in Multi-Modal Limited Maintenance Tax Notes. The Maintenance Tax Notes are paid from the General Fund. The amount outstanding for Maintenance Tax Notes as of June 30, 2017 was as follows:

Series	Maintenance Tax Notes Maturity or Mandatory Redemption Date	Yield Rates	Total Outstanding Principal Amount (in thousands)
2013	Principal due at maturity - interest due each February 15 and August 15 from August 15, 2014 to August 15, 2033	5.05%	143,340
2015	Principal due at maturity - interest due each February 15 and August 15 from February 15, 2016 to February 15, 2034	1.50%	75,000
Total			<u>\$ 218,340</u>

As of June 30, 2017, the District transferred \$103,668,000 from the General Fund to two newly established Debt Service funds. As of this date, \$75,000,000 is reserved in 2015 Maintenance Tax Notes Fund to pay the 2015 Multi-Modal Limited Maintenance Tax Notes due in 2034, and \$28,668,000 is reserved in 2013 Qualified School Construction Bonds Fund to pay the 2013 Limited Maintenance Tax Qualified School Construction Bonds (QSCB) due in 2033. In addition, the District expects to annually transfer \$7,167,000 from General Fund to 2013 Qualified School Construction Bonds Fund to provide for the future QSCB principal amount due of \$143,340,000.

**Variable Rate Debt.** In July 2015, the District issued \$75,000,000 in "Multi-Modal Limited Maintenance Tax Notes, Series 2015" with interest rate of 1.50% for the initial rate period which ends August 14, 2018. At the end of the initial rate period, the District may redeem or remarket the Notes. If the District fails to do so, the Notes shall bear interest at a stepped rate of 8.00% per year.

In March 2016, the District issued \$266,445,000 in "Unlimited Tax School Building Bonds, Series 2016B" with initial interest rates ranging from 3.00% to 5.00%. As of June 30, 2017, \$236,895,000 remains. There are five remaining initial rate periods, one in each year 2018 to 2022. At the end of each initial rate period, the District may redeem or remarket the Bonds. If the District fails to do so, the Bonds shall bear interest at a stepped rate of 8.00% per year.

**Debt Issuance.** In June 2017, the District issued \$4,405,000 in interest free "Qualified Zone Academy Bonds, Taxable Series 2017". The District sold the bonds by private placement at par. Proceeds were used for technology upgrades, equipment, and software. Principal is due February 15, 2027. The proceeds were invested in local government investment pools. This debt is subject to federal arbitrage regulations and is serviced by the Debt Service fund.

**Dallas Independent School District**  
**Notes to the Basic 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, 2017:

Description	Long-Term Liabilities Outstanding July 1, 2016 (in thousands)	Additions and Interest Accretion (in thousands)	Retired/ Refunded (in thousands)	Long-Term Liabilities Outstanding June 30, 2017 (in thousands)	Amount Due Within One Year from June 30, 2017 (in thousands)
General Obligation Bonds:					
Series 2006	\$ 8,390	\$ -	\$ 8,390	\$ -	\$ -
Series 2008	15,130	-	7,185	7,945	7,945
Series 2010	95,615	-	2,330	93,285	16,390
Series 2010B	53,110	-	26,795	26,315	26,315
Series 2010C	950,300	-	-	950,300	2,945
Series 2011	174,355	-	3,935	170,420	2,640
Series 2012	372,935	-	10,365	362,570	13,520
Series 2012A	44,915	-	1,345	43,570	1,835
Series 2014A	329,290	-	22,750	306,540	-
Series 2015	221,760	-	9,030	212,730	-
Series 2016A	305,785	-	-	305,785	-
Series 2016B	266,445	-	29,550	236,895	-
Series 2017 QZAB	-	4,405	-	4,405	-
Total General Obligation Bonds	\$ 2,838,030	\$ 4,405	\$ 121,675	\$ 2,720,760	\$ 71,590
Maintenance Tax Notes Payable:					
Series 2002-QZAB	\$ 1,120	\$ -	\$ 1,120	\$ -	\$ -
Series 2013-QSCB	143,340	-	-	143,340	-
Series 2015 MTN-QSCB	75,000	-	-	75,000	-
Total Maintenance Tax Notes	\$ 219,460	\$ -	\$ 1,120	\$ 218,340	\$ -
Total Bonds and Notes Payable	\$ 3,057,490	\$ 4,405	\$ 122,795	\$ 2,939,100	\$ 71,590
Other Long-Term Obligations:					
Workers Compensation	\$ 9,575	\$ 3,089	\$ 3,379	\$ 9,285	\$ 2,879
Premium on Bonds	221,917	-	29,709	192,208	-
	\$ 231,492	\$ 3,089	\$ 33,088	\$ 201,493	\$ 2,879
Totals	\$ 3,288,982	\$ 7,494	\$ 155,883	\$ 3,140,593	\$ 74,469

**Debt Service Requirements.** The annual requirements to pay principal and interest on the bond obligations and notes payable outstanding as of June 30, 2017, are as follows:

Year Ended June 30,	Principal (in thousands)	Interest (in thousands)	Total Requirements (in thousands)
2018	\$ 71,590	\$ 145,509	\$ 217,099
2019	73,010	143,216	216,226
2020	77,315	140,742	218,057
2021	81,215	136,824	218,039
2022	95,270	132,850	228,120
2023-2027	648,795	573,091	1,221,886
2028-2032	932,480	392,899	1,325,379
2033-2036	959,425	105,529	1,064,954
Totals	\$ 2,939,100	\$ 1,770,660	\$ 4,709,760

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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 are not included in the District's basic financial statements. The total amount of defeased bonds that remain outstanding at June 30, 2017 is \$1,347,080,000.

**Arbitrage.** The Federal Tax Reform Act of 1986 requires issuers of tax exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The U.S. Treasury requires payment for each issue every five years. The estimated liability is updated annually for any tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. At June 30, 2017, the District had no liability for arbitrage.

**NOTE J: DEFERRED INFLOWS OF RESOURCES**

Governmental funds report an amount that represents an acquisition of net position for a future period that will not be recognized as revenue until that time. As of June 30, 2017, the District had the following Deferred Inflows of Resources reported in the General Fund and Debt Service Fund:

	General	Debt Service	Total
Property Taxes	\$ 17,041,165	\$ 3,544,602	\$ 20,585,767
Medicaid/SHARS	65,998,779	-	65,998,779
Totals	<u>\$ 83,039,944</u>	<u>\$ 3,544,602</u>	<u>\$ 86,584,546</u>

**NOTE K: GENERAL FUND FEDERAL SOURCE REVENUE**

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

Build America Bonds Subsidy	\$ 18,954,444
E-Rate	3,377,851
Medicaid/School Health and Related Services	23,986,410
Qualified School Construction Bonds Subsidy	6,738,772
Indirect Cost Reimbursement	2,562,966
Junior Reserve Officer Training Corps	2,095,463
Total	<u>\$ 57,715,906</u>

**NOTE L: DEFINED BENEFIT PENSION PLAN**

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

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

**Pension Plan Fiduciary Net Position.** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that

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includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78707-2698; or by calling (512) 542-6592. Components of the Net Pension Liability of the pension plan as of August 31, 2016 are as follows:

<b><u>Components of Liability</u></b>	<b><u>Amount</u></b>
Total Pension Liability	\$ 171,797,150,487
Less: Plan Fiduciary Net Position	(134,008,637,473)
<b>Net Pension Liability</b>	<b><u>\$ 37,788,513,014</u></b>
Net Position as percentage of Total Pension Liability	78.00%

**Benefits Provided.** TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost-of-living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan Description above.

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84<sup>th</sup> Texas Legislature, General Applications Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<b><u>2016</u></b>	<b><u>2017</u></b>
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Dallas ISD 2017 Employer Contributions	\$ 36,836,790	
Dallas ISD 2017 Member Contributions	\$ 78,961,567	
Dallas ISD 2017 NECE On-Behalf Contributions	\$ 55,671,312	

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

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below, which are paid by the employers. Employers, including public schools, are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**Actuarial Assumptions.** The total pension liability in the TRS August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-Term Expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases Including Inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes During the Year	None
Ad Hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are based primarily on a study of actual experience for the four-year period ending August 31, 2014, and adopted on September 24, 2015.

**Discount Rate.** The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long term rate of return on pension plan investments is 8%. The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns*
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	100.0%		8.7%

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
DISD's proportionate share of the net pension liability	\$ 711,748,462	\$ 459,885,905	\$ 246,255,543

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2017, Dallas Independent School District reported a liability of \$459,885,905 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 459,885,905
State's proportionate share that is associated with the District	536,455,724
Total	<u>\$ 996,341,629</u>

The net pension liability was measured as of August 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's



**Dallas Independent School District  
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proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At August 31, 2016, the employer's proportion of the collective net pension liability was 1.2169992095%, which was an increase of .0086101% from its proportion measured as of August 31, 2015.

**Changes Since the Prior Actuarial Valuation.** There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended June 30, 2017, Dallas Independent School District recognized pension expense of \$55,671,312, and revenue of \$55,671,312 for support provided by the state in the Government-wide Statement of Activities.

At June 30, 2017, Dallas Independent School District's proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,210,923	\$ 13,731,926
Changes in actuarial assumptions	14,016,497	12,747,426
Difference between projected and actual investment earnings	38,942,190	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	65,415,246	43,273
Contributions paid to TRS subsequent to the measurement date	29,763,888	-
Total	<u>\$ 155,348,744</u>	<u>\$ 26,522,625</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized by TRS in pension expense as follows:

Year Ended June 30:	Pension Expense Amount
2018	\$ 16,545,036
2019	16,545,036
2020	41,384,262
2021	14,636,621
2022	7,700,438
Thereafter	2,250,838
Total	<u>\$ 99,062,231</u>

**NOTE M: OTHER POST- EMPLOYMENT BENEFITS**

**Texas Public School Retired Employees Group Insurance Program Plan Description.** The District contributes to the Texas Public School Retired Employees Group Insurance Program, a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at

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[www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or calling 1-800-223-8778.

**Texas Public School Retired Employees Group Insurance Program Funding Policy.** Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2015-2017:

Year	Covered Payroll	Contribution Rates					
		Active Member		State		District	
		Rate	Amount	Rate	Amount	Rate	Amount
2017	\$1,037,266,640	0.65%	\$ 6,742,233	1.0%	\$10,372,666	0.55%	\$ 5,704,967
2016	1,020,185,302	0.65%	6,301,204	1.0%	10,201,853	0.55%	5,611,019
2015	969,551,901	0.65%	6,302,087	1.0%	9,695,519	0.55%	5,332,535

**NOTE N: 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. There were no significant reductions in insurance coverage from the prior year. The District purchases commercial insurance to cover general liabilities. There have been no claim settlements in excess of insurance coverage in the last three years.

**Workers' Compensation.** Beginning in 1989, the District moved from a self-insured workers' compensation program administered by a third party to a self-insured program administered by the District. The District currently reports all of its risk management activities in its Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The provision for reported claims and for claims incurred but not yet reported is determined by an actuary for the District management. The District has an agreement with a third party to contract directly with medical providers for their workers' compensation program and their injured employees. At June 30, 2017, the accrued liability for workers' compensation self-insurance of \$9.3 million includes incurred but not reported claims.

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

Changes in the reported liability resulted from the following:

Fiscal Year	Balance at Beginning of Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at End of Year
2016 - 2017	\$ 9,574,668	\$ 3,089,120	\$(3,378,946)	\$ 9,284,842
2015 - 2016	\$ 9,925,530	\$ 3,777,663	\$(4,128,525)	\$ 9,574,668

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**Health Insurance.** The Board of Trustees approved the District's participation in the Teacher Retirement System (TRS) Active Care Health Insurance Program as sponsored by the Teacher Retirement System of Texas and 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. Effective September 1, 2014, the TRS Active Care Health Insurance Program is administered by Aetna and Caremark (pharmacy). As of September 1, 2015, Dallas ISD employees may also participate in the Scott & White HMO plan, which is a TRS Active Care option in addition to the Aetna – administered options.

**Medicare Part D.** The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2017 and 2016, these on-behalf payments were \$4,803,958 and \$4,007,124, respectively, and were recorded as equal revenues and expenditures in the General Fund.

**NOTE O: LITIGATION, CONTINGENCIES AND COMMITMENTS**

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

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

**NOTE P: NEW ACCOUNTING PRONOUNCEMENTS**

**GASB Statement No. 73: *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.*** Statement 73 was issued in June 2015. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 74: *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*** Statement 74 was issued in June 2015. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 75: *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*** Statement 75 was issued in June 2015. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other

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Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This standard becomes effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

**GASB Statement No. 77: *Tax Abatement Disclosures*.** Statement 77 was issued in August 2015. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

1. Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
2. The gross dollar amount of taxes abated during the period
3. Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 78: *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*.** Statement 78 was issued in December 2015. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan. This statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 80: *Blending Requirements for Certain Component Units – on amendment of GASB Statement No. 14*.** Statement 80 was issued in January 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 81: *Irrevocable Split-Interest Agreements*.** Statement 81 was issued in March 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This standard becomes effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

**GASB Statement No. 82: *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*.** Statement 82 was issued in March 2016. This Statement addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and

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the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This standard became effective for the District in fiscal year 2017. The implementation had no significant effect on the District's Financial Statements.

**GASB Statement No. 83: *Certain Asset Retirement Obligations*.** Statement 83 was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This standard becomes effective for the District in fiscal year 2019. The District has not yet determined the impact of this statement.

**GASB Statement No. 84: *Fiduciary Activities*.** Statement 84 was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity, and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This standard becomes effective for the District in fiscal year 2019. The District has not yet determined the impact of this statement.

**GASB Statement No. 85: *Omnibus 2017*.** Statement 85 was issued in March 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics, including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and "negative" goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

This standard becomes effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

**GASB Statement No. 86: *Certain Debt Extinguishment Issues*.** Statement 86 was issued in May 2017. This Statement was issued to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting

**Dallas Independent School District  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2017**

and financial reporting for prepaid insurance on debt that is extinguished, and notes to financial statements for debt that is defeased in substance. This standard becomes effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

**GASB Statement No. 87: Leases.** Statement 87 was issued in June 2017. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This standard becomes effective for the District in fiscal year 2020. The District has not yet determined the impact of this statement.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Dallas Independent School District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(GAAP BASIS)	Final Budget
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 1,031,971,598	\$ 1,039,394,725	\$ 1,034,675,784	\$ (4,718,941)
5800 State Program Revenues	331,545,505	329,769,440	327,366,933	(2,402,507)
5900 Federal Program Revenues	52,447,361	52,423,216	57,715,906	5,292,690
5020 <b>Total Revenues</b>	1,415,964,464	1,421,587,381	1,419,758,623	(1,828,758)
<b>EXPENDITURES</b>				
Current				
11 Instruction	811,751,074	819,060,850	794,440,032	24,620,818
12 Instructional Resources and Media Services	22,172,076	22,556,690	21,656,920	899,770
13 Curriculum and Instructional Staff Development	13,917,121	11,861,819	10,856,224	1,005,595
21 Instructional Leadership	33,424,729	32,467,564	30,297,109	2,170,455
23 School Leadership	86,478,075	94,431,408	93,851,613	579,795
31 Guidance, Counseling and Evaluation Services	55,857,710	57,123,536	55,546,157	1,577,379
32 Social Work Services	2,489,688	2,441,526	2,419,453	22,073
33 Health Services	20,178,130	20,473,990	19,335,094	1,138,896
34 Student (Pupil) Transportation	51,704,902	55,501,877	55,703,302	(201,425)
36 Cocurricular/Extracurricular Activities	30,543,652	32,985,208	33,901,724	(916,516)
41 General Administration	54,551,761	52,122,038	48,379,339	3,742,699
51 Facilities Maintenance and Operations	156,284,124	151,133,121	148,816,179	2,316,942
52 Security and Monitoring Services	22,200,343	23,512,859	21,352,393	2,160,466
53 Data Processing Services	35,747,318	37,536,285	34,281,732	3,254,553
61 Community Services	4,117,923	4,016,162	3,918,999	97,163
Debt Service				
71 Principal on Long Term Debt	1,120,000	1,120,000	1,120,000	-
72 Interest on Long Term Debt	8,368,459	8,368,459	8,368,459	-
73 Bond Fees and Charges	15,000	15,000	60,147	(45,147)
Capital Outlay				
81 Facilities Acquisition and Construction	-	54,882,710	54,317,476	565,234
Intergovernmental				
95 Payments to Juvenile Justice Alternative Ed. Prg.	86,300	86,300	8,814	77,486
97 Payments to Tax Increment Fund	-	7,477	7,476	1
99 Other Intergovernmental Charges	4,956,079	4,956,079	4,919,416	36,663
6030 <b>Total Expenditures</b>	1,415,964,464	1,486,660,958	1,443,558,058	43,102,900
1100 Excess (Deficiency) of Revenues Over Expenditures	-	(65,073,577)	(23,799,435)	41,274,142
<b>OTHER FINANCING SOURCES (USES)</b>				
7912 Sale of Real and Personal Property	-	-	5,843,740	5,843,740
8911 Transfers Out (Use)	-	-	(104,490,930)	(104,490,930)
7080 <b>Total Other Financing Sources (Uses)</b>	-	-	(98,647,190)	(98,647,190)
1200 Net Change in Fund Balances	-	(65,073,577)	(122,446,625)	(57,373,048)
0100 Fund Balance - Beginning	-	382,600,085	382,600,085	-
3000 Fund Balance - Ending	\$ -	\$ 317,526,508	\$ 260,153,460	\$ (57,373,048)

See Notes of Required Supplementary Information.



**Dallas Independent School District  
Notes to the Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General Fund  
Required Supplementary Information  
For the Year Ended June 30, 2017**

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

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

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

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

TEA requires the budgets for the governmental fund types to be filed with the TEA. The expenditure should not exceed the budget in any functional category under TEA requirements. For the year ended June 30, 2017, function 34 exceeded budget due to transportation costs for contracted home-to-school bus services being greater than anticipated. Function 36 exceeded budget due to higher-than-expected payroll costs. Function 73 exceeded budget due to increased debt administrative costs.

**Dallas Independent School District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teacher Retirement System**  
**For the Year Ended June 30, 2017**

	2017	2016	2015
District's Proportionate Share of Net Pension Liability (Asset)	\$ 459,885,905	\$ 427,149,463	\$ 248,867,951
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	536,455,724	521,628,830	418,542,854
<b>Total</b>	<b>\$ 996,341,629</b>	<b>\$ 948,778,293</b>	<b>\$ 667,410,805</b>
District's Proportion of the Net Pension Liability (Asset)	1.2169992%	1.2083891%	0.9316925%
District's Covered-Employee Payroll	\$ 1,024,643,933	\$ 980,349,284	\$ 913,475,811
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	44.88%	43.57%	27.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2016 for Year 2017, August 31, 2015 for Year 2016, and August 31, 2014 for Year 2015.

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

**Dallas Independent School District  
Schedule of District Contributions  
Teacher Retirement System  
For the Year Ended June 30, 2017**

	2017	2016	2015
Contractually Required Contribution (Current Fiscal Year)	\$ 36,836,790	\$ 36,370,962	\$ 33,027,288
Contribution in Relation to the Contractually Required Contribution	(36,836,790)	(36,370,962)	(33,027,288)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 1,037,266,640	\$ 1,020,185,302	\$ 969,551,901
Contributions as a Percentage of Covered-Employee Payroll	3.55%	3.57%	3.41%

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

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

**Dallas Independent School District  
Notes to Teacher Retirement System Schedules  
Required Supplementary Information  
For the Year Ended June 30, 2017**

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*Changes of Benefit Terms*

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

*Changes of Assumptions*

There were no changes in the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period:

## **COMBINING AND OTHER STATEMENTS**

## Non-Major Governmental Funds

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

**ESEA Title X, Part C Homeless (Fund 206)** – These funds are to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring. This program is authorized under P.L. 107-110, McKinney-Vento Homeless Education Assistance Improvement of 2001 as amended by NCLB Act of 2001, Title X, Part C.

**ESEA Title I, Part A, D and SIP (Fund 211)** – These funds are to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children. This program is authorized under P.L. 107-110.

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

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

**IDEA – Part B, Discretionary (Fund 226)** – The purpose of this grant is to ensure that all students with disabilities have available a free, appropriate public education, which includes special education and related services to meet their unique needs, the rights of students with disabilities and their parents are protected, and assess and ensure the effectiveness of efforts to educate those students. In addition, these funds can be used to address other priorities as determined by the State Board of Education (SBOE) and the Texas Education Agency (TEA).

**IDEA – Part B, Visually Impaired (Fund 227)** – This fund classification is used to account, on a project basis for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (silver) deaf sub-grants. (84.027) (U.S. Department of Education).

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

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

**ESEA II, Part A – Improving Teacher Quality (Fund 255)** – These funds are used to provide financial assistance to LEAs to increase student academic achievement through improving teacher and principal quality and increasing the number highly qualified teachers in classrooms and highly qualified principals in schools, and hold LEAs accountable for improving student academic achievement. This program is authorized under P.L. 107-110.

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

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

**Title II, B Math/Science Partnership (Fund 273)** – The purpose of this grant is to implement programs that improve the computational thinking and academic achievement in computer science students through partnerships among institutions of higher education, local education agencies, elementary schools, and secondary schools.

**Other Federal Special Revenue Funds (Fund 289)** – These funds are to be used to account, on a project basis, for federally funded special revenue funds that have not been previously mentioned. This fund includes the Indian Education; Refugee School Impact; Project M-NET; Farm to School; HRSA-Affordable Care Act; Home Instruction for Parents of Preschool Youngsters (HIPPY); Texas Grow Eat. These programs are designed to address the unique and culturally related needs of students.

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

**SSA IDEA, Part B – Deaf (Fund 316)** – IDEA-B Formula (Deaf) funds are used to provide all student with a free, appropriate public education that includes special education and related services to meet students' unique needs. These funds are used to fund payroll for teachers and diagnosticians, as well as other contracted services as needed. These funds are also used to purchase all necessary materials used in deaf ed classrooms to provide a high quality education for students.

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

**Visually Impaired SSVI (Fund 385)** – Supplemental State Visually Impaired grant supports the purchasing of needed devices, software and tools needed for students with visual impairments.

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

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

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

**Other State Special Revenue Funds (Fund 429)** – These are state funded special revenue funds not otherwise listed. This fund includes the Educator Excellence Innovation Program. The goal of the Educator Excellence Innovation Program grant is to improve educator effectiveness in Texas public schools through the funding of innovative practices that target the entire timeline of a teacher's career. The program funded with the grant will improve student performance by fostering open, supportive and collaborative campus cultures that allow teachers to seek and attain growth within their field.

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

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

**Other Local Special Revenue Funds (Fund 499)** – These are locally funded special revenue funds not otherwise listed. This fund includes More Time for Learning Initiative/Summer Camp; CRIS-Bill & Melinda Gates; NextGen-Personalized Learning. These programs are designed to address expanded learning time programs for poor city children, enhance college readiness through development of performance metrics, and the pursuance of personalized, rigorous, and relevant learning experiences.



## **Dallas Independent School District**

**Dallas Independent School District**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2017**

Data Control Codes	206 ESEA Title X, Pt. C Homeless	211 ESEA Title I Part A, D and SIP	224 IDEA - Part B Formula
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120 Investments - Current	-	-	-
1240 Receivables from Other Governments	112,803	14,734,963	5,571,533
1290 Other Receivables, Net	-	-	-
1300 Inventories	-	-	-
1000 <b>Total Assets</b>	<u>112,803</u>	<u>14,734,963</u>	<u>5,571,533</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	452	1,750,403	89,172
2150 Payroll Deductions and Withholdings Payable	1,138	1,008,040	469,050
2160 Accrued Wages and Benefits Payable	10,067	6,380,136	3,164,143
2170 Due to Other Funds	71,786	5,144,863	1,807,439
2180 Due to Other Governments	-	204	-
2200 Accrued Expenditures	29,360	451,317	41,729
2300 Unearned Revenues	-	-	-
2000 <b>Total Liabilities</b>	<u>112,803</u>	<u>14,734,963</u>	<u>5,571,533</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance			
3410 Inventories	-	-	-
Restricted Fund Balance			
3450 Federal or State Funds Grant Restriction	-	-	-
3490 Other Restricted Fund Balance	-	-	-
Assigned Fund Balance			
3590 Other Assigned Fund Balance	-	-	-
3000 <b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 112,803</u>	<u>\$ 14,734,963</u>	<u>\$ 5,571,533</u>

## EXHIBIT H-1

225	226	227	240	244
IDEA - Part B Preschool	IDEA - Part B Discretionary	IDEA - Part B Visually Impaired	Food Services Program	Career and Technical - Basic Grant
\$ -	\$ -	\$ -	\$ 14,871,015	\$ -
-	-	-	-	-
32,744	175,724	12,500	848,629	171,750
-	-	-	-	-
-	-	-	6,803,027	-
32,744	175,724	12,500	22,522,671	171,750
-	-	-	1,018,433	39,073
1,760	-	-	227,467	-
10,478	-	-	1,343,858	-
20,300	175,724	12,200	13,627	27,027
-	-	-	-	-
206	-	300	-	105,650
-	-	-	76,230	-
32,744	175,724	12,500	2,679,615	171,750
-	-	-	6,803,027	-
-	-	-	13,040,029	-
-	-	-	-	-
-	-	-	-	-
-	-	-	19,843,056	-
\$ 32,744	\$ 175,724	\$ 12,500	\$ 22,522,671	\$ 171,750

**Dallas Independent School District**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2017**

Data Control Codes	255 ESEA Title II, Part A Training & Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ 2,310,282
1120 Investments - Current	-	-	-
1240 Receivables from Other Governments	924,456	1,244,150	-
1290 Other Receivables, Net	-	-	-
1300 Inventories	-	-	-
1000 <b>Total Assets</b>	<u>924,456</u>	<u>1,244,150</u>	<u>2,310,282</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	104,737	183,177	6,407
2150 Payroll Deductions and Withholdings Payable	37,207	47,185	-
2160 Accrued Wages and Benefits Payable	232,124	374,925	-
2170 Due to Other Funds	547,112	508,446	-
2180 Due to Other Governments	-	-	-
2200 Accrued Expenditures	3,276	130,417	-
2300 Unearned Revenues	-	-	-
2000 <b>Total Liabilities</b>	<u>924,456</u>	<u>1,244,150</u>	<u>6,407</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance			
3410 Inventories	-	-	-
Restricted Fund Balance			
3450 Federal or State Funds Grant Restriction	-	-	2,303,875
3490 Other Restricted Fund Balance	-	-	-
Assigned Fund Balance			
3590 Other Assigned Fund Balance	-	-	-
3000 <b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>2,303,875</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 924,456</u>	<u>\$ 1,244,150</u>	<u>\$ 2,310,282</u>

## EXHIBIT H-1 (Cont'd)

273 Title II B Math/Science Partnership	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary Deaf	316 SSA IDEA, Part B Deaf	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI
\$ -	\$ 757	\$ 209,565	\$ -	\$ -	\$ -
-	-	-	-	-	-
38,700	175,879	59,531	-	67	20,090
-	-	-	-	-	-
-	-	-	-	-	-
38,700	176,636	269,096	-	67	20,090
16,810	1,075	-	-	-	-
-	3,372	4,724	-	-	-
-	26,634	23,623	-	-	-
21,890	145,187	234,224	-	-	20,090
-	-	-	-	-	-
-	146	3,000	-	67	-
-	222	3,525	-	-	-
38,700	176,636	269,096	-	67	20,090
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 38,700	\$ 176,636	\$ 269,096	\$ -	\$ 67	\$ 20,090

**Dallas Independent School District  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2017**

Data Control Codes	393 Texas Successful Schools Prog.	397 Advanced Placement Incentives	410 State Instructional Materials
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 26,682	\$ 141,596	\$ -
1120 Investments - Current	-	-	-
1240 Receivables from Other Governments	-	-	6,779,025
1290 Other Receivables, Net	-	-	173,195
1300 Inventories	-	-	-
1000 <b>Total Assets</b>	<u>26,682</u>	<u>141,596</u>	<u>6,952,220</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	-	1,285	118,110
2150 Payroll Deductions and Withholdings Payable	-	-	-
2160 Accrued Wages and Benefits Payable	-	-	-
2170 Due to Other Funds	-	-	6,496,371
2180 Due to Other Governments	-	-	-
2200 Accrued Expenditures	-	525	337,739
2300 Unearned Revenues	-	-	-
2000 <b>Total Liabilities</b>	<u>-</u>	<u>1,810</u>	<u>6,952,220</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance			
3410 Inventories	-	-	-
Restricted Fund Balance			
3450 Federal or State Funds Grant Restriction	26,682	139,786	-
3490 Other Restricted Fund Balance	-	-	-
Assigned Fund Balance			
3590 Other Assigned Fund Balance	-	-	-
3000 <b>Total Fund Balances</b>	<u>26,682</u>	<u>139,786</u>	<u>-</u>
4000 <b>Total Liabilities and Fund Balances</b>	<u>\$ 26,682</u>	<u>\$ 141,596</u>	<u>\$ 6,952,220</u>

## EXHIBIT H-1 (Cont'd)

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Non-Major Governmental Funds
\$ 30,755	\$ -	\$ 4,385,070	\$ 4,585,410	\$ 26,561,132
-	-	5,000	-	5,000
2,152,188	1,172,453	-	-	34,227,185
407	-	-	77,438	251,040
-	-	-	-	6,803,027
2,183,350	1,172,453	4,390,070	4,662,848	67,847,384
562,829	148,325	67,692	83,356	4,191,336
36	59,942	-	226	1,860,147
350	374,618	-	9,596	11,950,552
1,533,570	586,901	478,465	76,355	17,921,577
-	-	2,826	4,297	7,327
56,594	2,667	91,542	51,301	1,305,836
17,444	-	-	1,555,211	1,652,632
2,170,823	1,172,453	640,525	1,780,342	38,889,407
-	-	-	-	6,803,027
930	-	-	-	15,511,302
-	-	-	2,815,603	2,815,603
-	-	-	-	-
11,597	-	3,749,545	66,903	3,828,045
12,527	-	3,749,545	2,882,506	28,957,977
\$ 2,183,350	\$ 1,172,453	\$ 4,390,070	\$ 4,662,848	\$ 67,847,384

**Dallas Independent School District**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2017**

Data Control Codes	206 ESEA Title X, Pt. C Homeless	211 ESEA Title I Part A, D and SIP	224 IDEA - Part B Formula
<b>REVENUES</b>			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	188,299	74,406,828	26,829,049
5020 <b>Total Revenues</b>	188,299	74,406,828	26,829,049
<b>EXPENDITURES</b>			
Current			
11 Instruction	2,726	28,906,957	14,791,045
12 Instructional Resources and Media Services	-	3,145	-
13 Curriculum and Instructional Staff Development	-	31,672,505	666,270
21 Instructional Leadership	-	1,044,440	2,510,092
23 School Leadership	-	956,687	-
31 Guidance, Counseling and Evaluation Services	-	3,637,116	8,450,580
32 Social Work Services	-	267,899	249,423
33 Health Services	-	36	746
34 Student (Pupil) Transportation	-	-	-
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	-	1,251,560	53,019
51 Facilities Maintenance and Operations	-	-	-
52 Security and Monitoring Services	-	128,133	-
53 Data Processing Services	-	-	106,698
61 Community Services	185,573	6,538,350	1,176
6030 <b>Total Expenditures</b>	188,299	74,406,828	26,829,049
1100 Excess (Deficiency) of Revenues Over Expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	-	-	-
7080 <b>Total Other Financing Sources (Uses)</b>	-	-	-
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - Beginning	-	-	-
3000 Fund Balance - Ending	\$ -	\$ -	\$ -



## EXHIBIT H-2

225	226	227	240	244
IDEA - Part B Preschool	IDEA - Part B Discretionary	IDEA - Part B Visually Impaired	Food Services Program	Career and Technical - Basic Grant
\$ -	\$ -	\$ -	\$ 1,682,218	\$ -
-	-	-	546,233	-
274,954	175,724	12,500	112,018,659	2,560,559
274,954	175,724	12,500	114,247,110	2,560,559
103,168	175,724	12,500	-	1,940,529
-	-	-	-	-
6,491	-	-	-	213,746
162,830	-	-	-	366,284
-	-	-	-	-
2,465	-	-	-	40,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	113,842,693	-
-	-	-	-	-
-	-	-	-	-
-	-	-	2,152,186	-
-	-	-	-	-
-	-	-	-	-
274,954	175,724	12,500	115,994,879	2,560,559
-	-	-	(1,747,769)	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	(1,747,769)	-
-	-	-	21,590,825	-
\$ -	\$ -	\$ -	\$ 19,843,056	\$ -

**Dallas Independent School District**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2017**

Data Control Codes	255 ESEA Title II, Part A Training & Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC
<b>REVENUES</b>			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	5,855,204	6,954,814	904,063
5020 <b>Total Revenues</b>	5,855,204	6,954,814	904,063
<b>EXPENDITURES</b>			
Current			
11 Instruction	1,145,299	3,511,507	-
12 Instructional Resources and Media Services	-	-	-
13 Curriculum and Instructional Staff Development	2,126,418	2,555,991	-
21 Instructional Leadership	899,798	1,062	-
23 School Leadership	18,684	564	-
31 Guidance, Counseling and Evaluation Services	71,613	-	-
32 Social Work Services	-	-	-
33 Health Services	-	-	318,732
34 Student (Pupil) Transportation	-	-	-
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	1,579,860	23,492	-
51 Facilities Maintenance and Operations	8,235	11,539	-
52 Security and Monitoring Services	5,297	3,012	-
53 Data Processing Services	-	-	-
61 Community Services	-	847,647	-
6030 <b>Total Expenditures</b>	5,855,204	6,954,814	318,732
1100 Excess (Deficiency) of Revenues Over Expenditures	-	-	585,331
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	-	-	-
7080 <b>Total Other Financing Sources (Uses)</b>	-	-	-
1200 Net Change in Fund Balance	-	-	585,331
0100 Fund Balance - Beginning	-	-	1,718,544
3000 Fund Balance - Ending	\$ -	\$ -	\$ 2,303,875

## EXHIBIT H-2 (Cont'd)

273 Title II B Math/Science Partnership	289 Other Federal Special Revenue Funds	315 SSA IDEA, Part B Discretionary Deaf	316 SSA IDEA, Part B Deaf	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	20,090
46,396	675,998	248,853	97	3,846	-
46,396	675,998	248,853	97	3,846	20,090
15,456	82,500	248,853	97	3,846	20,090
-	-	-	-	-	-
30,940	24,292	-	-	-	-
-	119,365	-	-	-	-
-	-	-	-	-	-
-	3,494	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	19,842	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	661	-	-	-	-
-	202	-	-	-	-
-	750	-	-	-	-
-	424,892	-	-	-	-
46,396	675,998	248,853	97	3,846	20,090
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Dallas Independent School District**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2017**

Data Control Codes	393 Texas Successful Schools Prog.	397 Advanced Placement Incentives	410 State Instructional Materials
<b>REVENUES</b>			
5700 Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	26,100	8,268,080
5900 Federal Program Revenues	-	-	-
5020 <b>Total Revenues</b>	-	26,100	8,268,080
<b>EXPENDITURES</b>			
Current			
11 Instruction	-	-	8,234,747
12 Instructional Resources and Media Services	-	-	-
13 Curriculum and Instructional Staff Development	-	23,614	33,333
21 Instructional Leadership	-	-	-
23 School Leadership	-	-	-
31 Guidance, Counseling and Evaluation Services	-	-	-
32 Social Work Services	-	-	-
33 Health Services	-	-	-
34 Student (Pupil) Transportation	-	-	-
35 Food Services	-	-	-
36 Cocurricular/Extracurricular Activities	-	-	-
41 General Administration	-	-	-
51 Facilities Maintenance and Operations	-	-	-
52 Security and Monitoring Services	-	-	-
53 Data Processing Services	-	-	-
61 Community Services	-	-	-
6030 <b>Total Expenditures</b>	-	23,614	8,268,080
1100 Excess (Deficiency) of Revenues Over Expenditures	-	2,486	-
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	-	-	-
7080 <b>Total Other Financing Sources (Uses)</b>	-	-	-
1200 Net Change in Fund Balance	-	2,486	-
0100 Fund Balance - Beginning	26,682	137,300	-
3000 Fund Balance - Ending	\$ 26,682	\$ 139,786	\$ -

## EXHIBIT H-2 (Cont'd)

429 Other State Special Revenue Funds	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	499 Other Local Special Revenue Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 3,386,607	\$ 4,435,746	\$ 9,504,571
6,689,704	4,335,750	-	-	19,885,957
-	-	-	-	231,155,843
6,689,704	4,335,750	3,386,607	4,435,746	260,546,371
4,823,530	4,291,874	1,334,015	1,745,398	71,389,861
-	-	392,108	69,111	464,364
1,164,791	-	46,771	1,048,924	39,614,086
203,968	43,876	1,160	435,007	5,787,882
1,677	-	1,300,722	183,173	2,461,507
-	-	979	2,302	12,208,549
-	-	-	-	517,322
-	-	345	1,200	321,059
-	-	39,935	-	39,935
-	-	-	-	113,862,535
-	-	303,843	200,985	504,828
360,491	-	-	31,138	3,299,560
-	-	1,254	132,030	2,305,905
6,241	-	5,866	1,540	150,291
20,082	-	-	-	127,530
106,155	-	7,718	244,426	8,355,937
6,686,935	4,335,750	3,434,716	4,095,234	261,411,151
2,769	-	(48,109)	340,512	(864,780)
-	-	21,209	-	21,209
-	-	-	(21,209)	(21,209)
-	-	21,209	(21,209)	-
2,769	-	(26,900)	319,303	(864,780)
9,758	-	3,776,445	2,563,203	29,822,757
\$ 12,527	\$ -	\$ 3,749,545	\$ 2,882,506	\$ 28,957,977

## **Dallas Independent School District**

## Internal Service Funds

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

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

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

**Program Evaluation** - This fund is used to account for the costs of program evaluations as required by grant awards.

**Deferred Maintenance** - This fund is used to account for maintenance products rendered throughout the District by the Operations Division.

**Technology Services** - This fund is used to account for technology products furnished throughout the District by the Technology Services Division.

**Dallas Independent School District**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

Data Control Codes		752 Graphics Shop	753 Risk Management
<b>ASSETS</b>			
	Current Assets		
1110	Cash and Cash Equivalents	\$ 175,295	\$ 27,607,767
1260	Due from Other Funds	-	1,549,040
1290	Other Receivables, Net	-	30,000
	<b>Total Current Assets</b>	<b>175,295</b>	<b>29,186,807</b>
	Noncurrent Assets		
	Capital Assets		
1530	Furniture and Equipment, Net	227,680	11,640
	<b>Total Noncurrent Assets</b>	<b>227,680</b>	<b>11,640</b>
	<b>Total Assets</b>	<b>402,975</b>	<b>29,198,447</b>
<b>LIABILITIES</b>			
	Current Liabilities		
2110	Accounts Payable	100,082	301,921
2120	Accrued Liabilities - Short Term	-	2,879,226
2150	Payroll Deductions and Withholdings Payable	468	-
2160	Accrued Wages and Benefits Payable	26,344	10,931
2170	Due to Other Funds	140	-
2200	Accrued Expenses	45,294	42,241
	<b>Total Current Liabilities</b>	<b>172,328</b>	<b>3,234,319</b>
	Noncurrent Liabilities		
2590	Accrued Liabilities - Long Term	-	6,405,616
	<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>6,405,616</b>
	<b>Total Liabilities</b>	<b>172,328</b>	<b>9,639,935</b>
<b>NET POSITION</b>			
3200	Net Investment in Capital Assets	227,680	11,640
3900	Unrestricted Net Position	2,967	19,546,872
	<b>Total Net Position</b>	<b>\$ 230,647</b>	<b>\$ 19,558,512</b>



## EXHIBIT H-3

773 Program Evaluation	774 Deferred Maintenance	775 Technology Services	Total Internal Service Funds
\$ 29,211	\$ 14,682,035	\$ 6,471,869	\$ 48,966,177
-	-	-	1,549,040
-	-	-	30,000
29,211	14,682,035	6,471,869	50,545,217
-	-	-	239,320
-	-	-	239,320
29,211	14,682,035	6,471,869	50,784,537
13	1,231,342	-	1,633,358
-	-	-	2,879,226
-	-	-	468
29,198	-	-	66,473
-	-	-	140
-	98,221	-	185,756
29,211	1,329,563	-	4,765,421
-	-	-	6,405,616
-	-	-	6,405,616
29,211	1,329,563	-	11,171,037
-	-	-	239,320
-	13,352,472	6,471,869	39,374,180
\$ -	\$ 13,352,472	\$ 6,471,869	\$ 39,613,500

**Dallas Independent School District**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	752 Graphics Shop	753 Risk Management
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,589,716	\$ 11,477,610
<b>Total Operating Revenues</b>	<u>2,589,716</u>	<u>11,477,610</u>
<b>OPERATING EXPENSES</b>		
Personnel Services	1,194,268	4,942,070
Contractual Services	895,070	703,757
Supplies	607,755	280,543
Other Operating Expenses	34,100	99,719
Depreciation Expense	32,145	3,326
<b>Total Operating Expenses</b>	<u>2,763,338</u>	<u>6,029,415</u>
<b>Operating Income (Loss)</b>	<u>(173,622)</u>	<u>5,448,195</u>
<b>NON-OPERATING REVENUES</b>		
Transfers In	-	-
<b>Total Non-Operating Revenues</b>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	(173,622)	5,448,195
Total Net Position - Beginning	<u>404,269</u>	<u>14,110,317</u>
Total Net Position - Ending	<u><u>\$ 230,647</u></u>	<u><u>\$ 19,558,512</u></u>

773 Program Evaluation	774 Deferred Maintenance	775 Technology Services	Total Internal Service Funds
\$ 943,942	\$ 8,996,943	\$ 9,999,721	\$ 34,007,932
943,942	8,996,943	9,999,721	34,007,932
1,756,715	185,030	-	8,078,083
120	6,662,923	9,999,721	18,261,591
9,175	2,566,892	-	3,464,365
862	-	-	134,681
-	-	-	35,471
1,766,872	9,414,845	9,999,721	29,974,191
(822,930)	(417,902)	-	4,033,741
822,930	-	-	822,930
822,930	-	-	822,930
-	(417,902)	-	4,856,671
-	13,770,374	6,471,869	34,756,829
\$ -	\$ 13,352,472	\$ 6,471,869	\$ 39,613,500

**Dallas Independent School District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2017**

	752 Graphics Shop	753 Risk Management
<b>Cash Flows from Operating Activities</b>		
Cash Received from User Charges	\$ 2,589,716	\$ 11,347,644
Cash Payments to Employees for Services	(1,217,199)	(1,856,589)
Cash Payments for Insurance Claims	-	(3,378,946)
Cash Payments for Suppliers	(1,549,696)	(936,895)
<b>Net Cash Used for Operating Activities</b>	(177,179)	5,175,214
<b>Cash Flows from Non-Capital Financing Activities</b>		
Transfers In	-	-
<b>Cash Flows from Capital &amp; Related Financing Activities</b>		
Acquisition of Capital Assets	(43,065)	-
Net Increase in Cash and Cash Equivalents	(220,244)	5,175,214
Cash and Cash Equivalents at Beginning of Year	395,539	22,432,553
Cash on Balance Sheet	<u>\$ 175,295</u>	<u>\$ 27,607,767</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used for Operating Activities</b>		
Operating Income (Loss)	(173,622)	5,448,195
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities		
Depreciation	32,145	3,326
Effect of Increases and Decreases in Current Assets and Liabilities		
Decrease (increase) in Due from Other Funds	-	(129,966)
Increase (decrease) in Accounts Payable	(19,230)	143,109
Increase (decrease) in Payroll Deductions	(762)	(13)
Increase (decrease) in Accrued Wages Payable	(21,940)	(3,626)
Increase (decrease) in Due to Other Funds	(229)	-
Increase (decrease) in Accrued Liabilities Short-Term	-	203,275
Increase (decrease) in Accrued Liabilities Long Term	-	(489,086)
Increase (decrease) in Accrued Expenses	6,459	-
<b>Net Cash Used for Operating Activities</b>	<u>\$ (177,179)</u>	<u>\$ 5,175,214</u>

773 Program Evaluation	774 Deferred Maintenance	775 Technology Services	Total Internal Service Funds
\$ 943,942	\$ 8,996,943	\$ 9,999,721	\$ 33,877,966
(1,755,863)	(185,030)	-	(5,014,681)
-	-	-	(3,378,946)
(12,155)	(10,787,815)	(9,999,721)	(23,286,282)
(824,076)	(1,975,902)	-	2,198,057
822,930	-	-	822,930
-	-	-	(43,065)
(1,146)	(1,975,902)	-	2,977,922
30,357	16,657,937	6,471,869	45,988,255
\$ 29,211	\$ 14,682,035	\$ 6,471,869	\$ 48,966,177
(822,930)	(417,902)	-	4,033,741
-	-	-	35,471
-	-	-	(129,966)
(1,998)	(1,534,786)	-	(1,412,905)
125	-	-	(650)
714	-	-	(24,852)
13	-	-	(216)
-	-	-	203,275
-	-	-	(489,086)
-	(23,214)	-	(16,755)
\$ (824,076)	\$ (1,975,902)	\$ -	\$ 2,198,057

## Agency Funds

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

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

**Dallas Independent School District**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2017**

	BALANCE JULY 1 2016	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2017
<b>STUDENT ACTIVITY FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 4,952,426	\$ 32,992,965	\$ 32,980,297	\$ 4,965,094
<b>LIABILITIES</b>				
Accounts Payable	151,306	7,321,258	7,230,333	242,231
Due to Other Funds	990,144	5,125,160	5,264,160	851,144
Due to Other Governments	-	8,481	6,071	2,410
Due to Student Groups	3,621,863	10,070,656	10,030,843	3,661,676
Accrued Expenses	189,113	3,178,570	3,160,050	207,633
<b>Total Liabilities</b>	<b>\$ 4,952,426</b>	<b>\$ 25,704,125</b>	<b>\$ 25,691,457</b>	<b>\$ 4,965,094</b>

**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**



**DALLAS INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2017**

Exhibit J-1

	1	2	3	10	20	31	32	40	50
	Tax Rates								
Fiscal year (1)	Maintenance	Debt Service	Net Assessed/ Appraised Value for School Tax Purposes	Beginning Balance	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance
2008	(2) 0.8911 - 1.33005	0.0824 - 0.17259	323,944,388,649	14,284,492	-	769,813	83,394	(2,052,895)	11,378,390
2009	1.040050	0.143352	82,176,569,792	2,692,735	-	231,409	31,896	(184,637)	2,244,793
2010	1.040050	0.231293	79,628,192,590	3,170,053	-	281,160	62,526	(235,447)	2,590,920
2011	1.040050	0.197761	75,985,949,045	3,357,281	-	370,599	70,468	(170,116)	2,746,098
2012	1.040050	0.250297	74,661,069,947	4,886,899	-	512,539	123,347	(1,183,493)	3,067,520
2013	1.040050	0.250297	76,274,060,956	5,136,201	-	700,808	168,656	63,302	4,330,039
2014	1.040050	0.242035	80,040,860,095	7,207,905	-	1,491,729	347,146	16,518	5,385,548
2015	1.040050	0.242035	85,633,556,319	9,293,873	-	2,094,640	487,453	(358,853)	6,352,927
2016	1.040050	0.242035	91,173,609,390	19,198,160	-	2,706,861	629,925	(7,402,674)	8,458,700
2017	1.040050	0.242035	100,935,505,829	-	1,261,569,031	998,444,583	232,352,799	(11,545,712)	19,225,937
Wilmer Hutchins (1)				948,246	-	49,432		(249,867)	648,947
1000 Totals				<u>\$ 70,175,845</u>	<u>\$ 1,261,569,031</u>	<u>\$ 1,007,653,573</u>	<u>\$ 234,357,610</u>	<u>\$ (23,303,874)</u>	<u>\$ 66,429,819</u>

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

(2) Highest and lowest level for 10 years (1997-2007)

**Dallas Independent School District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Food Services Program**  
**For the Year Ended June 30, 2017**

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 2,177,038	\$ 2,177,038	\$ 1,682,218	\$ (494,820)
5800	State Program Revenues	640,553	640,553	546,233	(94,320)
5900	Federal Program Revenues	114,924,579	114,924,579	112,018,659	(2,905,920)
5020	Total Revenues	117,742,170	117,742,170	114,247,110	(3,495,060)
EXPENDITURES					
Current					
6035	Food Services	120,062,170	118,331,778	113,842,693	4,489,085
6041	General Administration	65,000	65,000	-	65,000
6051	Facilities Maintenance and Operations	615,000	2,345,392	2,152,186	193,206
6030	Total Expenditures	120,742,170	120,742,170	115,994,879	4,747,291
1200	Net Change in Fund Balances	(3,000,000)	(3,000,000)	(1,747,769)	1,252,231
0100	Fund Balance - Beginning	-	21,590,825	21,590,825	-
3000	Fund Balance - Ending	\$ (3,000,000)	\$ 18,590,825	\$ 19,843,056	\$ 1,252,231

**Dallas Independent School District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - Debt Service Fund**  
**For the Year Ended June 30, 2017**

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget	
	Original	Final			
REVENUES					
5700	Local and Intermediate Sources	\$ 261,263,871	\$ 261,263,871	\$ 236,539,935	\$(24,723,936)
5800	State Program Revenues	-	2,592,637	2,592,637	-
5020	Total Revenues	261,263,871	263,856,508	239,132,572	(24,723,936)
EXPENDITURES					
Debt Service					
71	Principal on Long Term Debt	121,675,000	121,675,000	121,675,000	-
72	Interest on Long Term Debt	139,548,871	139,548,871	139,548,869	2
73	Bond Fees and Charges	40,000	40,000	24,860	15,140
6030	Total Expenditures	261,263,871	261,263,871	261,248,729	15,142
1100	Excess (Deficiency) of Revenues Over Expenditures	-	2,592,637	(22,116,157)	(24,708,794)
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	-	-	103,668,000	103,668,000
7080	Total Other Financing Sources (Uses)	-	-	103,668,000	103,668,000
1200	Net Change in Fund Balances	-	2,592,637	81,551,843	78,959,206
0100	Fund Balance - Beginning	-	134,439,298	134,439,298	-
3000	Fund Balance - Ending	\$ -	\$ 137,031,935	\$ 215,991,141	\$ 78,959,206

## **Dallas Independent School District**

# Dallas Independent School District

## Index for Statistical Section

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

Contents	Page
<b>Financial Trends Information</b> – These schedules contain trend information intended to help the reader understand how the District's financial position has changed over time.	
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<b>Revenue Capacity Information</b> – These schedules contain information intended to help the reader assess the District's most significant revenue source, tax collections.	
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<b>Demographic and Economic Information</b> – These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the District's financial activities take place.	
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## **Dallas Independent School District**

## **Dallas Independent School District**

# Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 956,576,387	\$ 998,278,934	\$ 918,378,917	\$ 838,734,964
Instructional Resources and Media Services	24,430,222	25,176,186	24,268,027	23,293,647
Curriculum and Staff Development	51,704,106	58,250,759	50,396,457	48,023,182
Instructional Leadership	37,602,700	36,526,926	31,039,518	26,485,116
School Leadership	106,125,020	107,487,393	94,868,296	86,999,537
Guidance, Counseling and Evaluation Services	72,535,828	73,248,880	66,733,501	58,852,078
Social Work Services	2,997,092	3,313,751	2,965,574	2,775,531
Health Services	21,451,753	21,511,094	20,099,689	17,948,403
Student (Pupil) Transportation	55,779,292	53,830,113	46,322,785	35,812,881
Food Services	123,592,132	118,626,758	107,517,917	101,484,589
Cocurricular/Extracurricular Activities	38,266,030	36,421,282	30,184,490	28,452,778
General Administration	51,693,840	53,243,020	48,175,732	39,655,687
Facilities Maintenance and Operation	157,815,314	166,498,335	145,367,996	142,000,753
Security and Monitoring Services	23,036,834	21,386,056	23,283,265	19,989,832
Data Processing Services	45,348,246	46,293,855	44,278,942	38,590,780
Community Services	12,992,401	13,166,512	12,067,736	9,614,304
Debt Service - Interest and Fees on Long-Term Debt	126,555,232	199,431,914	27,515,111	124,428,173
Debt Service - Bond Issuance Cost and Fees	85,007	4,410,076	4,427,183	1,259,936
Facilities Acquisition and Construction	1,078,436	1,336,580	33,668	2,145,951
Chapter 41 payments	-	-	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	8,814	5,622	6,762	2,736
Payments to Tax Increment Fund	7,476	-	-	69,898
Other Intergovernmental Charges	4,919,416	4,791,696	4,578,190	4,410,880
<b>Total Primary Government Program Expenses</b>	<b>1,914,601,578</b>	<b>2,043,235,742</b>	<b>1,702,509,756</b>	<b>1,651,031,636</b>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Service:				
Instruction	-	309,722	172,766	233,006
Curriculum and Staff Development	446,980	629,792	1,611,367	1,817,454
Instructional Leadership	49,664	69,977	179,041	201,939
Food Services	1,464,642	1,600,005	2,821,535	3,801,181
Cocurricular/Extracurricular Activities	909,673	946,391	1,152,755	1,160,349
Facilities Maintenance and Operations	4,672,484	2,026,208	1,917,887	1,413,139
Operating Grants and Contributions	334,916,110	361,222,410	356,499,886	293,878,890
<b>Total Primary Government Program Revenues</b>	<b>342,459,553</b>	<b>366,804,505</b>	<b>364,355,237</b>	<b>302,505,958</b>
<b>Net (Expense)/Revenue</b>				
<b>Total Primary Government Expenses</b>	<b>(1,572,142,025)</b>	<b>(1,676,431,237)</b>	<b>(1,338,154,519)</b>	<b>(1,348,525,678)</b>
<b>General Revenues</b>				
Governmental Activities				
Taxes				
Property Taxes Levied for General Purposes	1,003,755,255	910,501,189	854,963,342	801,098,678
Property Taxes Levied for Debt Services	233,607,228	211,887,005	198,979,050	186,427,489
State Aid not Restricted to Specific Purpose	257,588,928	345,639,301	346,230,033	334,227,912
Grants, Contributions and Other Revenue not Restricted	70,160,602	81,703,893	87,298,011	53,752,263
Investment Earnings	10,901,449	8,457,518	3,084,819	2,478,190
Gain (loss) on Sale of Equipment	-	-	-	-
Miscellaneous	34,387,827	36,477,865	25,615,604	19,352,649
<b>Total Primary Government</b>	<b>1,610,401,289</b>	<b>1,594,666,771</b>	<b>1,516,170,859</b>	<b>1,397,337,181</b>
<b>Change in Net Position</b>				
<b>Total primary government</b>	<b>\$ 38,259,264</b>	<b>\$ (81,764,466)</b>	<b>\$ 178,016,340</b>	<b>\$ 48,811,503</b>

Source: Statement of Activities for the Dallas Independent School District



# Dallas Independent School District

S-1

2013	2012	2011	2010	2009	2008
\$ 837,619,961	\$ 842,891,794	\$ 918,670,306	\$ 914,472,120	\$ 929,388,824	\$ 947,516,694
23,618,126	22,736,721	24,732,131	23,935,081	24,826,612	25,681,473
36,333,128	38,062,123	45,017,015	44,632,038	37,138,971	44,295,242
21,583,374	21,705,813	28,885,789	24,822,153	23,795,617	24,228,778
82,180,544	79,358,915	84,065,159	79,490,680	84,301,765	86,231,024
59,251,653	54,901,981	63,488,723	59,630,524	60,939,150	59,463,862
2,485,963	2,745,665	2,844,122	2,299,973	1,926,948	1,479,906
18,162,354	17,813,557	18,252,622	17,363,982	16,722,030	19,176,368
25,497,358	22,738,339	24,350,694	22,027,097	27,209,587	19,367,604
93,529,323	90,910,150	84,684,667	75,750,540	72,934,030	73,587,637
23,425,259	21,786,201	20,002,925	16,439,635	11,895,625	12,614,693
34,292,907	40,363,776	53,147,300	52,742,750	42,583,250	44,792,325
147,466,378	148,301,564	155,963,647	154,143,299	152,910,877	168,887,599
19,098,721	18,912,935	21,348,002	20,346,170	16,825,756	17,843,175
41,618,908	41,579,518	40,833,190	29,336,406	20,235,055	23,343,511
8,371,779	7,341,491	8,833,215	13,559,717	16,882,388	18,747,992
128,536,048	136,081,451	112,597,583	85,075,051	80,960,896	68,332,722
-	-	-	-	-	-
5,047,018	2,242,121	231,271	1,057,517	220,411	4,859,998
-	-	-	-	13,675,440	-
10,488	302,328	709,194	700,744	730,787	634,959
3,749,780	3,327,159	3,610,740	4,029,110	5,337,315	4,355,716
3,835,557	3,738,645	3,916,117	3,760,526	4,036,656	-
<u>1,615,714,627</u>	<u>1,617,842,247</u>	<u>1,716,184,412</u>	<u>1,645,615,113</u>	<u>1,645,477,990</u>	<u>1,665,441,278</u>
261,509	2,870	272,629	277,928	268,842	271,726
1,278,066	-	-	-	-	-
127,807	-	-	-	-	-
5,558,516	6,391,706	6,321,941	7,150,852	7,957,319	7,737,771
1,167,991	727,573	676,784	674,914	719,035	765,089
6,482,941	1,297,529	1,279,344	1,168,255	1,164,667	1,046,092
286,311,657	256,242,350	364,591,060	351,454,735	280,834,205	266,954,979
<u>301,188,487</u>	<u>264,662,028</u>	<u>373,141,758</u>	<u>360,726,684</u>	<u>290,944,068</u>	<u>276,775,657</u>
<u>(1,314,526,140)</u>	<u>(1,353,180,219)</u>	<u>(1,343,042,654)</u>	<u>(1,284,888,429)</u>	<u>(1,354,533,922)</u>	<u>(1,388,665,621)</u>
767,724,171	752,839,796	753,628,541	779,573,697	815,695,229	769,724,223
184,313,028	180,706,403	143,306,604	174,821,183	111,843,729	117,985,197
337,558,928	416,548,421	417,317,962	391,146,276	392,602,696	424,377,425
41,041,051	56,229,252	35,162,278	40,952,513	20,359,723	11,738,655
2,439,424	3,995,586	3,125,832	3,079,368	8,844,949	16,470,476
-	549,733	-	(276,118)	(8,731,415)	-
10,052,203	3,845,898	636,479	(124,796)	(1,313,479)	-
<u>1,343,128,805</u>	<u>1,414,715,089</u>	<u>1,353,177,696</u>	<u>1,389,172,123</u>	<u>1,339,301,432</u>	<u>1,340,295,976</u>
<u>\$ 28,602,665</u>	<u>\$ 61,534,870</u>	<u>\$ 10,135,042</u>	<u>\$ 104,283,694</u>	<u>\$ (15,232,490)</u>	<u>\$ (48,369,645)</u>

## Dallas Independent School District

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

<b>Fiscal Year Ended June 30:</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 268,379,771	\$ 19,321,452	\$ 222,450,356	\$ 169,438,211
Restricted	79,484,886	254,277,208	154,385,740	76,265,991
Unrestricted	165,806,871	201,813,604	180,340,634	419,545,825
<b>Total Governmental Activities Net Position</b>	<b>\$ 513,671,528</b>	<b>\$ 475,412,264</b>	<b>\$ 557,176,730</b>	<b>\$ 665,250,027</b>

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

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
\$ 226,638,835	\$ 285,655,589	\$ 301,973,476	\$ 309,032,133	\$ 270,352,975	\$ 278,483,300
84,729,743	75,926,853	66,518,906	66,830,947	57,251,335	68,587,086
326,193,821	247,377,292	178,932,482	161,426,742	105,401,818	101,168,232
<u>\$ 637,562,399</u>	<u>\$ 608,959,734</u>	<u>\$ 547,424,864</u>	<u>\$ 537,289,822</u>	<u>\$ 433,006,128</u>	<u>\$ 448,238,618</u>

# Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>Revenues</b>				
Local Sources:				
Property Taxes	\$ 1,250,216,214	\$ 1,131,070,782	\$ 1,063,513,416	\$ 993,116,637
Interest	10,901,450	8,457,520	3,084,819	2,490,870
Other	26,561,577	35,340,417	27,919,560	23,424,643
State Sources	349,845,527	442,535,971	451,066,685	393,745,055
Federal Sources	288,871,749	295,517,788	314,513,874	287,146,679
<b>Total Revenue</b>	<u>1,926,396,516</u>	<u>1,912,922,478</u>	<u>1,860,098,354</u>	<u>1,699,923,884</u>
<b>Expenditures</b>				
Instruction	865,829,893	893,271,045	853,166,619	767,476,755
Instructional Resources and Media Services	22,121,284	22,795,374	22,882,147	21,771,417
Curriculum and Staff Development	50,470,310	55,812,949	50,784,870	47,505,300
Instructional Leadership	36,084,991	34,576,624	30,866,857	26,110,168
School Leadership	96,313,120	96,774,330	88,767,725	80,506,607
Guidance, Counseling, and Evaluation Services	67,754,706	67,753,209	64,816,543	56,672,484
Social Work Services	2,936,775	3,263,195	2,924,614	2,731,254
Health Services	19,656,153	19,639,366	19,164,696	16,943,543
Student Transportation	55,743,237	53,924,053	46,315,857	35,805,953
Food Services	113,862,535	111,672,916	101,308,709	95,659,982
Co-Curricular/Extra-Curricular Activities	34,406,552	32,731,001	27,157,237	25,677,557
General Administration	51,678,899	52,691,371	50,648,623	40,191,375
Plant Maintenance and Operations	151,122,084	161,679,314	143,121,525	136,554,325
Security and Monitoring Services	21,502,684	22,256,194	23,542,452	19,823,365
Data Processing Services	34,409,262	33,838,248	36,450,445	31,179,276
Community Services	12,274,936	12,364,415	11,643,071	9,135,120
Debt Service				
Principal	122,795,000	103,990,000	50,515,000	62,595,000
Interest	148,002,335	133,348,140	142,354,189	133,689,215
Facilities Acquisition & Construction	174,827,546	153,844,110	95,996,507	80,870,347
Intergovernmental Charges	4,935,706	4,797,318	4,584,952	4,483,514
<b>Total Expenditures</b>	<u>2,086,728,008</u>	<u>2,071,023,172</u>	<u>1,867,012,638</u>	<u>1,695,382,557</u>
<b>Other Financing Sources (uses)</b>				
Proceeds from Bonds and Notes	4,405,000	647,230,000	590,875,000	143,340,000
Proceeds from Refunding Bonds	-	-	-	-
Transfers In /Out	(822,930)	(926,624)	(351,439)	(25,719,847)
Premium on Bonds	-	76,488,994	85,253,985	-
Sale of Real & Personal Property	5,843,740	484,990	1,402,794	413,206
Loan Proceeds	-	-	-	-
Legal Settlements	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	(671,684,268)	-
Other Resources	-	-	-	-
<b>Total Other Financing Sources (uses)</b>	<u>9,425,810</u>	<u>723,277,360</u>	<u>5,496,072</u>	<u>118,033,359</u>
Prior Period Adjustment	-	-	-	-
<b>Net Changes in Fund Balances</b>	<u>\$ (150,905,682)</u>	<u>\$ 565,176,666</u>	<u>\$ (1,418,212)</u>	<u>\$ 122,574,686</u>
Debt service as a percentage of noncapital expenditures (1)	12.98%	11.46%	10.33%	12.22%

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

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

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
\$ 953,024,424	\$ 935,396,723	\$ 909,373,008	\$ 970,051,877	\$ 916,363,076	\$ 887,709,420
2,439,424	3,995,586	3,125,832	3,079,367	8,844,951	17,035,873
26,212,625	23,244,360	24,982,675	43,114,429	25,144,485	23,490,585
395,145,649	448,804,079	446,899,911	423,877,886	437,511,002	467,141,793
260,503,088	256,263,965	358,718,768	325,196,043	233,286,410	219,830,921
1,637,325,210	1,667,704,713	1,743,100,194	1,765,319,602	1,621,149,924	1,615,208,592
763,008,812	790,166,496	881,493,362	881,629,395	896,214,975	908,920,219
22,064,026	21,611,547	23,922,133	23,268,657	23,108,097	23,656,319
35,686,203	37,498,502	45,312,833	44,614,128	37,374,301	44,316,564
21,138,257	21,278,216	28,781,240	24,692,621	24,061,737	24,258,649
75,202,435	74,572,714	80,601,956	76,645,839	83,140,482	84,824,718
56,862,691	53,261,191	62,515,390	58,624,587	59,918,862	59,382,793
2,442,091	2,694,685	2,833,886	2,287,349	1,948,498	1,481,390
17,033,913	17,042,684	17,716,810	16,934,542	16,776,445	19,027,335
25,528,534	22,718,745	24,352,369	22,023,914	27,504,105	18,941,778
89,271,199	86,553,720	82,325,328	72,319,312	70,265,117	69,550,687
20,414,477	19,355,947	18,268,645	15,277,626	10,061,404	11,045,708
33,884,965	39,910,323	52,663,314	52,392,310	41,665,642	45,425,492
141,159,026	144,858,033	151,471,848	149,763,876	152,655,240	164,580,285
18,871,512	18,551,089	21,161,663	20,246,825	16,581,630	18,830,513
30,837,025	32,175,475	39,253,756	27,522,856	26,898,652	26,231,463
7,813,628	6,936,427	8,553,002	13,323,523	17,095,424	18,821,066
54,095,000	54,351,003	39,936,273	86,692,253	46,323,865	52,798,930
134,757,695	153,717,458	98,944,160	94,701,833	75,235,694	72,344,574
278,132,001	374,511,644	420,924,235	138,711,972	25,670,160	105,248,542
7,595,825	7,368,132	8,236,051	8,490,380	23,780,198	4,990,675
1,835,799,315	1,979,134,031	2,109,268,254	1,830,163,798	1,676,280,528	1,774,677,700
-	-	950,300,000	-	413,325,000	-
437,060,000	197,935,000	226,810,000	100,760,000	-	-
(234,982)	(509,141)	(126,134)	(862,881)	-	-
64,753,841	29,856,060	46,505,823	5,397,999	10,827,157	-
31,942	619,397	636,479	28,704	622,649	-
-	-	-	-	3,611,421	-
-	-	-	(153,500)	(1,936,127)	-
(498,445,267)	(226,330,345)	(259,446,830)	(107,896,372)	-	-
-	-	-	-	-	-
3,165,534	1,570,971	964,679,338	(2,726,050)	426,450,100	-
-	-	-	-	-	-
\$ (195,308,571)	\$ (309,858,347)	\$ 598,511,278	\$ (67,570,246)	\$ 371,319,496	\$ (159,469,108)
12.21%	13.04%	8.31%	10.80%	7.44%	7.55%

## Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>Revenues</b>				
Local Sources:				
Property Taxes	64.9%	59.1%	57.2%	58.4%
Interest	0.6%	0.4%	0.2%	0.1%
Other	1.4%	1.8%	1.5%	1.4%
State Sources	18.2%	23.1%	24.2%	23.2%
Federal Sources	15.0%	15.4%	16.9%	16.9%
<b>Total Revenue</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Expenditures</b>				
Instruction	41.5%	43.1%	45.7%	45.3%
Instructional Resources and Media Services	1.1%	1.1%	1.2%	1.3%
Curriculum and Staff Development	2.4%	2.7%	2.7%	2.8%
Instructional Leadership	1.7%	1.7%	1.7%	1.5%
School leadership	4.6%	4.7%	4.8%	4.7%
Guidance, Counseling, and Evaluation Services	3.2%	3.3%	3.5%	3.3%
Social Work Services	0.1%	0.2%	0.2%	0.2%
Health Services	0.9%	0.9%	1.0%	1.0%
Student Transportation	2.7%	2.6%	2.5%	2.1%
Food Services	5.5%	5.4%	5.4%	5.6%
Co-Curricular/Extra-Curricular Activities	1.6%	1.6%	1.5%	1.5%
General Administration	2.5%	2.5%	2.7%	2.4%
Plant Maintenance and Operations	7.2%	7.8%	7.7%	8.1%
Security and Monitoring Services	1.0%	1.1%	1.3%	1.2%
Data Processing Services	1.6%	1.6%	2.0%	1.8%
Community Services	0.6%	0.6%	0.6%	0.5%
Debt Service				
Principal	5.9%	5.0%	2.7%	3.7%
Interest	7.1%	6.4%	7.6%	7.9%
Facilities Acquisition & Construction	8.4%	7.4%	5.1%	4.8%
Intergovernmental Charges	0.2%	0.2%	0.2%	0.3%
<b>Total expenditures</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
58.2%	56.1%	52.2%	55.0%	56.5%	55.0%
0.1%	0.2%	0.2%	0.2%	0.5%	1.1%
1.6%	1.4%	1.4%	2.4%	1.6%	1.5%
24.1%	26.9%	25.6%	24.0%	27.0%	28.9%
15.9%	15.4%	20.6%	18.4%	14.4%	13.6%
100%	100%	100%	100%	100%	100%
41.6%	39.9%	41.8%	48.2%	53.5%	51.2%
1.2%	1.1%	1.1%	1.3%	1.4%	1.3%
1.9%	1.9%	2.1%	2.4%	2.2%	2.5%
1.2%	1.1%	1.4%	1.3%	1.4%	1.4%
4.1%	3.8%	3.8%	4.2%	5.0%	4.8%
3.1%	2.7%	3.0%	3.2%	3.6%	3.3%
0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
0.9%	0.9%	0.8%	0.9%	1.0%	1.1%
1.4%	1.1%	1.2%	1.2%	1.6%	1.1%
4.9%	4.4%	3.9%	4.0%	4.2%	3.9%
1.1%	1.0%	0.9%	0.8%	0.6%	0.6%
1.8%	2.0%	2.5%	2.9%	2.5%	2.6%
7.7%	7.3%	7.2%	8.2%	9.1%	9.3%
1.0%	0.9%	1.0%	1.1%	1.0%	1.1%
1.7%	1.6%	1.9%	1.5%	1.6%	1.5%
0.4%	0.4%	0.4%	0.7%	1.0%	1.1%
2.9%	2.7%	1.9%	4.7%	2.8%	3.0%
7.3%	7.8%	4.7%	5.2%	4.5%	4.1%
15.2%	18.9%	20.0%	7.6%	1.5%	5.9%
0.4%	0.4%	0.4%	0.5%	1.4%	0.3%
100%	100%	100%	100%	100%	100%

# Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>General Fund:</b>				
Non-Spendable	\$ 8,797,676	\$ 8,394,857	\$ 7,699,359	\$ 8,230,314
Assigned	117,970,598	275,845,332	186,647,485	175,667,574
Unassigned	133,385,186	98,359,896	163,184,173	158,942,100
<b>Total General Fund</b>	<b>260,153,460</b>	<b>382,600,085</b>	<b>357,531,017</b>	<b>342,839,988</b>
Non-spendable:				
Non-major	6,803,027	6,770,618	4,061,426	4,970,382
Restricted:				
Debt Service	215,991,141	134,439,298	135,296,606	112,388,437
Capital Projects	693,887,626	803,033,746	258,889,822	305,824,929
Federal or State Funds (1)	15,511,302	16,703,404	21,809,316	13,329,755
Local Special Revenue Funds	2,815,603	2,254,115	2,635,520	2,843,937
Assigned - Other	3,828,045	4,094,620	4,495,513	3,940,004
<b>Total All Governmental Funds</b>	<b>\$ 1,198,990,204</b>	<b>\$ 1,349,895,886</b>	<b>\$ 784,719,220</b>	<b>\$ 786,137,432</b>
Fiscal Year Ended June 30:	2013	2012	2011	
<b>General Fund:</b>				
Non-Spendable	\$ 11,499,868	\$ 6,219,819	\$ 6,757,739	
Assigned	6,009,210	7,197,978	6,633,164	
Unassigned	263,644,498	187,702,582	121,707,356	
<b>Total General Fund</b>	<b>281,153,576</b>	<b>201,120,379</b>	<b>135,098,259</b>	
Non-spendable:				
Capital Projects	-	-	34,056	
Non-major	3,592,519	3,743,344	2,146,651	
Restricted:				
Debt Service	117,974,957	112,510,850	100,210,068	
Capital Projects	244,003,261	519,356,980	889,997,668	
Food Service	13,862,032	11,945,805	18,044,165	
Grants and Donations	2,626,439	5,014,837	6,219,675	
Assigned - Other	349,962	-	11,800,000	
<b>Total All Governmental Funds</b>	<b>\$ 663,562,746</b>	<b>\$ 853,692,195</b>	<b>\$ 1,163,550,542</b>	
Fiscal Year Ended June 30:	2010	2009	2008	
<b>General Fund:</b>				
Reserved	\$ 17,987,491	\$ 8,392,093	\$ 16,588,957	
Unreserved	82,111,760	29,275,989	43,623,687	
<b>Total General Fund</b>	<b>100,099,251</b>	<b>37,668,082</b>	<b>60,212,644</b>	
<b>All Other Governmental Funds:</b>				
Reserved:				
Debt Service	\$ 74,280,273	\$ 76,288,266	\$ 76,896,518	
Capital Projects	356,643,856	491,011,154	101,736,405	
Food Service	23,439,317	17,287,051	13,394,122	
Other	1,670,892	2,479,394	2,291,299	
Unreserved, reported in:				
Non-major funds	8,905,675	7,875,563	6,759,026	
<b>Total All Governmental Funds</b>	<b>\$ 565,039,264</b>	<b>\$ 632,609,510</b>	<b>\$ 261,290,014</b>	

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



# Dallas Independent School District

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

Tax Levy Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent years (3)	Total Collections and Adjustments to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2016	1,250,023,319	1,230,797,382	98.5%	-	1,230,797,382	98.5%
2015	1,133,942,847	1,114,744,687	98.3%	-	1,114,744,687	98.3%
2014	1,065,053,360	1,047,228,110	98.3%	8,531,377	1,055,759,487	99.1%
2013	996,169,367	978,736,529	98.3%	8,990,875	987,727,404	99.2%
2012	955,292,606	936,816,774	98.1%	9,335,129	946,151,903	99.0%
2011	934,510,637	915,380,068	98.0%	9,853,035	925,233,103	99.0%
2010	906,603,690	884,253,126	97.5%	14,861,463	899,114,589	99.2%
2009	973,456,881	944,623,970	97.0%	21,698,511	966,322,481	99.3%
2008	936,822,412	902,680,977	96.4%	29,498,539	932,179,516	99.5%
2007	883,009,750	857,460,126	97.1%	22,421,752	879,881,878	99.6%
2006	997,819,375	967,686,598	97.0%	26,926,344	994,612,942	99.7%

- (1) Current year total levy plus current year adjustments.  
 (2) Current year maintenance and debt service collections.  
 (3) Delinquent collections plus delinquent adjustments.

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

# Dallas Independent School District

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

Fiscal Year Ended June 30:	Tax Rates			Tax Levies		
	Maintenance	Debt Service	Total	General Fund	Debt Service Fund	Total
2017	1.040050	0.242035	1.282085	1,023,407,506	238,161,525	1,261,569,031
2016	1.040050	0.242035	1.282085	926,105,038	215,517,853	1,141,622,891
2015	1.040050	0.242035	1.282085	870,471,272	202,571,082	1,073,042,354
2014	1.040050	0.242035	1.282085	815,541,387	189,788,528	1,005,329,915
2013	1.040050	0.250297	1.290347	773,504,617	186,150,551	959,655,168
2012	1.040050	0.250297	1.290347	754,543,597	181,587,418	936,131,015
2011	1.040050	0.197760	1.237810	766,530,717	145,752,801	912,283,518
2010	1.040050	0.231293	1.271343	801,477,032	178,237,507	979,714,539
2009	1.040050	0.143352	1.183402	829,408,399	114,324,352	943,732,751
2008	1.040050	0.159593	1.199643	773,689,887	118,720,988	892,410,875

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

# Dallas Independent School District

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

Fiscal Year Ended June 30:	Real Property			Net Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial Property	Personal Property		
2017	41,787,366,404	45,427,477,998	13,720,661,427	100,935,505,829	1.282085
2016	38,743,465,578	40,529,662,355	13,166,711,763	92,439,839,696	1.282085
2015	36,107,563,490	36,598,495,511	12,927,497,318	85,633,556,319	1.282085
2014	33,952,512,664	33,210,609,987	12,877,737,444	80,040,860,095	1.282085
2013	33,327,472,247	30,636,514,329	12,310,074,380	76,274,060,956	1.290347
2012	33,665,394,542	28,337,566,510	11,838,691,761	73,841,652,813	1.290347
2011	34,456,380,302	29,760,504,666	11,769,064,077	75,985,949,045	1.237810
2010	35,188,256,719	32,048,564,901	12,391,370,970	79,628,192,590	1.271343
2009	35,258,395,611	34,604,451,630	12,313,722,551	82,176,569,792	1.183402
2008	32,790,675,633	32,307,944,667	11,658,729,428	76,757,349,728	1.199643

Source: Dallas Central Appraisal District and Dallas ISD records

## Dallas Independent School District

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

<b>Fiscal Year Ended June 30:</b>	<b>Town of Addison</b>	<b>City of Balch Springs</b>	<b>City of Carrollton</b>	<b>City of Cockrell Hill</b>	<b>City of Dallas</b>	<b>City of DeSoto</b>	<b>City of Duncanville</b>	<b>City of Farmers Branch</b>	<b>City of Garland</b>
2017	0.56047	0.80300	0.60370	1.11941	0.78250	0.74490	0.75845	0.60227	0.70460
2016	0.57915	0.80300	0.61288	1.13244	0.79700	0.74990	0.75845	0.60227	0.70460
2015	0.56180	0.80300	0.61538	0.81166	0.79700	0.75740	0.75845	0.60227	0.70460
2014	0.57180	0.77000	0.61788	0.81191	0.79700	0.75740	0.75845	0.55310	0.70460
2013	0.58000	0.80300	0.61788	0.82315	0.79700	0.75740	0.73769	0.52950	0.70460
2012	0.58000	0.78000	0.61788	0.81109	0.79700	0.75740	0.73769	0.52950	0.70460
2011	0.53000	0.76000	0.61788	0.81109	0.79700	0.73512	0.73769	0.52950	0.70460
2010	0.49600	0.76000	0.61788	0.78811	0.74790	0.69973	0.69600	0.51950	0.70460
2009	0.45350	0.62000	0.61788	0.78811	0.74790	0.69973	0.69600	0.49450	0.69960
2008	0.43370	0.62098	0.61788	0.78811	0.74790	0.70973	0.69600	0.49450	0.68860

Source: Dallas Central Appraisal District and Dallas ISD records

# Dallas Independent School District

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City of Glenn Heights	City of Hutchins	City of Lancaster	City of Mesquite	City of Seagoville	Dallas County and School Equalization	Dallas County Hospital	Dallas County Community College	Dallas Independent School District
0.93553	0.68246	0.86750	0.68700	0.74380	0.25237	0.27940	0.12293	1.28209
0.79340	0.68246	0.86750	0.64000	0.71380	0.25310	0.28600	0.12365	1.28209
0.79500	0.71091	0.86750	0.64000	0.71380	0.25310	0.28600	0.12478	1.28209
0.79500	0.69091	0.86750	0.64000	0.71379	0.25310	0.27600	0.12470	1.28209
0.79500	0.66091	0.86750	0.64000	0.69085	0.25304	0.27100	0.11938	1.29035
0.79500	0.60672	0.86750	0.64000	0.69085	0.25310	0.27100	0.09967	1.29035
0.79500	0.58100	0.86750	0.64000	0.66500	0.25310	0.27100	0.09923	1.23781
0.73932	0.56300	0.77750	0.64000	0.65000	0.23331	0.27400	0.09490	1.27134
0.69436	0.52810	0.77750	0.64000	0.63500	0.23303	0.25400	0.08940	1.18340
0.68404	0.53755	0.73750	0.64000	0.63500	0.23281	0.25400	0.08040	1.19964

# Dallas Independent School District

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

Principal Taxpayers	2017			2008		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Oncor Electric Delivery	\$ 721,381,770	1	0.71%			
Northpark Partners LP	667,809,720	2	0.66%	500,000,000	3	0.65%
AT&T Corp	600,461,060	3	0.59%	718,332,680	1	0.94%
Post Properties Inc	496,155,410	4	0.49%			
Southwest Airlines Co	481,751,612	5	0.48%	406,642,000	5	0.53%
FM Village Fixed Rate LLC	471,339,010	6	0.47%			
Galleria Mall Investors LP	392,728,750	7	0.39%	294,000,000	6	0.38%
Walmart Stores Inc	358,763,730	8	0.36%			
Behringer Harvard	308,395,460	9	0.31%			
Teachers Insurance	298,459,590	10	0.30%			
Texas Utilities Electric Company				538,446,000	2	0.70%
Crescent Real Estate Group				497,000,000	4	0.65%
2200 Ross LP				178,462,420	7	0.23%
Dallas Main LP				166,755,110	8	0.22%
1717 Dallas Partners LLP				155,121,600	9	0.20%
Binyan Realty LP				118,013,390	10	0.15%
<b>Total Ten Principal Taxpayers</b>	<b>\$ 4,797,246,112</b>		<b>4.76%</b>	<b>\$ 3,572,773,200</b>		<b>4.65%</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 100,935,505,829</b>			<b>\$ 76,757,349,728</b>		

Source: Dallas Central Appraisal District and Dallas ISD records

# Dallas Independent School District

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## Computation of Direct and Overlapping Debt (Unaudited)

Taxing Jurisdiction	Net Bonded Debt	Overlapping	
		Percent (1)	Amount
Addison, Town of	\$ 91,100,000	91.30%	\$ 83,174,300
Balch Springs, City of	12,270,000	29.36%	3,602,472
Carrollton, City of	184,565,000	9.78%	18,050,457
Cockrell Hill, City of	5,045,000	98.12%	4,950,154
Dallas County	216,450,000	50.55%	109,415,475
Dallas County CCD	266,580,000	50.55%	134,756,190
Dallas Co Hosp Dist	718,480,000	50.55%	363,191,640
Dallas County Schools	44,745,000	50.55%	22,618,598
Dallas, City of	1,632,810,997	79.58%	1,299,390,991
DeSoto, City of	73,745,000	21.72%	16,017,414
Duncanville, City of	-	0.26%	-
Farmers Branch, City of	35,850,000	38.10%	13,658,850
Garland, City of	463,675,000	1.70%	7,882,475
Glenn Heights, City of	17,055,000	69.16%	11,795,238
Grand Prairie, City of	237,175,000	0.00%	-
Hutchins, City of	5,792,000	84.90%	4,917,408
Irving, City of	440,590,000	100.00%	440,590,000
Lancaster, City of	78,135,000	1.88%	1,468,938
Mesquite, City of	151,445,000	1.85%	2,801,733
Seagoville, City of	7,940,000	87.22%	6,925,268
Wilmer, City of	1,871,000	99.13%	1,854,722
<b>Total Estimated Overlapping Debt</b>			<u>2,547,062,322</u>
 Dallas ISD			 <u>2,939,100,000</u>
<b>Total Direct and Overlapping Bonded Debt</b>			<u><u>\$ 5,486,162,322</u></u>

\*\*Less than 0.01%

Source: Texas Municipal Reports (TMR)

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

## Dallas Independent School District

### Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita Last Ten Fiscal Years (Unaudited)

<b>Fiscal Year Ended June 30:</b>	<b>Estimated Population*</b>	<b>Taxable Assessed Value</b>	<b>Gross Bonded Debt Outstanding at Year End</b>	<b>Amounts Available for Retirement of Bonds</b>
2017	1,283,763	100,935,505,829	2,939,100,000	112,323,141
2016	1,281,031	92,439,839,696	3,057,490,000	134,439,298
2015	1,257,676	85,633,556,319	2,604,313,196	135,296,606
2014	1,241,162	80,040,860,095	2,573,747,354	112,388,437
2013	1,223,378	76,274,060,956	2,492,731,000	117,974,957
2012	1,207,420	73,841,652,813	2,567,329,111	112,510,850
2011	1,200,530	75,985,949,045	2,626,924,745	112,010,068
2010	1,316,350	79,628,192,590	1,727,296,756	74,280,273
2009	1,306,350	82,176,569,792	1,816,824,454	76,288,266
2008	1,279,910	76,757,349,728	1,442,755,001	76,896,518

Fiscal year 2017 Gross Bonded Debt Outstanding at Year End amount does not include bonds premium.

Sources: Dallas ISD Records

\*Dallas Economic Development Profile 2017



# Dallas Independent School District

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Net Bonded Debt Outstanding at Year End	Ratio Net Bonded Debt to Taxable Assessed Valuation	Net Bonded Debt Per Capita	Taxable Assessed Valuation Per Capita	Per Capita Personal Income	Net Bonded Debt To Personal Income
2,826,776,859	2.80%	2,202	\$ 78,625	28,584	7.70%
2,923,050,702	3.16%	2,282	\$ 72,161	28,771	7.93%
2,469,016,590	2.88%	1,963	\$ 68,089	28,522	6.88%
2,461,358,917	3.08%	1,983	\$ 64,489	26,032	7.62%
2,374,756,043	3.11%	1,941	\$ 62,347	25,757	7.54%
2,454,818,261	3.32%	2,033	\$ 61,157	25,449	7.99%
2,514,914,677	3.31%	2,095	\$ 63,294	25,024	8.37%
1,653,016,483	2.08%	1,256	\$ 60,492	26,189	4.79%
1,740,536,188	2.12%	1,332	\$ 62,905	25,298	5.27%
1,365,858,483	1.78%	1,067	\$ 59,971	25,904	4.12%

## Dallas Independent School District

### Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)

<b>Fiscal Year Ended June 30:</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Debt Limit - 10% of Assessed Valuation	\$ 10,093,550,583	\$ 9,243,983,970	\$ 8,563,355,632	\$ 8,004,086,010
Amount of Debt Applicable to Debt Limit:				
Gross Bonded Debt	2,939,100,000	3,057,490,000	2,604,313,196	2,573,747,354
Less - Fund Balance of Debt Service Fund	112,323,141	134,439,298	135,296,606	112,388,437
<b>Total Net Debt Applicable to Debt Limit</b>	<u>2,826,776,859</u>	<u>2,923,050,702</u>	<u>2,469,016,590</u>	<u>2,461,358,917</u>
<b>Legal Debt Margin:</b>	<u>\$ 7,266,773,724</u>	<u>\$ 6,320,933,268</u>	<u>\$ 6,094,339,042</u>	<u>\$ 5,542,727,093</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.01%	31.62%	28.83%	30.75%

Source: Dallas ISD Records

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
\$ 7,627,406,096	\$ 7,466,106,995	\$ 7,598,594,905	\$ 7,962,819,259	\$ 8,217,656,979	\$ 7,675,734,973
2,492,731,000	2,567,329,111	2,626,924,745	1,727,296,756	1,816,824,454	1,442,755,001
117,974,957	112,510,850	112,010,068	74,280,273	76,288,266	76,896,518
<u>2,374,756,043</u>	<u>2,454,818,261</u>	<u>2,514,914,677</u>	<u>1,653,016,483</u>	<u>1,740,536,188</u>	<u>1,365,858,483</u>
<u>\$ 5,252,650,053</u>	<u>\$ 5,011,288,734</u>	<u>\$ 5,083,680,228</u>	<u>\$ 6,309,802,776</u>	<u>\$ 6,477,120,791</u>	<u>\$ 6,309,876,490</u>
31.13%	32.88%	33.10%	20.76%	21.18%	17.79%

# Dallas Independent School District

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

<b>Fiscal Year Ended June 30:</b>	<b>Principal</b>	<b>Interest and Other Charges</b>	<b>Total Bonded Debt Expenditures</b>	<b>Total Expenditures</b>	<b>Ratio of Total Bonded Debt Expenditures To Total Expenditures</b>
2017	121,675,000	139,573,729	261,248,729	2,086,728,008	12.52%
2016	97,110,000	121,108,202	218,218,202	2,071,023,172	10.54%
2015	48,430,000	129,690,635	178,120,635	1,867,012,638	9.54%
2014	60,610,000	132,223,879	192,833,879	1,695,382,557	11.37%
2013	50,625,000	134,326,218	184,951,218	1,835,799,315	10.07%
2012	49,515,000	152,570,482	202,085,482	1,979,134,031	10.21%
2011	35,445,000	85,720,357	121,165,357	2,109,268,254	5.74%
2010	82,385,000	93,302,153	175,687,153	1,830,163,798	9.60%
2009	41,634,515	70,236,331	111,870,846	1,676,280,528	6.67%
2008	49,819,100	72,226,330	122,045,430	1,774,677,700	6.88%

Source: Dallas ISD Records

# Dallas Independent School District

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

	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
Beginning Fund Equity	\$ 382,600,085	\$ 357,531,017	\$ 342,839,988	\$ 281,153,576	\$ 201,120,379
<b>Revenues:</b>					
From Ad Valorem Taxes	1,014,472,938	917,799,922	862,993,627	805,979,174	768,615,460
% of Total Revenue	71.45%	64.45%	63.61%	64.01%	64.23%
From State and Federal Funds	385,082,839	475,016,940	476,929,073	441,735,901	412,443,512
% of Total Revenue	27.12%	33.35%	35.15%	35.08%	34.47%
From Other Local Sources	20,202,846	31,323,388	16,833,635	11,468,136	15,629,494
% of Total Revenue	1.42%	2.20%	1.24%	0.91%	1.31%
Total Revenues	1,419,758,623	1,424,140,250	1,356,756,335	1,259,183,211	1,196,688,466
Total Expenditures	1,443,558,058	1,443,363,207	1,300,116,661	1,170,463,117	1,121,631,351
Total Other Financing Sources	(98,647,190)	44,292,025	(41,948,645)	(27,033,682)	4,976,082
<b>Ending Fund Equity</b>	<b>\$ 260,153,460</b>	<b>\$ 382,600,085</b>	<b>\$ 357,531,017</b>	<b>\$ 342,839,988</b>	<b>\$ 281,153,576</b>

### Per Student Calculations:

Assessed Value Per Student	\$ 634,366	\$ 587,763	\$ 579,937	\$ 544,585	\$ 521,693
Ad Valorem Tax Revenue Per Student	\$ 6,962	\$ 6,300	\$ 5,844	\$ 5,484	\$ 5,257
State and Federal Funds Per Student	2,643	3,260	3,230	3,005	2,821
Other Local Sources Per Student	139	215	114	78	107
Total Revenue Per Student	\$ 9,744	\$ 9,775	\$ 9,188	\$ 8,567	\$ 8,185
<b>Total Expenditures Per Student</b>	<b>\$ 9,906</b>	<b>\$ 9,907</b>	<b>\$ 8,805</b>	<b>\$ 7,964</b>	<b>\$ 7,672</b>
Average Daily Attendance	145,720	145,694	147,660	146,976	146,205

Source: Dallas ISD Records

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## Dallas Independent School District

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

<b>Fiscal Year Ended June 30: Year</b>	<b>Estimated Population (1)</b>	<b>Enrollment (2)</b>	<b>Average Daily Attendance (2)</b>	<b>District Employees (2)</b>
2017	1,283,763	157,886	145,720	20,757
2016	1,281,031	158,604	145,694	21,714
2015	1,257,676	160,253	147,660	21,715
2014	1,241,162	159,713	146,976	20,793
2013	1,223,378	158,932	146,205	19,838
2012	1,207,420	157,575	144,935	18,470
2011	1,200,530	157,162	141,900	20,194
2010	1,316,350	157,111	143,704	20,076
2009	1,306,350	157,352	144,347	20,387
2008	1,279,910	157,804	144,833	21,289

(1) Information was obtained from the City of Dallas Economic Development Profile.

(2) Information was obtained from Dallas ISD records.

Median Household Income (1)	Per Capita Personal Income (1)	Unemployment Rate (1)
44,016	28,584	3.7%
43,003	28,771	3.8%
41,978	28,522	4.0%
58,190	26,032	5.0%
40,585	25,757	7.3%
43,640	25,449	7.9%
42,911	25,024	8.7%
39,813	26,189	8.7%
40,473	25,298	7.4%
42,670	25,904	4.9%

# Dallas Independent School District

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

Principal Employers	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-mart Stores, Inc.	34,000	1	2.77%	33,500	1	1.31%
American Airlines Group, Inc.	27,000	2	2.20%	25,655	2	0.92%
Texas Health Resources	22,296	3	1.82%	17,299	4	0.56%
Dallas Independent School District	20,757	4	1.69%	20,000	3	
Baylor Scott & White Health	16,500	5	1.35%	16,000	6	0.62%
Lockheed Martin Aeronautics Co.	13,750	6	1.12%	14,776	7	0.62%
Bank of America	13,500	7	1.10%	8,000		0.33%
City of Dallas	13,336	8	1.09%	14,764	8	0.55%
UT Southwestern Medical Center	13,018	9	1.06%			
Texas Instruments, Inc.	13,000	10	1.06%	11,300	10	0.43%
Verizon Communications				13,800	9	0.56%
AT&T Inc.				16,200	5	0.55%
<b>Total</b>	<b>187,157</b>		<b>15.27%</b>	<b>191,294</b>		<b>6.45%</b>

Estimated Total Employed Workforce in 2017      1.23 million

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial Records, Dallas City Hall, North Texas Commission, Dallas ISD Records as of April 25, 2017



## Dallas Independent School District

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

Fiscal Year Ended June 30:	Expenditures (1)	Enrollment (2)	Per Student Costs	General Fund Expenditures	General Fund Per Student Costs	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2017	\$ 1,704,969,209	157,886	10,799	\$ 1,443,558,058	9,143	15.01	88%
2016	1,714,566,319	158,604	10,810	1,443,363,207	9,100	14.29	88%
2015	1,593,910,048	160,253	9,946	1,300,116,661	8,113	14.43	86%
2014	1,421,678,331	159,713	8,901	1,170,463,469	7,329	15.40	89%
2013	1,372,716,096	158,932	8,637	1,121,631,784	7,057	15.72	89%
2012	1,402,536,905	157,575	8,901	1,134,703,136	7,201	15.68	88%
2011	1,553,446,290	157,162	9,884	1,177,896,503	7,495	14.47	87%
2010	1,558,413,699	157,111	9,919	1,160,098,821	7,384	14.45	87%
2009	1,520,028,100	157,352	9,660	1,236,434,518	7,858	14.15	85%
2008	1,560,292,156	157,804	9,888	1,273,271,044	8,069	13.66	84%

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

(2) Data obtained from PEIMS

Source: Dallas ISD Records

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

<b>Fiscal Year</b>	<b>Beginning Teacher Salary</b>	<b>Average Teacher Salary</b>	<b>Number of Teachers</b>
2017	50,000	56,072	10,518
2016	47,382	54,903	11,099
2015	47,382	53,135	11,103
2014	46,002	52,254	10,372
2013	45,100	51,485	10,112
2012	45,100	52,028	9,494
2011	45,350	53,940	10,864
2010	45,350	53,880	10,872
2009	44,350	53,457	11,122
2008	43,500	51,746	11,551

Source: Dallas ISD Records

## **Dallas Independent School District**

## Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>FTE</b>				
Instruction	12,976.1	13,129.0	13,168.7	12,688.1
Instructional Resources and Media Services	322.0	320.0	320.5	316.0
Curriculum and Staff Development	543.0	608.4	624.2	567.8
Instructional Leadership	369.5	339.2	321.3	291.7
School leadership	1,436.0	1,460.0	1,428.0	1,368.0
Guidance, Counseling, and Evaluation Services	752.3	774.1	757.0	666.6
Social Work Services	43.0	45.0	48.0	43.0
Health Services	328.3	315.6	314.0	304.0
Student Transportation	3.0	3.0	3.0	3.0
Food Services	1,785.0	1,783.0	1,771.0	1,770.0
Co-Curricular/Extra-Curricular Activities	72.1	72.0	73.0	71.4
General Administration	447.4	457.9	457.2	373.6
Plant Maintenance and Operations	1,538.1	1,541.7	1,545.5	1,547.1
Security and Monitoring Services	408.0	407.0	400.0	391.0
Data Processing Services	237.6	226.5	210.5	223.6
Community Services	184.6	186.8	189.1	147.6
Facilities Acquisition & Construction	41.5	26.0	21.0	20.5
<b>Total FTE</b>	<b>21,487</b>	<b>21,695</b>	<b>21,652</b>	<b>20,793</b>

Source: Dallas ISD Records as of June 30, 2017

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
12,476.3	11,035.8	12,174.2	12,098.8	12,361.2	12,524.1
316.0	315.5	336.0	336.0	353.0	358.4
362.1	343.0	352.6	408.3	315.5	371.6
245.9	232.0	322.9	290.4	288.9	421.5
1,329.5	1,314.9	1,361.4	1,319.3	1,402.2	1,512.1
656.9	669.9	745.9	751.5	803.4	897.5
38.0	39.0	44.5	34.5	27.5	27.0
294.9	302.9	299.7	306.3	299.5	337.1
3.0	9.0	9.0	9.0	9.0	9.0
1,461.0	1,461.0	1,439.0	1,438.0	1,458.0	1,425.1
45.4	39.0	39.0	39.0	41.0	17.0
300.3	302.3	400.7	390.0	344.5	443.7
1,535.0	1,656.6	1,815.5	1,830.0	1,819.8	2,007.5
403.0	392.0	432.0	427.0	428.0	433.0
221.6	219.1	261.7	176.2	181.2	190.3
128.6	117.2	141.4	203.7	237.2	297.8
20.5	20.9	18.6	18.0	17.0	16.5
19,838	18,470	20,194	20,076	20,387	21,289

# Dallas Independent School District

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

Fiscal Year Ended June 30:	2017	2016	2015	2014
<b>PIC</b>				
11 Basic Education Services	\$ 558,146,624	\$ 552,343,411	\$ 507,152,802	\$ 474,927,651
21 Gifted and Talented	7,245,967	10,503,846	9,668,344	8,940,356
22 Career and Technology	29,909,327	28,955,755	25,098,566	24,693,065
23 Special Education	116,644,342	115,118,770	100,677,065	89,554,017
24 Accelerated Education	10,318,273	10,145,059	5,275,144	4,044,321
25 Bilingual Education	19,762,792	30,904,073	28,095,535	23,388,823
26 AEP Services	3,364,526	3,374,453	2,674,268	2,488,846
28 DAEP Basic	3,688,059	3,428,375	3,395,527	3,249,212
29 DAEP Supplemental	80	13,095	1,059	9,247
30 Title I Part A	40,906,044	49,123,522	53,237,260	49,324,415
31 High School Allotment	13,620,305	18,347,667	18,076,718	14,770,151
32 Pre-Kindergarten Regular Education	6,716,867	6,446,065	5,130,282	7,369,459
33 PK Special Education	-	-	-	2
34 PK Comp Education	29,162,908	27,750,176	25,638,961	21,236,766
35 PK Bilingual Education	10,637,638	9,590,777	8,223,025	6,301,771
91 Athletics and Related	20,276,170	17,322,180	15,625,414	14,768,601
99 Undistributed	573,158,136	559,995,982	492,146,690	425,396,766
<b>Total</b>	<b>\$ 1,443,558,058</b>	<b>\$ 1,443,363,207</b>	<b>\$ 1,300,116,661</b>	<b>\$ 1,170,463,469</b>

Source: Dallas ISD Records

# Dallas Independent School District

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2013	2012	2011	2010	2009	2008
\$ 466,713,547	\$ 475,117,717	\$ 474,813,369	\$ 498,873,951	\$ 661,308,819	\$ 722,500,711
9,534,610	10,236,525	13,835,271	14,656,086	17,242,122	18,022,100
23,442,817	24,939,809	23,478,532	23,687,421	22,522,845	24,794,231
76,488,103	77,907,703	77,874,757	77,272,008	78,661,218	79,217,609
3,903,140	7,335,276	6,118,923	6,747,043	5,714,022	9,171,168
15,464,944	16,192,928	21,058,126	30,990,858	33,701,959	33,920,465
2,243,646	2,628,247	5,410,241	5,099,839	5,689,375	6,156,237
2,796,025	4,685,662	6,019,248	5,413,632	6,719,006	6,842,471
9,570	2,379	-	1,300	-	36
45,442,486	48,641,916	63,955,875	64,476,116	82,504,816	44,790,063
9,633,184	10,046,397	9,404,846	9,401,812	-	-
31,822,829	25,785,069	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,796,532	12,252,095	11,301,633	11,342,665	7,964,742	8,837,589
421,340,351	418,931,413	464,625,682	412,136,090	314,405,594	319,018,364
<u>\$ 1,121,631,784</u>	<u>\$ 1,134,703,136</u>	<u>\$ 1,177,896,503</u>	<u>\$ 1,160,098,821</u>	<u>\$ 1,236,434,518</u>	<u>\$ 1,273,271,044</u>

## Dallas Independent School District

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

Campus Level	2016-2017			2015-2016			2014-2015			2013-2014			2012-2013		
	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio
High	39,597	2,335.5	17.0	39,386	2,366.3	16.6	38,791	2,151.7	18.0	37,914	2,003.3	18.9	38,372	2,041.6	18.8
Middle	31,427	1,903.1	16.5	31,535	1,874.0	16.8	32,374	1,846.0	17.5	32,595	1,641.9	19.9	32,067	1,722.8	18.6
Elementary	86,862	5,438.7	16.0	87,683	5,674.1	15.5	89,088	5,511.1	16.2	89,204	5,087.1	17.5	88,493	5,108.8	17.3
District	157,886	9,677.3	16.3	158,604	9,914.4	16.0	160,253	9,508.8	16.9	159,713	8,732.3	18.3	158,932	8,873.2	17.9

Note: Does not include Special Education Teachers

\*Data includes all Funds.



## Dallas Independent School District

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2011-2012			2010-2011			2009-2010			2008-2009			2007-2008		
Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio	Enrollment	FTE's	Ratio
38,018	2,102.7	18.1	37,972	2,341.3	16.2	38,117	2,342.2	16.3	37,911	2,374.5	16.0	38,432	2,426.0	15.8
31,479	1,616.1	19.5	31,136	1,802.2	17.3	31,059	1,868.1	16.6	31,283	1,939.1	16.1	31,304	2,077.0	15.1
88,078	5,492.6	16.0	88,054	5,431.8	16.2	87,935	5,285.8	16.6	88,158	5,399.1	16.3	88,068	5,638.9	15.6
157,575	9,211.3	17.1	157,162	9,575.2	16.4	157,111	9,496.2	16.5	157,352	9,712.6	16.2	157,804	10,141.9	15.6

# Dallas Independent School District

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## Dallas ISD Enrollment Trend Last Ten Fiscal Years (Unaudited)

	Total Enrollment	Change	% Change	FTE's	Change	% Change
2016-2017	157,886	(718)	-0.45%	9,677	(237)	-2.39%
2015-2016	158,604	(1,649)	-1.03%	9,914	406	4.27%
2014-2015	160,253	540	0.34%	9,509	777	8.89%
2013-2014	159,713	781	0.49%	8,732	(141)	-1.59%
2012-2013	158,932	1,357	0.86%	8,873	(338)	-3.67%
2011-2012	157,575	413	0.26%	9,211	(364)	-3.80%
2010-2011	157,162	51	0.03%	9,575	79	0.83%
2009-2010	157,111	(241)	-0.15%	9,496	(216)	-2.23%
2008-2009	157,352	(452)	-0.29%	9,713	(429)	-4.23%
2007-2008	157,804	(1,340)	-0.84%	10,142	704	7.46%

Source: PEIMS Data

## **Dallas Independent School District**

## Dallas Independent School District

### Dallas ISD School Building Information (Unaudited)

	2017			2016			2015		
<u>Campus Level</u>	<u>Number</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>	<u>Number</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>	<u>Number</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
High Schools	41	6,675,762	683	41	6,602,017	683	40	6,684,542	817
Middle Schools	43	5,257,933	627	43	5,342,784	627	41	5,078,453	594
Elementary Schools	156	10,991,640	1,341	153	10,980,605	1,342	152	10,855,454	1,314
Admin Facilities	22	2,103,047	149	25	1,979,048	159	32	2,361,623	204
Athletic & Pool Facilities	12	573,989	233	12	573,989	233	12	573,989	233
<b>Total</b>	<b>274</b>	<b>25,602,371</b>	<b>3,033</b>	<b>274</b>	<b>25,478,443</b>	<b>3,044</b>	<b>277</b>	<b>25,554,061</b>	<b>3,162</b>

Information from fiscal years 2008 - 2011 is not available.

## Dallas Independent School District

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2014			2013			2012		
Number	Capacity/Sq. Ft.	Acreage	Number	Capacity/Sq. Ft.	Acreage	Number	Capacity/Sq. Ft.	Acreage
40	6,646,649	805	40	6,777,229	836	40	6,376,269	815
41	5,153,363	600	42	5,424,159	639	37	4,702,933	558
152	10,758,373	1,310	151	10,568,357	1,282	148	10,302,900	1,240
31	2,608,244	204	39	2,102,018	170	32	2,316,021	179
12	573,989	252	23	566,110	252	23	566,110	252
276	25,740,618	3,171	295	25,437,873	3,179	280	24,264,233	3,044

## **Dallas Independent School District**



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

Board of Trustees  
Dallas Independent School District  
Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Dallas Independent School District (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

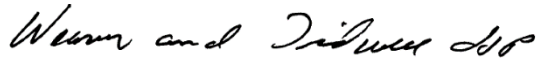
### **Compliance and Other Matters**

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

Board of Trustees  
Dallas Independent School District

### **Purpose of this Report**

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Weaver and Tidwell LLP". The script is cursive and fluid.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 30, 2017





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

Board of Trustees  
Dallas Independent School District  
Dallas, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Dallas Independent School District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a **test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.**

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

*Opinion on Each Major Federal Program*

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## Report on Internal Control over Compliance

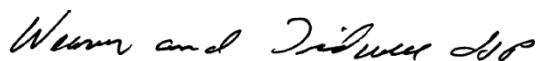
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance that is considered a significant deficiency, as described in the accompanying schedule of findings and questioned costs as item [2017-001].

The District's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
October 30, 2017

## **Dallas Independent School District**

**Dallas Independent School District  
Schedule of Expenditures of Federal Awards  
For The Year Ended June 30, 2017**

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Passed Through University of North Texas			
Texas HIPPY - AmeriCorps	94.006	GF4271-2	25,727
Texas HIPPY - AmeriCorps	94.006	GF40025-3	3,500
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<b>\$ 29,227</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Direct Program			
JROTC	12.357	N/A	2,095,463
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<b>\$ 2,095,463</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs			
Title VII - Indian Educational Formula Grant	84.060A	S060A150194	(201)
Title VII - Indian Educational Formula Grant	84.060A	S060A160194	126,382
<b>Total Direct Programs</b>			<b>\$ 126,181</b>
Passed Through Ohio State University			
Project M-Net: Mobilizing National Educator Talent	84.350C	60031733	35,593
Project M-Net: Mobilizing National Educator Talent	84.350C	60031733	24,340
<b>Total Passed through Ohio State University</b>			<b>\$ 59,933</b>
Passed Through Region 10 ESC			
McKinney-Vento/TEXSHEP	84.196A	16-063	7,564
McKinney-Vento/TEXSHEP	84.196A	17-019	182,505
<b>Total Passed through Region 10 ESC</b>			<b>\$ 190,069</b>
Passed Through The University of Texas at Austin			
2016-2017 Texas Mathematics and Science Partnership Professional Development Network	84.366B	166944047110001	46,668
<b>Total Passed through The University of Texas at Austin</b>			<b>\$ 46,668</b>
Passed Through Spurwink Services, Inc.			
Building Assets - Reducing Risks	84.411B	109	29,979
<b>Total Passed through Spurwink Services, Inc.</b>			<b>\$ 29,979</b>
Passed Through Texas Education Agency			
ESEA, Title I, Part A, Part D and SIP	84.010A	16610101057905	599,824
ESEA, Title I, Part A, Part D and SIP	84.010A	17610101057905	76,120,009
<b>Total Title I, Part A, Part D and SIP Cluster</b>			<b>\$ 76,719,833</b>
IDEA - Part B Formula	84.027A	166600010579056600	282,966
IDEA - Part B Formula	84.027A	176600010579056000	26,546,083
SSA - IDEA - Part B Discretionary - Deaf	84.027A	166600110579056673	11,629
SSA - IDEA - Part B Discretionary - Deaf	84.027A	17660011057905	237,224
SSA - IDEA - Part B Discretionary - Deaf	84.027A	176600020579056674	175,724
SSA - IDEA - Part B Deaf	84.027A	166600010579056601	97
IDEA - Part B Visually Impaired - Through ESC 10	84.027A	176002271110	12,500
<b>Total CFDA Number 84.027A</b>			<b>\$ 27,266,223</b>
IDEA - Part B Preschool	84.173A	166610010579056610	859
IDEA - Part B Preschool	84.173A	176610010579056610	274,095
<b>Total CFDA Number 84.173A</b>			<b>\$ 274,954</b>
<b>Total Special Education Cluster (IDEA)</b>			<b>\$ 27,541,177</b>
SSA - IDEA - Part C - Early Intervention (Deaf)	84.181A	173911010579053911	3,846
Career and Technical - Basic Grant (Perkins IV)	84.048A	16420006057905	150,544
Career and Technical - Basic Grant (Perkins IV)	84.048A	17420006057905	2,453,001
<b>Total CFDA Number 84.048A</b>			<b>\$ 2,603,546</b>
Title III, Part A - English Language Acquisition	84.365A	16671001057905	53,104
Title III, Part A - English Language Acquisition	84.365A	17671001057905	6,054,270
Title III, Part A - Immigrant	84.365A	16671003057905	5,492
Title III, Part A - Immigrant	84.365A	17671003057905	909,690
<b>Total CFDA Number 84.365A</b>			<b>\$ 7,022,556</b>
Title III, Part A - English Language Acquisition	84.365B	156711037110013	44,836
ESEA, Title II, Part A, Improving Teacher Quality	84.367A	16694501057905	129,761
ESEA, Title II, Part A, Improving Teacher Quality	84.367A	17694501057905	5,817,146
<b>Total CFDA Number 84.367A</b>			<b>\$ 5,946,907</b>

Summer School LEP	84.369A	69551602	13,350
<b>Total Passed through Texas Education Agency</b>			<b>\$ 119,896,051</b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 120,348,881</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<b>Passed Through Health and Human Services Commission</b>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00269	1,416,540
HIPPY - Texas Home Visiting	93.505	529-12-0029-0004E	11,060
HIPPY - Texas Home Visiting	93.505	529-12-0029-0004F	293,500
Total Passed through Health and Human Services Commission			<b>\$ 1,721,100</b>
<b>Passed Through Texas Department Of Health</b>			
Refugee School Impact Program	93.576	529-15-0073-00001A	59,967
Total Passed through Texas Department Of Health			<b>\$ 59,967</b>
<b>Passed Through United States Conference of Catholic Bishops/Migration and Refugee Services</b>			
Refugee School Impact Program	93.566	1702TXRSOC	33,540
Total Passed through United States Conference of Catholic Bishops/Migration and Refugee Services			<b>\$ 33,540</b>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 1,814,607</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>Direct Programs</b>			
Farm to School	10.575	CN-F2S-IMPL-15-TX	19,913
National School Lunch Program - Equipment Grants	10.574	TA04-2010	79,302
Total Direct Programs			<b>\$ 99,215</b>
<b>Passed Through Texas Department of Agriculture</b>			
School Breakfast Program	10.553	71401701	33,670,317
National School Lunch Program - Cash Assistance	10.555	71301701	64,944,290
National School Lunch Program - Non-Cash Assistance	10.555	71301701	6,142,179
Total CFDA Number 10.555			<b>\$ 71,086,468</b>
Summer Feeding Program - Cash Assistance	10.559	00276	1,248,828
Total Child Nutrition Cluster			<b>\$ 106,005,613</b>
Child and Adult Care Food Program - Cash Assistance	10.558	00276	3,695,519
Fresh Fruit and Vegetable Program	10.582	00276	2,238,225
Total Passed through Texas Department of Agriculture			<b>\$ 111,939,356</b>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>\$ 112,038,571</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 236,326,750</b>

All amounts include indirect cost allocation.

# DALLAS INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED June 30, 2017

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

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

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

The modified accrual basis of accounting is used for the governmental funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned. The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.

2. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with provisions in Section H: Period of Availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
3. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2017, may be impaired. The District has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.
4. The Schedule of Federal Awards includes funds received for Medicaid and ROTC recorded in general fund for \$2,613,944. The Schedule of Federal Awards also includes indirect costs in the amount of \$2,562,968.

The following table reconciles total expenditures per The Schedule of Expenditures of Federal Awards to the non-major governmental funds federal program revenues per Exhibit C-2:

Total federal programs revenue per Exhibit C-2	\$ 231,155,843
Indirect cost reimbursement	2,562,968
JROTC	2,095,463
Medicaid (Fund 180)	<u>512,476</u>
Total expenditures of federal awards	<u><u>\$ 236,326,750</u></u>

**Dallas Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

**I. Summary of the Auditor's Results:**

Financial Statements

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

Federal Awards

- d. Internal control over major federal programs:
- Material weakness(es) identified? ☐ Yes ☒ No
  - Significant deficiency(ies) identified that are not considered a material weakness? ☒ Yes ☐ None reported
- e. An unmodified opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a). ☐ Yes ☒ No
- g. Identification of major programs:
- |                           |                  |
|---------------------------|------------------|
| Title I, Part A           | 84.010A          |
| Special Education Cluster | 84.027A, 84.173A |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$3,000,000
- i. Auditee qualified as a low-risk auditee. ☒ Yes ☐ No

**Dallas Independent School District**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

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

NONE

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

**Finding 2017-001**

**84.010A — Title I, Part A Department of Education, passed through the State Department of Education**

**Special Tests and Provisions- Annual Report Card, High School Graduation Rate** — Significant Deficiency in Controls over Compliance

**Criteria** — According to the June 2016 OMB Compliance Supplement, the District must report graduation rate data for all high schools at the District using the 4-year adjusted cohort rate under 34 CFR section 200.19(b)(1)(i)-(iv). To remove a student from the cohort, the District must confirm, in writing, that the student transferred out, emigrated to another country, or is deceased. To confirm that a student transferred out, the District must have official written documentation that the student enrolled in another school or in an educational program that culminates in the award of a regular high school diploma.

**Condition** — During our special tests and provisions testing, we identified an instance where the District failed to retain proper written documentation confirming a student's change to their cohort status.

**Questioned Costs** — None

**Context** — During our review of 25 students with changes to their cohort status during the 2016-2017 fiscal year, we noted 1 instance of missing written documentation to support the withdrawal of the student from the District.

**Effect** — Failure to properly provide the appropriate documentation to support changes in cohort statuses can lead to the potential for the District to improperly calculate annual report card information and graduation rates.

**Cause** — Written documentation was not retained by campus personnel.

**Repeat Finding** — Repeat finding of 2016-002

**Recommendation** — Standardize the written documentation requirements across the District and continue to ensure that District personnel are adequately trained and understand the importance of written documentation to confirm the removal of a student from the cohort.

**View of Responsible Officials** — See corrective action plan



# Dallas Independent School District

## Schedule of Findings and Questioned Costs

### Year Ended June 30, 2017

#### IV. Correction Action Plan

##### **Finding 2017-001 Special Tests and Provisions- Annual Report Card, High School Graduation Rate**

*Responsible Party* — Sean Brinkman

*Management Response* — Management acknowledges finding

*Corrective Action* — In response to Finding 2016-002 IT-School Administration Services held its annual Data Registrar training on August 10<sup>th</sup>, 2017. This is a required training for all Registrars. Leaver coding and proper documentation were covered in the training session. In addition, the PEIMS department conducted a “Boot Camp” for registrars that needed extra support. The “Boot Camp” took place on September 12<sup>th</sup>, 2017. Coordinators from IT- School Administration Services will continue to conduct spot checks of leaver documentation during campus visits throughout the school year and work with School Leadership to ensure that all compliance requirements are followed. Additionally, IT-School Administration Services will ask Internal Audit to randomly select campuses to conduct leaver audits at the end of the 2<sup>nd</sup>, 4<sup>th</sup>, and 6<sup>th</sup> six weeks during the 2017-2018 school year.

*Expected Completion Date* — June 30, 2018

# Dallas Independent School District

## Summary of Prior Year Audit Findings

Year Ended June 30, 2017

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

#### **2016-001 Allowable Costs and Cost Principles**

*Responsible Party* — Sequetta Marks

*Corrective Action* — The Special Revenue Funds Management Department will continue to provide training to the vendors, campus and central personnel on maintaining appropriate documentation related to in-school tutoring services. Continuous support will be provided to vendors and campuses on detailed compliance instructions. Special Revenue Funds Management will also work with School Leadership to ensure that all compliance requirements are consistently followed. School Leadership will meet with the appropriate supervisor for follow up and disciplinary action as needed.

*Status* — Corrected

#### **2016-002 Special Tests and Provisions- Annual Report Card, High School Graduation Rate**

*Responsible Party* — Sam Iliya

*Corrective Action* — IT-School Administration Services will work with School Leadership and PEIMS to continue to provide training to school data staff, school administrators and School Leadership on withdrawal procedures and Leaver documentation. Training is provided for all new data staff and reviewed at the Beginning of Year data staff meetings with follow up campus visits as needed. Beginning this year, new data staff and staff identified by IT-Student Administration Services as needing additional training had a mandatory Leaver "Boot Camp" conducted by the PEIMS department to review procedures and documentation. IT-School Administration Services staff also conducts a yearly compliance review of schools, which includes a review of Leaver procedures and documentation. Any deficiencies are reported to the school Principals and the School Leadership Executive Directors for further action.

*Status* — See Finding [2017-001]