

**Dallas Independent School District  
Dallas, Texas**



**Comprehensive Annual Financial Report  
And Annual Financial And  
Compliance Reports**

**For The Fiscal Year Ended  
August 31, 2001**

**Prepared by  
Finance and Accounting**

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

**E. Ray Zies  
Associate Superintendent, Financial Operations**

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**Dallas Independent School District  
Comprehensive Annual Financial Report And  
Annual Financial and Compliance Reports  
For The Year Ended August 31, 2001**

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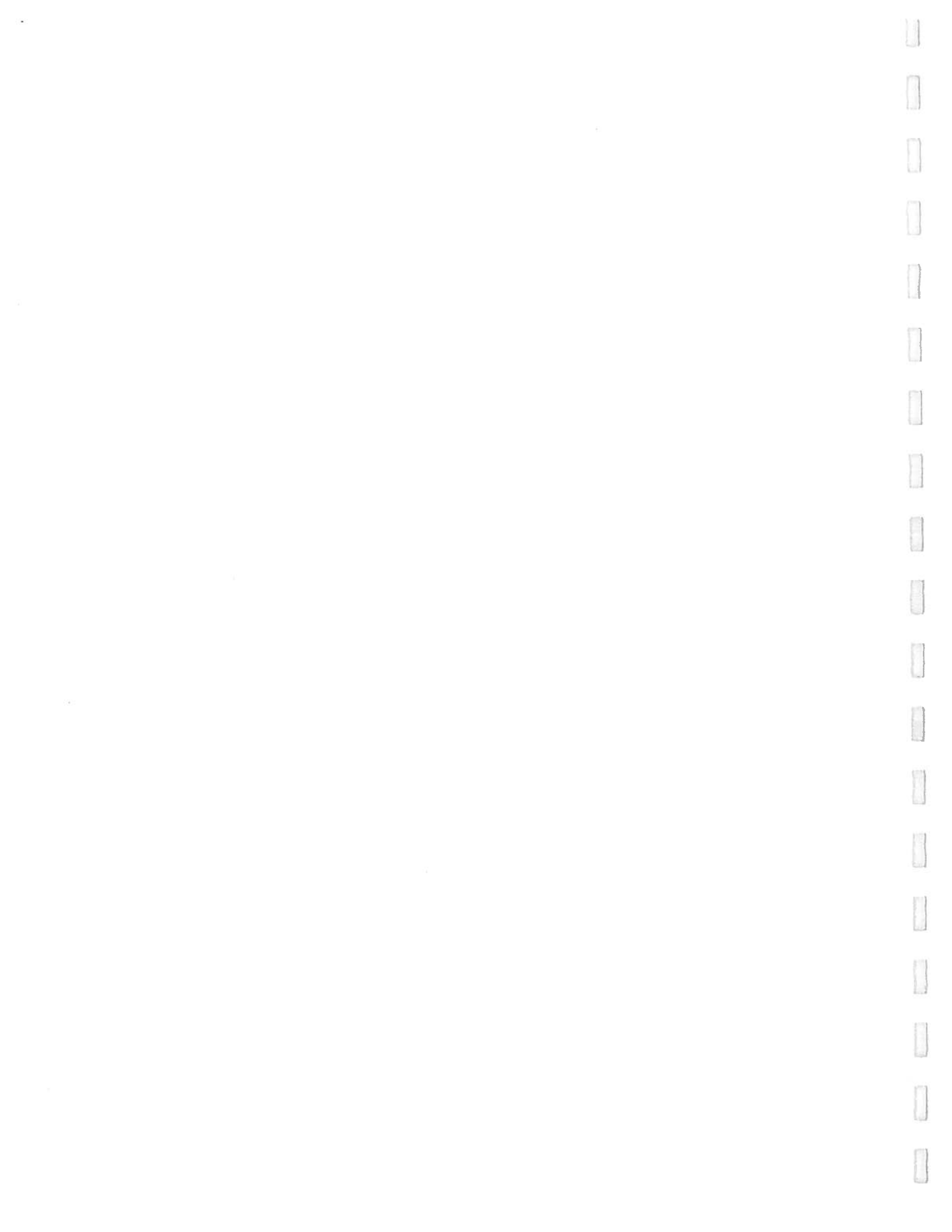
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## Certificate of the Board

Dallas Independent School District  
Name of School District

Dallas  
County

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

We, the undersigned, certify that the attached auditors' report of the above named school district was reviewed and approved ✓ disapproved \_\_\_\_\_ for the year ended August 31, 2001, at a meeting of the board of school trustees of such school district on the 20th day of December, 2001.

Peggy Smith  
Signature of Executive Director, Board Services

Ken Zanner  
Signature of Board President

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# 2001 - 2002 BOARD OF TRUSTEES

## Dallas Independent School District



**Kenneth Zornes**  
*President*  
District 1  
Northwest Dallas



**Ron Price**  
*First Vice President*  
District 9  
South Dallas,  
Downtown



**Kathleen Leos**  
*Second Vice President*  
District 8  
West and Near North  
Dallas



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



**Roxan Staff**  
District 2  
North and  
Near East Dallas



**Lois Parrott**  
District 3  
Northeast Dallas



**Lew Blackburn**  
District 5  
East Oak Cliff,  
West Dallas



**Hollis Brashear**  
District 6  
Southwest Dallas



**Rafael Anchia**  
District 7  
Central Oak Cliff,  
West Dallas



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

The Dallas Independent School District does not discriminate on the basis of sex, disability, race, religion, color, age, gender, sexual orientation, and/or national origin in educational programs or activities that it operates, and it is required by Title IX, Section 504, and Title VII not to discriminate in such a manner. For information about rights or grievance procedures, contact Pamela Carroll at (972) 925-4208. For information about Title VII, contact Juan Flores at (972) 925-3272. For information about Title IX, contact Judy Johnston at (972) 925-3298.



**Dallas Independent School District**

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



**Dallas Independent School District  
Appointed Officials  
For The Year Ended August 31, 2001**

Mike Moses.....	General Superintendent
Carol Francois .....	Chief of Staff
Hector Montenegro .....	Deputy Superintendent- Instructional Services
Jim Scales .....	Deputy Superintendent - Administrative Services
Mary Rodriguez Roberts .....	Deputy Superintendent - Human Resources and Security Services
Larry Groppel.....	Deputy Superintendent, Business Services
E. Ray Zies .....	Associate Superintendent - Financial Operations
Al Lopez .....	Executive Director – Accounting and Special Revenue
John McGee .....	Executive Director - Budget
Darlene Williams .....	Treasurer
Peggy Smith .....	Executive Director - Board Services
Wesley Owens.....	Special Assistant to the Superintendent - Internal Audit

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## Dallas Independent School District

November 20, 2001  
Board of Trustees  
Dallas Independent School District  
3700 Ross Avenue  
Dallas Texas 75204-5491

Dear Board Members:

The Comprehensive Annual Financial Report of the Dallas Independent School District for the fiscal year ended August 31, 2001, is submitted herewith. The report, which includes an opinion from our independent auditors, provides valuable management information. Copies will be made available to the Chamber of Commerce, major taxpayers, the public libraries in our District, the Texas Education Agency, financial rating services, and other interested parties. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. This report includes all funds and account groups of the District. The District is not included in any other reporting entity, nor are other entities included within this report.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and federal and state financial assistance. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis. The federal and state financial assistance section includes the Schedule of Expenditures of Federal Awards, the independent auditor's reports on internal controls and compliance with major program requirements and a Schedule of Findings and Questioned Costs. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The information in all four sections will be provided to the Texas Education Agency.

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

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### Texas School Performance Review

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The Texas Comptroller's office performed a review of the Dallas Independent School District. After more than seven months of work, the Texas School Performance Review team made 193 recommendations with projected saving of \$69.9 million over a five-year period, while reinvesting more than \$16.1 million to improve educational services and other operations. The team estimated net saving to reach more than \$53.8 million.

*Mike Moses • General Superintendent*

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

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The district's response overwhelmingly embraces both the letter and spirit of the recommendations. The district has agreed to implement over 99% of the recommendations. It is in full agreement with 66.3% of the recommendations and in partial agreement with 33.2%. The district has had to modify some of the recommendations to ensure that the recommendations are aligned with its cross-functional workflows, mission critical areas, and available resources. Additionally, the district has committed to the completion of 85.5% of the TSPR recommendations on or before September 1, 2002. Moreover, with the exception of one recommendation, all recommendations will be in progress or completed by September 2002. As a result of the implementation of these recommendations, the district has projected an \$8.8 million saving for 2001-02 and a \$40.2 million saving over a five-year period.

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## **ECONOMIC FORECAST FOR THE DISTRICT**

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The Dallas Independent School District covers 351 square miles and contains almost all of the City of Dallas. The District is the tenth largest school district in the United States. The 161,595 urban students enrolled for the 2000-01 school year were 54.5 percent Hispanic, 35.9 percent African American, 7.8 percent Anglo, Asian American 1.4 percent and Native American .4 percent.

The District's ethnically diverse enrollment is representative of the City's ethnically diverse and growing workforce of approximately 2.0 million people, a 5.0% increase over 2000. Employment by sector is as follows: services (31.0%); wholesale/retail trade (24.2%); manufacturing (11.8%); government (10.1%); finance/insurance/real estate (7.6%); transportation/communication/utilities (6.8%); communications (2.6%); construction (5.6%) and mining (.4%). Numerous medical facilities, including the University of Texas Southwestern Medical Center, reside within the District, as well as, the Dallas Market Center, the world's largest wholesale trade complex, which attracts 1 million buyers annually.

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

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

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

The State of Texas had established county-wide property appraisal districts for tax purposes. All taxing entities are to use the values established on the county appraisal district rolls.

Dallas is a leader in high tech equipment manufacturing and support services. Dallas is among the leaders of high technology employment centers in the U.S. The Dallas Infomart is the world's largest high-tech exhibition and information center.

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## MAJOR INITIATIVES

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In 2000-01, the District undertook the major initiative of implementing a new Government Fixed Assets Management System (G-FAM), including development of a comprehensive policy and procedures manual. The new system allows the District to monitor and track assets worth more than 1.0 billion. Using the new system, the District will be able to scan bar codes on equipment with a hand-held device. It will know immediately if the equipment is in the right location.

The District purchased the state-of-the-art computerized system in anticipation of changes in reporting rules proposed by the Government Accounting Standards Board for the school year 2001-2002. Under the new rules, school districts must report financial information as if they are for-profit businesses. The rule change of greatest impact is that fixed assets must be treated as if they have useful lives. This means spreading out (depreciating) purchase cost over a period of time.

The fixed assets management system will improve accountability by tracking current assets and creating a safekeeping process for new assets. The district will be able to assign safekeeping responsibility for fixed assets to a specific department or school, making these assets easier to track.

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## REPORTING ENTITY

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

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## FINANCIAL INFORMATION

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

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

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

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

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

As required by OMB A-133, the independent auditors tests are designed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as, to determine that the District has complied with applicable laws and regulations. The results of the District's audit for the fiscal year ended August 31, 2001, disclosed instances of reportable conditions in the internal control structure. Each of these items is outlined in the Schedule of Findings and Questioned Costs along with Management's response to each item. As indicated by the responses, Management has already taken actions to eliminate some of the deficiencies noted. Detailed action plans to address all items noted have also been formulated and communicated to the Board.

### GENERAL FINANCIAL POSITION

The Dallas Independent School District began the year with total fund equity of \$1.164 billion, including an investment of \$1.046 billion in general fixed assets. School year 2000-01 ended with a fund equity of \$1.177 billion of which \$1.058 billion was in general fixed assets. In 2000-01, revenue exceeded expenditures by \$2.117 million in the District's General Fund. In the Debt Service Fund, expenditures exceeded revenue by \$40.6 thousand. This excess of expenditures over revenue is due to less than anticipated property tax collections. Special Revenue Funds revenue exceeded expenditures by \$971.5 thousand. This fund balance increase occurred in the Special Revenue Funds for Food Services, as a result of a decrease expenditures for professional service contracts. Capital Projects expenditures exceeded revenue by \$913.3 thousand due to additional renovation construction as authorized in the District's 1992 capital improvement program.

### GENERAL GOVERNMENTAL FUNCTIONS

Revenues for general governmental functions totaled \$1.153 billion for 2000-01 an increase of 8.5% from 1999-2000. Ad valorem taxes produced 67.9% of revenue compared to 64.8% last year. The amount of revenues from various sources and the increase over last year are shown in the tabulations that follow:

Revenue Sources	Amount (in thousands)	Percent Of Total	Increase (Decrease) Over 1999-00 (in thousands)	Percent Of Increase
Local Sources	\$827,490	71.7%	\$102,779	13.7%
State Sources	204,117	17.7	(20,521)	(9.1)
Federal Sources	121,951	10.6	11,905	10.8
Total	<u>\$1,153,558</u>	<u>100.0%</u>	<u>\$94,163</u>	<u>15.4%</u>

Assessed valuations of \$53.1 billion represented an increase of 8.2% over the preceding year. The assessed value for the fiscal year 1999-00 is \$49.1 billion, for an increase of 10.0% from the previous year's assessment.

Tax collections on current year taxes were 97.5%. The ratio of total collections (current and delinquent, including penalty and interest) to the current tax levy was 99.7%.

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Expenditures for general governmental purposes totaled \$1,152 billion, an increase of 10.6% from 1999-2000. Increases or (decreases) in the general levels of expenditures for major functions of the District over the preceding year are shown in the following tabulation:

<u>Functional Expenditures</u>	<u>Amount (in thousands)</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) Over 1999-00 (in thousands)</u>	<u>Percent Of Increase</u>
<b>Current</b>				
Instruction	\$643,919	55.9%	\$69,835	12.2%
Instructional Resources and Media Services	19,277	1.7	1,294	7.2
Curriculum & Staff Development	31,294	2.7	7,675	32.5
Instructional Leadership	21,819	1.9	177	0.8
School Leadership	60,842	5.3	4,483	8.0
Guidance & Counseling Services	36,647	3.2	2,197	6.4
Social Work Services	3,267	0.3	(103)	(3.0)
Health Services	10,742	0.9	848	8.6
Student Transportation	16,141	1.4	2,488	18.2
Food Services	52,794	4.6	467	0.9
Co-Curricular Activities	9,010	0.8	1,811	25.2
General Administration	29,559	2.6	3,652	14.1
Plant Maintenance & Operations	116,451	10.1	11,353	10.8
Security and Monitoring Services	8,152	0.7	575	7.6
Data Processing Services	16,969	1.5	(1,034)	(5.7)
Community Services	16,245	1.4	3,913	31.7
<b>Debt Service</b>				
Principal	27,430	2.4	(259)	(.9)
Interest & Fiscal Charges	24,604	2.1	3,634	17.3
<b>Capital Outlay</b>	7,276	0.6	(1,722)	(19.1)
<b>Total</b>	<u>\$1,152,438</u>	100.0%	<u>\$111,284</u>	10.7%

Instruction and student support services continue to increase as teacher salaries increase to remain competitive with surrounding market conditions. Curriculum and Staff Development expenditures increased due to increases in Other Professional Services. Co-Curricular Activity expenditures increased due to increases in Extra Duty Professional, General Supplies and Travel. Student transportation expenditures increased as the District fulfills its agreement to pay for one-third of the Fiscal Year 1998-1999 debt. General Administration expenditures increased due to the restructuring of the hierarchy organization within this area.

## DEBT ADMINISTRATION

The ratio of net bonded debt to assessed valuation was .58%. This is down from .70% for the previous year. The legal restriction of the State of Texas is a 10% limit on this ratio.

Outstanding general obligation, contractual obligation, and capital appreciation bonds at August 31, 2001 totaled \$333,614,000. During the past fiscal year, \$26,715,000 of the general obligation and contractual bonds was retired. The District's bonds presently carry very favorable ratings from the agencies as follows:

Moody's Investors Service "Aa3"  
Standard & Poor's "AA"

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## CASH MANAGEMENT

The Board has a cash management program which consists of expediting the receipt of revenues and prudently investing available cash in fixed income securities collateralized by instruments issued by the United States Government or Federal government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$18,059,559 for the year ended August 31, 2001. This was distributed as follows:

General Fund	\$	15,788,657
Debt Service Funds		1,944,129
Capital Project Funds		<u>326,773</u>
Total	\$	<u>18,059,559</u>

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

## RISK MANAGEMENT

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

## CAPITAL PROJECTS FUND

The proceeds of the general obligation bond issues are recorded in the Capital Projects Fund. Capital expenditures are recorded in the General Fixed Assets account group each month. Expenditures from the Capital Projects Fund totaled \$958,928. This construction is financed from the sale of bonds.

## GENERAL FIXED ASSETS

The general fixed assets of the Dallas Independent School District are used to carry on the main educational functions of the system and are not financial resources available for expenditures. The total general fixed assets at August 31, 2001, was \$1.058 billion. Such assets are generally accounted for at historical cost. Depreciation is not recognized on general fixed assets.

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## INDEPENDENT AUDIT

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

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

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## FINANCIAL REPORTING AWARD

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

### GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dallas Independent School District for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2000.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes the current report continues to conform to Certificate of Achievement Program requirements and is submitting it to GFOA to determine its eligibility for another certificate.

### ASBO CERTIFICATE OF EXCELLENCE

The Dallas Independent School District received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the fiscal year ended August 31, 2000. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended August 31, 2000, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials of the United States and Canada. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended August 31, 2001, which will be submitted to ASBO for review, also conforms to their principles and standards.

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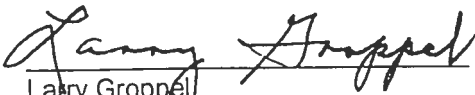
## ACKNOWLEDGMENTS

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



Mike Moses  
General Superintendent



Larry Groppel  
Deputy Superintendent Business Services

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dallas Independent School  
District, Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2000

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



*Thomas H. Hume*  
President

*Jeffrey L. Esser*  
Executive Director

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to  
**DALLAS INDEPENDENT SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2000

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

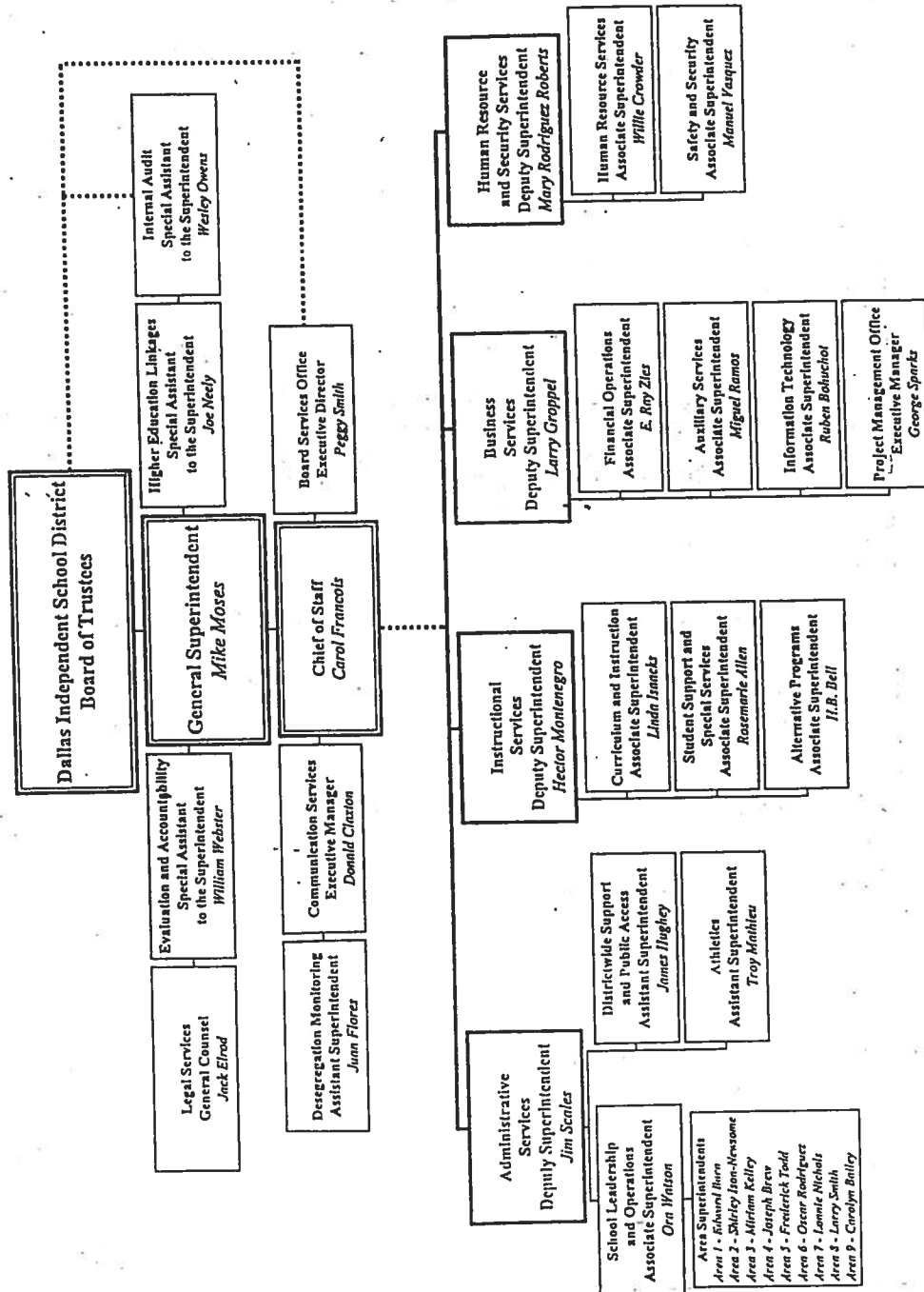
*Linda White*  
President

*Don E. Huges*  
Executive Director

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**Dallas Independent School District  
Organizational Chart  
For Year Ended August 31, 2001**



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200 Crescent Court  
Suite 300  
Dallas, TX 75201-1885

## Independent Auditors' Report

Board of Education  
Dallas Independent School District:

We have audited the accompanying general-purpose financial statements of the Dallas Independent School District (the District), as of and for the year ended August 31, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of August 31, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 20, 2001, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The Combining and Individual Fund and Account Group statements and Schedules and the Supplemental Schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

KPMG LLP

November 20, 2001





**General Purpose Financial Statements**

**Exhibits A-1 Through A-4**





## **General Purpose Financial Statements (Combined Financial Statements - Overview)**

These general purpose financial statements, when viewed in conjunction with the notes to the combined financial statements, provide a summary overview of the financial position of all funds and account groups and the operating results of all funds by fund types:

**Governmental Funds** - those through which most governmental functions are financed. The governmental fund types of the District are General, Special Revenue, Debt Service, and Capital Projects.

**Fiduciary Funds** - those used to account for assets held by a government unit as a trustee or agent for individuals, private organizations, other governmental units or other funds. The fiduciary funds of the District consist solely of an Agency Fund for student activity organizations.

**Account Groups** - those used to establish accounting control and accountability for general fixed assets and general long-term debt.

**Dallas Independent School District**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**August 31, 2001**  
**Exhibit A-1**

Data Control Codes	Assets and Other Debits	Governmental Fund Types			
		100-199 General Fund	200-499 Special Revenue Funds	500-599 Debt Service Fund	600-699 Capital Projects Fund
1110-50	Cash (Note C)	\$ 4,364,858	\$ 332,015	\$ -	\$ -
1170	Investments, at cost (Note C)	192,621,979	33,965	25,652,007	99,447
	<b>Receivables</b>				
1210	Property Taxes - Delinquent (Current Year) (Note B)	19,286,717	-	906,895	-
1220	Property Taxes - Delinquent (Prior Years) (Note B)	36,005,469	-	3,182,351	-
1230	Allowance for Uncollectible Taxes (Note B)	(20,489,766)	-	(1,288,064)	-
1260	Due from Other Funds (Note M)	19,000,667	5,980,712	-	470,526
1240	Due from Other Governments (Note D)	10,480,257	18,498,480	-	-
1250	Accrued Interest	-	113,277	-	-
1290	Other Receivables	2,730,035	184,835	-	30,311,426
1300	Inventories, at cost	7,023,145	4,659,764	-	-
1400	Other Current Assets	4,907,530	645	-	-
	<b>Land, Buildings and Equipment (Note E)</b>				
1510	Land and Improvements	-	-	-	-
1520	Buildings and Improvements	-	-	-	-
1530	Construction in Progress	-	-	-	-
1540	Furniture and Equipment	-	-	-	-
1600	Amounts to be Provided For Retirement of Long-Term Debt	-	-	-	-
1700	Amounts Available For Retirement of Long-Term Debt	-	-	-	-
1900	Advance to Other Funds	-	-	-	-
1000	<b>Total Assets and Other Debits</b>	<b>\$ 275,950,891</b>	<b>\$ 29,803,692</b>	<b>\$ 28,453,189</b>	<b>\$ 30,881,399</b>

Fiduciary Fund Types	Account Groups		Totals	
	901	902	(Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	August 31, 2001	August 31, 2000
\$ 3,019,995	\$ -	\$ -	\$ 7,716,868	\$ 3,250,222
-	-	-	218,407,398	200,145,831
-	-	-	20,193,612	16,626,850
-	-	-	39,187,820	34,944,485
-	-	-	(21,757,830)	(21,757,830)
-	-	-	25,451,905	19,154,722
-	-	-	28,978,737	28,391,276
-	-	-	113,277	38,865
-	-	-	33,226,296	3,132,061
-	-	-	11,682,909	10,650,136
-	-	-	4,908,175	4,082,237
-	47,091,907	-	47,091,907	46,769,257
-	940,698,475	-	940,698,475	933,395,765
-	10,887,356	-	10,887,356	10,189,509
-	59,137,935	-	59,137,935	55,338,404
-	-	391,523,997	391,523,997	391,428,808
-	-	17,865,455	17,865,455	17,763,584
-	-	-	-	9,042,334
\$ 3,019,995	\$ 1,057,615,673	\$ 409,389,452	\$ 1,835,114,291	\$ 1,760,566,616

Continued on the following page

**Dallas Independent School District**  
**Combined Balance Sheet - All Fund Types and Account Groups**  
**August 31, 2001**  
**Exhibit A-1 (Continued)**

Data Control Codes	Liabilities And Fund Balance And Other Credits	Governmental Fund Types			
		100-199 General Fund	200-499 Special Revenue Funds	500-599 Debt Service Fund	600-699 Capital Projects Fund
	<b>Current Liabilities</b>				
2110	Accounts Payable	\$ 36,131,731	\$ 918,292	\$ -	\$ 127,693
2120	Bonds Payable (Note G)	-	-	-	-
2130	Leases Payable (Note J)	-	-	-	-
2150	Payroll Deductions and Withholdings Payable	2,785,549	-	-	-
2160	Accrued Wages Payable	85,429,744	862,877	-	-
2170	Due to Other Funds (Note M)	6,451,238	10,802,908	8,197,759	-
2180	Due to Other Governments	8,843,441	-	-	-
2190	Due to Student Groups	240	-	-	-
2200	Accrued Expenditures (Notes L and P)	3,113,329	-	-	-
2300	Deferred Revenues (Note F)	56,378,229	3,010,127	2,389,975	-
2440	Other Payables (Note J)	5,054,880	-	-	-
2500	Bonds Payable - Noncurrent (Note G)	-	-	-	-
2530	Leases Payable - Noncurrent (Notes G and J)	-	-	-	-
2590	Advance from Other Funds	-	-	-	-
2000	<b>Total Liabilities</b>	<b>185,188,381</b>	<b>15,594,003</b>	<b>10,587,734</b>	<b>127,693</b>
	<b>Fund Balance and Other Credit Reserved</b>				
3410	Reserved for Investment in Inventories	7,023,145	4,859,764	-	-
3420	Reserved for Retirement of Funded Indebtedness	-	-	17,865,455	-
3430	Reserved for Prepaid Items	4,907,530	-	-	-
3440	Reserved for Outstanding Encumbrances	-	9,467	-	30,753,706
3450	Reserved for Food Service and Child Nutrition	-	9,646,896	-	-
3470	Reserved for Capital Acquisition Program	4,200,000	-	-	-
3490	Reserved for Advances	-	-	-	-
	<b>Unreserved</b>				
3510	Designated for Construction	5,824,675	-	-	-
3590	Designated for Campus Activity	3,075,440	-	-	-
3600	Undesignated	65,731,720	(108,439)	-	-
3100	Investment in General Fixed Assets	-	-	-	-
3000	<b>Total Fund Balance and Other Credit</b>	<b>90,762,510</b>	<b>14,209,688</b>	<b>17,865,455</b>	<b>30,753,706</b>
4000	<b>Total Liabilities and Fund Balance and Other Credit</b>	<b>\$ 275,950,891</b>	<b>\$ 29,803,692</b>	<b>\$ 28,453,189</b>	<b>\$ 30,881,399</b>

The accompanying notes are an integral part of this statement.

Fiduciary Fund Types	Account Groups		Totals	
	901	902	(Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	August 31, 2001	August 31, 2000
800-899				
Agency				
Fund				
\$ -	\$ -	\$ -	\$ 37,177,716	\$ 38,090,863
-	-	29,387,661	29,387,661	26,715,000
-	-	5,538,296	5,538,296	5,227,814
-	-	-	2,785,549	-
-	-	-	66,292,421	63,298,261
-	-	-	25,451,905	19,154,722
-	-	-	9,843,441	13,414,135
3,019,995	-	-	3,020,235	2,869,434
-	-	12,994,436	16,107,765	19,095,403
-	-	-	61,778,331	33,122,171
-	-	-	5,054,880	5,873,834
-	-	338,726,087	338,726,087	332,737,300
-	-	22,742,972	22,742,972	28,281,269
-	-	-	-	9,042,334
3,019,995	-	409,389,452	623,907,258	596,922,540
-	-	-	11,682,909	10,650,136
-	-	-	17,865,455	17,763,584
-	-	-	4,907,530	4,081,592
-	-	-	30,763,173	1,664,506
-	-	-	9,646,896	9,051,051
-	-	-	4,200,000	-
-	-	-	-	9,042,334
-	-	-	5,824,675	18,326,803
-	-	-	3,075,440	2,917,494
-	-	-	65,625,281	44,473,641
-	1,057,815,673	-	1,057,815,673	1,045,672,935
-	1,057,815,673	-	1,211,207,032	1,163,644,076
\$ 3,019,995	\$ 1,057,815,673	\$ 409,389,452	\$ 1,835,114,291	\$ 1,760,566,816

**Dallas Independent School District**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**All Governmental Fund Types**  
**For The Year Ended August 31, 2001**  
**Exhibit A-2**

Data Control Codes		Governmental Fund Types	
		100-199	200-499
		General Fund	Special Revenue Funds
Revenues			
5700	Local (Note O)	\$ 775,172,311	\$ 14,392,339
5800	State Program	173,583,751	30,532,980
5900	Federal Program (Note H)	5,145,534	116,805,594
5020	Total Revenues	953,901,596	161,730,913
Expenditures			
Current-			
0011	Instruction	579,023,989	64,895,264
0012	Instructional Resources and Media Services	17,997,045	1,279,417
0013	Curriculum and Staff Development	17,358,041	13,935,445
0021	Instructional Leadership	13,859,094	7,959,955
0023	School Leadership	60,410,298	432,145
0031	Guidance and Counseling Services	32,516,833	4,130,297
0032	Social Work Services	3,083,125	183,583
0033	Health Services	10,035,948	706,202
0034	Student Transportation	16,127,857	13,204
0035	Food Services	-	52,794,233
0036	Co-Curricular Activities	8,747,078	262,968
0041	General Administration	29,265,311	293,944
0051	Plant Maintenance and Operations	113,723,791	2,727,482
0052	Security and Monitoring Services	8,084,257	67,632
0053	Data Processing Services	16,898,918	-
0061	Community Services	5,509,788	10,735,223
Debt Service -			
0071	Debt Service (excludes \$877,000 of accreted value) (Note G)	14,536,950	-
Capital Outlay-			
0081	Facilities Acquisition and Construction	5,974,792	342,363
6030	Total Expenditures	952,952,915	160,759,357
Other Financing Sources(Uses)			
7911	Sale of Bonds	-	-
7914	Proceeds from Loans	4,200,000	-
7000	Total Other Financing Sources	4,200,000	-
1200	Excess (Deficiency) of Revenues Over Expenditures	5,148,681	971,556
0100	Fund Balances, beginning of year	94,306,813	4,545,148
7900	Residual Equity Transfer Out (In)	(8,692,984)	8,692,984
3000	Fund Balances, end of year	\$ 90,762,510	\$ 14,209,688

The accompanying notes are an integral part of this statement.

Governmental Fund Types		Totals (Memorandum Only)	
500-599	600-699	August 31,	August 31,
Debt	Capital	2001	2000
Service Fund	Projects Fund		
\$ 37,598,832	\$ 326,773	827,490,255	\$ 724,711,368
-	-	204,116,731	224,637,404
-	-	121,951,128	110,046,140
37,598,832	326,773	1,153,558,114	1,059,394,912
-	-	643,919,253	574,084,455
-	-	19,276,462	17,982,627
-	-	31,293,486	23,619,481
-	-	21,819,049	21,642,393
-	-	60,842,443	56,358,934
-	-	36,647,130	34,449,484
-	-	3,266,708	3,369,455
-	-	10,742,150	9,894,083
-	-	16,140,881	13,653,221
-	-	52,794,233	52,326,652
-	-	9,010,046	7,198,685
-	-	29,559,255	25,906,983
-	-	116,451,273	105,098,316
-	-	8,151,889	7,578,668
-	269,735	16,968,653	18,003,486
-	-	16,245,011	12,331,992
37,496,961	-	52,033,911	48,658,508
-	958,928	7,276,083	8,998,364
37,496,961	1,228,663	1,152,437,896	1,041,153,787
-	30,300,000	30,300,000	-
-	-	4,200,000	-
-	30,300,000	34,500,000	-
101,871	28,398,110	35,620,218	18,241,124
17,763,584	1,355,596	117,971,141	99,730,017
-	-	-	-
\$ 17,865,455	\$ 30,753,708	\$ 153,591,359	\$ 117,971,141

**Dallas Independent School District**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget (GAAP Basis) and Actual - All Governmental Fund Types**  
**For The Year Ended August 31, 2001**  
**Exhibit A-3**

Data Control Codes		100-199 General Fund			240 Food Services		
		Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
	<b>Revenues</b>						
5700	Local	\$ 787,882,508	\$ 775,172,311	\$ 7,279,803	\$ 10,830,000	\$ 11,827,037	\$ 1,197,037
5800	State Program	172,017,985	173,583,751	1,565,766	875,000	886,598	(8,402)
5900	Federal Program	6,000,000	5,145,534	(854,466)	43,931,000	44,057,568	126,568
5020	<b>Total Revenues</b>	<b>945,910,473</b>	<b>953,901,596</b>	<b>7,991,123</b>	<b>55,236,000</b>	<b>56,551,203</b>	<b>1,315,203</b>
	<b>Expenditures</b>						
	<b>Current-</b>						
0011	Instruction	605,901,505	579,023,989	26,877,516	-	-	-
0012	Instructional Resources and Media Services	18,377,858	17,997,045	380,813	-	-	-
0013	Curriculum and Staff Development	16,704,926	17,358,041	(653,115)	-	-	-
0021	Instructional Leadership	13,185,691	13,859,094	(673,403)	-	-	-
0023	School Leadership	59,747,036	60,410,298	(663,262)	-	-	-
0031	Guidance and Counseling Services	32,187,367	32,516,833	(329,466)	-	-	-
0032	Social Work Services	3,382,125	3,083,125	299,000	-	-	-
0033	Health Services	9,992,876	10,035,948	(43,072)	-	-	-
0034	Student Transportation	18,462,873	18,127,657	335,216	-	-	-
0035	Food Services	-	-	-	55,458,895	52,794,233	2,664,662
0036	Co-Curricular Activities	7,656,554	8,747,078	(1,090,524)	-	-	-
0041	General Administration	26,040,478	29,265,311	(3,224,835)	-	-	-
0051	Plant Maintenance and Operations	117,703,925	113,723,791	3,980,134	2,347,848	2,678,975	(331,126)
0052	Security and Monitoring Services	7,934,453	8,084,257	(149,804)	-	-	-
0053	Data Processing Services	16,908,642	16,698,916	209,724	-	-	-
0061	Community Services	5,787,317	5,509,788	277,529	-	-	-
	<b>Debt Service-</b>						
0071	Debt Service	15,085,950	14,538,950	547,000	-	-	-
	<b>Capital Outlay -</b>						
0081	Facilities Acquisition and Construction	5,894,525	5,974,792	(80,267)	-	-	-
6030	<b>Total Expenditures</b>	<b>978,914,099</b>	<b>952,952,915</b>	<b>25,961,184</b>	<b>57,806,741</b>	<b>55,473,208</b>	<b>2,333,533</b>
	<b>Other Financing Sources(Uses)</b>						
7911	Sale of Bonds	-	-	-	-	-	-
7914	Proceeds from Loans	-	4,200,000	4,200,000	-	-	-
7000	<b>Total Other Financing Sources</b>	<b>-</b>	<b>4,200,000</b>	<b>4,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
1200	<b>Excess (Deficiency) of Revenues Over Expend</b>	<b>(33,003,626)</b>	<b>5,148,681</b>	<b>38,152,307</b>	<b>(2,570,741)</b>	<b>1,077,995</b>	<b>3,648,736</b>
0100	<b>Fund Balances, beginning of year</b>	<b>94,308,813</b>	<b>94,308,813</b>	<b>-</b>	<b>13,238,132</b>	<b>13,238,132</b>	<b>-</b>
7900	<b>Residual Equity Transfer Out (In)</b>	<b>-</b>	<b>(8,692,984)</b>	<b>(8,692,984)</b>	<b>-</b>	<b>-</b>	<b>-</b>
3000	<b>Fund Balances, end of year</b>	<b>\$ 61,305,187</b>	<b>\$ 80,762,510</b>	<b>\$ 29,457,323</b>	<b>\$ 10,667,391</b>	<b>\$ 14,316,127</b>	<b>\$ 3,648,736</b>

The accompanying notes are an integral part of this statement.



5B 500-599 Debt Service Fund			6B 600-699 Capital Projects Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
37,790,002	\$ 37,598,832	\$ (191,170)	-	\$ 326,773	\$ 326,773	818,312,510	\$ 824,924,953	\$ 8,612,443
-	-	-	-	-	-	172,692,985	174,250,349	1,557,364
-	-	-	-	-	-	49,931,000	49,203,102	(727,898)
37,790,002	37,598,832	(191,170)	-	326,773	326,773	1,038,936,475	1,048,378,404	9,441,929
-	-	-	-	-	-	805,901,505	579,023,989	28,877,516
-	-	-	-	-	-	18,377,858	17,997,045	380,813
-	-	-	-	-	-	16,704,926	17,358,041	(653,115)
-	-	-	-	-	-	13,185,991	13,859,094	(673,403)
-	-	-	-	-	-	59,747,036	60,410,298	(663,262)
-	-	-	-	-	-	32,187,367	32,516,833	(329,466)
-	-	-	-	-	-	3,382,125	3,083,125	299,000
-	-	-	-	-	-	9,992,876	10,035,948	(43,072)
-	-	-	-	-	-	16,462,873	16,127,657	335,216
-	-	-	-	-	-	55,458,895	52,794,233	2,664,662
-	-	-	-	-	-	7,656,554	8,747,078	(1,090,524)
-	-	-	-	-	-	26,040,476	29,265,311	(3,224,835)
-	-	-	-	-	-	120,051,771	116,402,766	3,649,005
-	-	-	-	-	-	7,934,453	8,084,257	(149,804)
-	-	-	-	269,735	(269,735)	16,908,642	16,968,853	(60,011)
-	-	-	-	-	-	5,787,317	5,509,788	257,529
37,790,002	37,496,961	293,041	-	-	-	52,855,952	52,033,911	822,041
-	-	-	1,497,458	958,928	538,530	7,391,983	6,933,720	458,263
37,790,002	37,496,961	293,041	1,497,458	1,228,663	268,795	1,076,008,300	1,047,151,747	28,856,553
-	-	-	-	30,300,000	30,300,000	-	30,300,000	30,300,000
-	-	-	-	-	-	-	4,200,000	4,200,000
-	-	-	-	30,300,000	30,300,000	-	34,500,000	34,500,000
-	101,871	101,871	(1,497,458)	29,398,110	30,695,568	(37,071,825)	35,728,657	72,798,482
17,763,584	17,763,584	-	1,355,598	1,355,598	-	126,664,125	126,664,125	-
-	-	-	-	-	-	-	(8,692,984)	(8,692,984)
17,763,584	\$ 17,865,455	\$ 101,871	\$ (141,862)	\$ 30,753,706	\$ 30,895,568	\$ 89,592,300	\$ 153,697,796	\$ 64,105,496



**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

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Notes to the General Purpose Financial Statements  
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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Dallas Independent School District (the "District") conform to generally accepted accounting principles applicable to governmental entities and the rules prescribed by the Texas Education Agency ("TEA") Financial Accountability System Resource Guide. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

**Basis of Presentation**

**Reporting Entity-**

The Board of Education (the "Board"), a nine-member group constituting an on-going entity, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. The Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental reporting entity as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, issued by GASB, since Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

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

**Fund Accounting-**

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues, and expenditures. The various funds and account groups are summarized by type in the combined financial statements. The following fund types and account groups are included in the accompanying combined financial statements:

**1. Governmental Fund Types-**

**General Fund** - The General Fund accounts for financial resources related to the general operations of the District, including financial resources not required to be accounted for elsewhere. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any unreserved fund balances are considered resources available for use.

**Special Revenue Funds** - The Special Revenue Funds, budgeted funds, account for Food Service activities, federal and state financed programs, and other local programs where unused balances are returned to the grantor at the close of specified project periods. Project accounting is employed to maintain the integrity of the various sources of funds.

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Debt Service Fund - The Debt Service Fund, a budgeted fund, accounts for the use of ad valorem taxes and other revenues collected for the purposes of retiring bond principal and paying interest when due.

Capital Projects Fund - The Capital Projects Fund, a budgeted fund, accounts for proceeds from sales of bonds and other revenues to be used for authorized construction and acquisition of capital facilities.

**2. Fiduciary Fund Type-**

Agency Fund - The Agency Fund is a nonbudgeted fund that accounts for activities of student groups. This fund has no fund balance, assets are equal to liabilities, and does not include revenues and expenditures for general operations of the District.

**3. Account Groups-**

Account groups are used to establish accountability for the District's general fixed assets and general long-term debt. The following are the District's account groups:

General Fixed Assets Account Group - This group represents a summary of the fixed assets of the District. Capital outlays are recorded as expenditures of those funds at the time of purchase and are subsequently recorded for control purposes in the General Fixed Assets Account Group.

General Long-Term Debt Account Group - This group represents a summary of the District's long-term debt which is to be paid primarily by taxes levied by the District.

**Basis of Accounting/Measurement Focus**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. 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 and fiduciary funds. This basis of accounting recognizes revenues in the accounting period in which they become available and measurable. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred except for unmatured interest on general long-term debt, which is recognized when due.

Property tax revenues and other governmental fund financial resources are recognized under the "susceptible to accrual" concept. The District generally considers property taxes as available if they are due prior to year-end and are collected within 60 days after year-end. Accrued property taxes for the year ending August 31, 2001, included in revenue were \$8,745,031 and \$411,207 for the General Fund and Debt Service Fund, respectively. Grant revenues are recognized when reimbursable expenditures are made, except in the Food Services Fund where revenue recognized is based on the number of children served. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

**Dallas Independent School District  
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In order to properly match revenues and expenditures for the fiscal year, the District has accrued Foundation School Program revenues of approximately \$5.5 million to reflect cash that will be received in fiscal year 2002 which was generated by attendance and related expenditures in fiscal year 2001.

Agency funds are custodial in nature and do not involve measurement of results of operations.

**Official Budget**

The accompanying combined financial statements reflect amended budget amounts. Budgets are legally adopted for the General Operating Fund, Debt Service Funds, Capital Project Funds and the Food Services Fund, on a basis consistent with GAAP. Final amended budgets for these fund types are approved, at the functional level, by the Board prior to the close of fiscal year end.

In addition, all Grant Funds are approved by the Board of Trustees at the time of the grant application. However, they do not constitute legally adopted budgets.

The following procedures are followed in establishing the budgetary data reflected in the financial statements for the General Operating Fund:

- (1) Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
- (3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.
- (4) The approved budget must be filed with the Texas Education Agency.

Once a budget is initially approved, it can be amended at the function and fund group level, only by approval of a majority of the members of the Board. All amendments are presented to the Board at the regular monthly meetings in which each amendment must have Board approval and be signed by the Board President.

General Operating Fund supplemental appropriations included approximately \$11,785,833 for additional salaries; \$18,982,221 for additional maintenance, repairs and professional development; \$2,438,729 for materials; \$1,600 for additional training and \$4,997,645 for additional equipment and construction. The General Operating Fund net decrease in estimated revenues and appropriations was \$38,206,028.

The Capital Projects Fund budget was a total of \$1,497,458. This is the result of recognizing \$25,816 of increased revenue primarily from higher than anticipated interest earnings for the year ended August 31, 2001 and \$1,471,642 resulting from lower than projected expenditures in the prior year.

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Expenditures in excess of the amount appropriated at the level of budgetary control during the year ended August 31, 2001, were as follows:

Curriculum and Staff Development	\$ 653,115
Instructional Leadership	673,403
School Leadership	663,262
Guidance and Counseling Services	329,466
Health Services	43,072
Co-Curricular Activities	1,090,524
General Administration	3,224,835
Plant Maintenance and Operations	331,129
Security and Monitoring Services	149,804
Facilities and Acquisition	80,267

Expenditures for Curriculum and Staff Development, Instructional Leadership and School Leadership exceeded the amount appropriated due to an increase payroll and supply costs. Guidance and Counseling Services and Health Services exceeded the budget amount due to increased services. The budget variance in the Co-Curricular Activities is due to the purchase of additional athletic equipment. General Administration budget exceeded the actual amount resulted from additional payroll and health benefits costs. The budget variance in Plant Maintenance and Operations is due to an increase in other Professional Services expenditures for Food Services. The cost of a new security system resulted in the budget to actual variance for Facilities and Acquisition.

The variance in budgeted General Fund Federal Revenue is due to less than anticipated revenue for reimbursable Medicaid programs.

Food Services actual local revenue exceeded Budgeted Local revenue by \$1,197,037.

The unfavorable Debt Service Fund revenue variance of \$191,170 in Local revenue resulted from lower than anticipated tax collections for Debt Service.

**Encumbrances**

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31 and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

**Fund Equity**

Unreserved undesignated fund equity for governmental funds indicates available amounts for the budgeting of future operations. The unreserved funds that have been earmarked by Board Resolution for specific purposes and are therefore not available for general expenditures to be appropriated in the following period unless amended by future Board action. Reserved fund balance is that portion of fund equity which is not available for appropriation or which has been legally separated for specific purposes. As of August 31, 2001, Reserved Fund Balance includes \$7,023,145 for inventories, \$4,907,530 for prepaid items and \$4,200,000 for Capital Acquisitions in the General Fund. The Special

**Dallas Independent School District  
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Revenue Fund reserves include \$4,659,764 for inventories, \$9,467 for year-end encumbrances and \$9,646,896 for Food Service and Child Nutrition. Debt Service Fund reserves a total of \$17,865,455 for retirement of funded indebtedness. The Capital Projects Fund reserves \$30,753,706 for year-end encumbrances. Unreserved Designated Fund Balance includes \$5,824,675 for construction and \$3,075,440 for campus activities of the General Fund.

**Inventories**

Supplies and materials are recorded as expenditures when requisitioned. Inventories of supplies and materials on the combined balance sheet are generally recorded at cost, net of an allowance for obsolescence of approximately \$90,000. However, inventories of food commodities are recorded at market values on the date received as supplied by the Texas Department of Human Resources, although they are received at no cost. Inventory items are recorded as expenditures when they are consumed on the first-in, first-out basis. Supplies and materials are used for almost all functions of activity, and recorded as expenditures when consumed on a weighted average basis. Commodities, used only in the food service program, are recorded as inventory and revenue when received. When requisitioned, inventory is relieved and expenditures are recognized for an equal amount.

**Interfund Receivables and Payables**

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

**General Fixed Assets**

Assets purchased are recorded as expenditures in the appropriate governmental funds and are capitalized in the General Fixed Asset Account Group at cost. Assets acquired through gifts or donations are recorded at their estimated fair market value at time of acquisition. No provision is made for depreciation of such assets in the General Fixed Assets Account Group.

**General Long-Term Debt**

General obligation bonds and contractual obligation bonds, which have been issued to fund capital projects of the District and to purchase computer equipment, respectively, are to be repaid from tax and other revenues of the District. General obligation debt and contractual obligation debt is therefore recorded in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group also includes a provision for potential worker's compensation claims.

**Use of Estimates**

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



**Dallas Independent School District  
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**Reconciliation of Fund Balances**

A reconciliation of fund balances for both budgeted and unbudgeted special revenue funds is as follows:

	August 31, 2001 <u>Fund Balance</u>
Budgeted Fund – Food Service Special Revenue Fund	\$ 14,316,127
Unbudgeted Fund – Technology Fund	<u>(106,439)</u>
Total of all Special Revenue Fund	<u>\$ 14,209,688</u>

The negative \$106, 439 Technology Fund fund balance is due to excess payroll costs.

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying combined financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented for each of the funds since their inclusion would make the statements unduly complex and difficult to understand.

**Total Columns on Combined Financial Statements**

Total columns presented in the combined financial statements are indicated "Memorandum Only" to indicate they are presented only to facilitate financial analysis. No consolidating entries or other elimination's were made in the aggregation of the totals, thus, they do not present financial position or results of operations in conformity with GAAP.

**Data Control Codes**

In accordance with the Financial Accountability System Resource Guide, the District has adopted and installed an accounting system which meets the minimum requirements prescribed by the State Board of Education and has been approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Codes Section of the Resource Guide. Mandatory codes are recorded in the order provided in that section.

**Governmental Accounting Standards Board (GASB) Statement 34 Basic Financial and Management's Discussion for State and Local Governments**

GASB issued its new reporting model in June 1999. The new model significantly changes the presentation of government's external financial statements. It will substantially affect the District's financial data accumulation and financial statement presentation process. Some of the key aspects of the changes are:

- Management's Discussion and Analysis (MD&A) – A comprehensive MD&A will now be included as required supplementary information.
- Government-Wide Reporting – The District will be required to report financial operations and net assets, not only at the fund perspective for governmental activities, but will also have to prepare statements at the government-wide level on the full accrual basis of accounting
- Statement of Activities – Governments will now be required to use a "net program cost" format for the government-wide statements instead of a traditional operating statement. This new format groups revenues and expenses by functional categories.

**Dallas Independent School District  
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- **Fund Level Reporting** – Fund level financial statements will still be required and will provide information about the District's major fund types.
- **Presentation of Budgetary information** – The standard requires original and final budget statements for the general fund and certain other governmental funds as required supplementary information.

The effective date of the new pronouncement will require implementation by the District for its year ending August 31, 2002.

## **B. PROPERTY TAXES**

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the subsequent year. On January 1 of each year a tax lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessed value of the roll on January 1, 2000, after deductions of all exemptions and reductions provided by law and those granted by the District, upon which the levy for the 2001 fiscal year was based, was \$53,136,828,664

The tax rates assessed for the year ended August 31, 2001, to finance General Fund operations and the payment of principal and interest on long-term debt were \$1.47803 and \$ 0.0695 per \$100, respectively, for a total of \$1.54753 per \$100 valuation. The resolution levying the ad valorem taxes specifies the percentage of the taxes applicable to the General Fund and Debt Service Fund. Current tax collections for the year ended August 31, 2001, were 97.5% of the tax levy.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. The District has provided an allowance for estimated uncollectible property taxes within the General and Debt Service Funds of \$20,469,766 and \$1,288,064, respectively, based upon historical collection experience. The District is prohibited from writing off real property taxes without specific statutory authority from the Texas legislature. At August 31, 2001, taxes receivable, net of estimated uncollectible taxes, aggregated \$34,822,420 and \$2,801,182 for the General Fund and Debt Service Fund, respectively.

Effective September 1, 1991, the Texas state legislature established County Education Districts ("CED") to redistribute property taxes from high-property value districts to low-property value districts. As of September 1, 1993, CED's were abolished by the enactment of Senate Bill 7 ("S.B. 7"). Residual collections of taxes assessed throughout the CED's prior to September 1, 1993 continued to be recognized as revenue when received through August 31, 2001. As part of this plan, the District recognized approximately \$418,000 as revenue in fiscal year 2001.

## **C. CASH, CERTIFICATES OF DEPOSIT, 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 District's agent bank (Federal Reserve Bank), approved pledged securities, as authorized by Chapter 2257, Collateral for Public Funds of the Government Code, in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC"). In order to maximize return on cash balances, the District uses consolidated bank accounts from which all disbursements are made, with cash in excess of the District's total daily requirement being invested for future needs.

At August 31, 2001, cash with a total carrying value of \$4,696,873 was on deposit with the contracted depository bank. In addition to these District funds, a total of \$3,019,995 in cash was on deposit with the contracted depository for various Activity Funds. The Activity Funds are in separate bank accounts in the name of the schools, and as such, have FDIC

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insurance of \$100,000 per bank account. Total District funds on deposit were secured at the balance sheet date by FDIC coverage of \$200,000 and by pledged United States government securities with a fair value of \$6,054,022 at August 31, 2001, held by the Federal Reserve Bank of Dallas. Because the Federal Reserve Bank of Dallas holds the pledged securities in trust on behalf of the District, the deposits were deemed collateralized under Texas law.

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

- a. Depository Bank: Bank of America, N.A..
- b. The date of highest deposit was August 31, 2001 with combined cash and certificates of deposit balance of \$5,880,177.
- c. On September 31, 2001, the amount of bonds, securities pledged, and FDIC coverage was \$6,054,022.
- d. The FDIC coverage portion of the collateral listed above was \$200,000.

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

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

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

Category 3 - Deposits which are not collateralized.

Based on these three levels of risk, the cash deposits presented in the Combined Balance Sheet (Exhibit A-1) are classified as Category 1.

**Investments**

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

- obligations of the United States or its agencies and instrumentalities;
- obligations of the State of Texas or its agencies;
- other obligations guaranteed by the United States or the State of Texas or their agencies and instrumentalities;
- public funds investment pools;
- no load money market funds with a weighted average maturity of 90 days or less;
- fully collateralized repurchase agreements;
- obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality not less than an "A", or its equivalent, by a nationally recognized investment rating firm; and,
- guaranteed or secured certificates of deposit, issued by state and national banks domiciled in Texas, and insured

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- bonds issued, assumed, or guaranteed by the State of Israel was added by H.B. 3009, and was effective September 1, 1999.

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

Category 1 - insured or registered investments for which securities are held by the District or its agent in the District's name

Category 2 - uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name

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

The following table categorized the District's investments at August 31, 2001, using the three levels of custodial credit risk:

	Category			Carrying	Fair
	1	2	3	Amount (1)	Value
Repurchase Agreements	\$ 15,860	-	- \$	15,860 \$	15,860
U.S. Government Securities	-	-	-	-	-
	\$ 15,860	-	- \$	15,860 \$	15,860
Money Markets				56,078,209	56,078,209
Public Funds Investment Pools				\$ 162,313,329 \$	162,313,329
				\$ 218,407,398 \$	218,407,398

At August 31, 2001 the District had funds invested for the operating needs of the General Fund in the Local Government Investment Cooperative ("LOGIC"), the Texas Cooperative Liquid Assets Securities System Trust ("Texas CLASS"), Texas Local Government Investment Pool ("TexPool"), and the Lone Star Investment Pool (LSIP). In addition, funds were invested for the benefit of the Series 1995 Bond Fund in a segregated public fund investment pool, the Texas CLASS. LOGIC, Texas CLASS, Texpool and LSIP have not been assigned a risk category since the District is not issued securities that exist in physical form, but rather, owns an undivided beneficial interest in the assets of the investment pools. Each investment pool the District participates in operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, to the extent such rule is applicable to its operations. Accordingly, the investment pools use the amortized cost method permitted by SEC Rule 2a-7 to report net assets and share prices since that amount approximates fair value. Regulatory oversight in the external investment pools is performed by a Board of Directors comprised of local government officers, including participants of the investment pools. The Texas State Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust company, which is authorized to operate Texpool. In addition, all investment pool's policies require a rating of AA or better from a nationally recognized rating agency.

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**Line Of Credit**

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

**D. DUE FROM STATE AND FEDERAL AGENCIES**

Amounts due from state and federal agencies consist of receivables for reimbursement of expenditures under various programs and grants. Additionally, the District has accrued Foundation School Program revenues of approximately \$5.5 million for the days of instruction for academic year 2002 occurring prior to the end of fiscal year 2001. Amounts due for expenditure reimbursement are expected to be collected within the first quarter of the 2001-02 fiscal year. The accrued Foundation School Program revenue was received in September of 2001.

**E. FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance September 1, 2000	Additions	Retirement Or Transfers	Balance August 31, 2001
Land and improvements	\$ 46,769,257	\$ 322,650	\$ -	\$ 47,091,907
Buildings and improvements	933,395,765	7,125,191	177,519	940,698,475
Construction-in-progress	10,169,509	517,847	-	10,687,356
Furniture and equipment	55,338,404	3,838,983	(39,452)	59,137,935
Total	<u>\$ 1,045,672,935</u>	<u>\$ 11,804,671</u>	<u>\$ 138,067</u>	<u>\$ 1,057,615,673</u>

As of August 31, 2001, the District has committed approximately \$442,280 with respect to unfinished capital projects. No further debt financing is required to fulfill existing commitments.

**F. DEFERRED REVENUE**

Deferred revenue recorded in the General Fund consists of the following:

Property Tax	\$ 26,077,389
Foundation School Program	30,008,776
Miscellaneous	<u>292,064</u>
Total	<u>\$ 56,378,229</u>

**Dallas Independent School District  
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**G. LONG-TERM OBLIGATIONS**

Long-term debt includes par bonds, capital appreciation serial bonds, contractual obligations, capital leases, maintenance tax notes and provisions for Workers' Compensation liability. Bond premiums are amortized using the effective interest method. At August 31, 2001, the District's debt limitation under local policies, which represents 10% of the District's total assessed property value for school tax purposes, is \$5,313,682,896 and the District's legal debt margin is \$4,997,934,578.

**General Obligation Bonds**

These bonds are secured by ad valorem taxes levied against all taxable property and are serviced, with the exception of the contractual obligation bonds, by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 4.75% to 7.75% and are due through 2014. At August 31, 2001, \$17,865,455 was available in the Debt Service Fund to service the appropriate bonds.

<u>Series</u>	<u>General Obligation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1993	Serially in varying amounts from August 15, 2000 to August 15, 2007	4.75%-5.75%	\$ 98,915
1995	Serially in varying amounts from August 15, 2007 to August 15, 2014	5.3%-5.8%	46,775
1999	Serially in varying amounts from August 15, 2000 to August 15, 2014	2.97%-4.75%	162,405
			<u>\$ 308,095</u>

**Capital Appreciation Bonds**

Although the debt service requirements on Capital Appreciation Bonds are payable only upon maturity, the original principal amount of the Capital Appreciation Bonds, Series 1995, plus the premium of \$7,065,712 is recorded as a component of Long-Term Obligations in the General Long-Term Debt Account Group. In addition, the original principal of the Capital Appreciation Bonds, Series 1999, plus the premium of \$8,300,033 is recorded as component of the General Long-Term Debt Account Group.

<u>Series</u>	<u>Capital Appreciation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1995	August 15, 2007	6.4%	9,904
1999	August 15, 2005	4.05%	7,155
			<u>\$ 17,059</u>

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**Contractual Obligation Bonds**

The District's current year payments for debt service on contractual obligation bonds included interest of \$116,025 for Series 1994, \$389,408 for Series 1995 and \$209,550 for Series 1996. These payments are included as debt service expenditures in the General Fund in the accompanying combined financial statements.

<u>Series</u>	<u>Contractual Obligation Bonds Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
1994	Serially in varying amounts from August 15, 2000 to August 15, 2001	4.3%-5.3%	\$ 0
1995	Serially in varying amounts from August 15, 2000 to August 15, 2003	4.0%-4.8%	5,235
1996	Serially in varying amounts from August 15, 2000 to August 15, 2003	4.2%-6.2%	3,225
			<u>\$ 8,460</u>

**Maintenance Tax Notes**

The Maintenance Notes, Series 2001, were issued on August 15, 2001.

<u>Series</u>	<u>Maintenance Tax Notes Maturity or Mandatory Redemption Date</u>	<u>Interest Rates</u>	<u>Total Outstanding Principal Amount (in thousands)</u>
2001	Serially in varying amounts from August 15, 2001 to August 15, 2011	3.85%-4.00%	\$ 30,300
			<u>\$ 30,300</u>

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**Notes to the General Purpose Financial Statements**  
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The following is a summary of the changes in the District's General Long-Term Debt Account Groups for the year ended August 31, 2001 (in thousands):

Description	Original Issue Amounts	Debt Service Outstanding September 1, 2000	Additions And Interest Accretion	Retired	Debt Service Outstanding August 31, 2001
<b>General Obligation Bonds</b>					
Series 1993	\$ 231,675	\$ 118,455	\$ -	\$ 19,540	\$ 98,915
Series 1995	191,640	46,775	-	-	46,775
Series 1999	165,445	163,360	-	955	162,405
Total General Obligation Bonds	588,760	328,590	-	20,495	308,095
<b>Capital Appreciation Bonds</b>					
Series 1995	6,359	9,317	587	-	9,904
Series 1999	15	6,865	290	-	7,155
Total Capital Appreciation Bonds	6,374	16,182	877	-	17,059
<b>Contractual Obligation Bonds</b>					
Series 1994	12,135	2,275	-	2,275	-
Series 1995	16,500	7,680	-	2,445	5,235
Series 1996	10,000	4,725	-	1,500	3,225
Total Contractual Obligation Bonds	38,635	14,680	-	6,220	8,460
<b>Maintenance Tax Notes</b>					
Series 2001	30,300	-	30,300	-	30,300
Total Maintenance Tax Notes	30,300	-	30,300	-	30,300
<b>Capital Leases</b>					
Johnson Controls	4,405	3,547	-	363	3,184
Honeywell - Phase I	4,889	3,692	-	446	3,246
Honeywell - Phase IIA	9,149	7,701	-	787	6,914
Honeywell - Phase IIB	9,149	7,701	-	787	6,914
Unisys	8,578	3,701	-	1,802	1,899
Fujitsu	8,159	7,168	-	1,044	6,124
Total Capital Leases	44,329	33,510	-	5,229	28,281
<b>Loans Payable</b>					
Vehicle Acquisition	4,200	-	4,200	-	4,200
Total Loans Payable	4,200	-	4,200	-	4,200
Workers Compensation	N/A	11,069	-	655	10,414
Payable to Dallas County	N/A	5,162	-	2,581	2,581
<b>Total Long Term Debt</b>	<b>\$ N/A</b>	<b>\$ 409,193</b>	<b>\$ 35,377</b>	<b>\$ 35,180</b>	<b>\$ 409,390</b>



**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

**Debt Service Requirements**

The annual requirements to pay principal and interest on the bond obligations outstanding as of August 31, 2001 are as follows (in thousands):

Year Ended August 31	General Obligation, Capital Appreciation Bonds and Maintenance Tax Notes		Contractual Obligation Bonds		Total Requirements
	Principal	Interest	Principal	Interest	
2002	\$ 24,485	\$ 17,145	\$ 4,135	\$ 420	\$ 46,185
2003	20,020	15,847	4,325	204	40,396
2004	24,310	14,783	-	-	39,093
2005	25,115	15,378	-	-	40,493
2006	27,515	12,541	-	-	40,056
Thereafter	234,009	58,189	-	-	292,198
Total	\$ 355,454	\$ 133,883	\$ 8,460	\$ 624	\$ 498,421

In 1985, 1993, 1995 and 1999, 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 combined financial statement.

**2000-01 Debt Issuance**

The following debt was issued during fiscal year 2000-2001:

**Master Equipment Lease/Purchase Agreement, Banc of America Leasing & Capital, LLC:** On June 22, 2001, a Master Equipment Lease/Purchase Agreement was entered into by and between Banc of America Leasing & Capital, LLC and Dallas Independent School District. The debt was issued for the purchase of vehicles (cars and trucks) for the Fleet Maintenance Department of the District. The original principal amount of the debt was \$4,200,000, repayable at an interest rate of 4.43%. Principal and interest payments of \$235,271 begin on October 3, 2001, and are due on each January, April, July and October 3<sup>rd</sup> thereafter, with the last payment due on July 3, 2006. This debt is not subject to federal arbitrage regulations. The proceeds were received on July 3, 2001 and are maintained in the 'Dallas ISD Vehicle Acquisition Fund' money market account at Bank of America.

The annual requirements to pay principal and interest on the Vehicle Acquisition Loan at August 31, 2001 are as follows (in thousands):

Year Ended August 31	Vehicle Acquisition Loan				Total Requirements
	Principal	Interest			
2002	\$ 768	\$ 173	\$ -	\$ -	\$ 941
2003	802	139	-	-	941
2004	838	103	-	-	941
2005	876	65	-	-	941
2006	916	25	-	-	941
Thereafter	-	-	-	-	-
Total	\$ 4,200	\$ 505	\$ -	\$ -	\$ 4,705

**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

**The Maintenance Tax Notes, Series 2001:** The Maintenance Tax Notes, Series 2001 were issued on August 15, 2001. Interest on the Notes accrued from August 15, 2001, and will be payable on August 15 of each year, commencing on August 15, 2002. The proceeds from the sale of the Notes were received on September 18, 2001 and will be used for the purchase of a new financial software system and to pay costs of issuance associated with the Notes. The original principal amount of the debt was \$30,300,000, repayable at a variable interest rate ranging from 3.85% to 4.0%. Interest payments of \$1,201,837 are payable on August 31, 2001 and 2003, and then principal and interest payments of approximately \$4,500,000 begin on August 15, 2004, with the last payment due on August 15, 2011. This debt is subject to federal arbitrage regulations. The proceeds are maintained in an investment pool maintained by TASB (Texas Association of School Boards) named Lone Star Liquidity Corporate Fund, in an account titled 'Contractual Obs-Oracle.'

The following debt was issued subsequent to fiscal year 2000-2001:

**Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2001:** Subsequent to fiscal year 2000-2001, on October 16, 2001, the proceeds for the issuance of the 'Dallas Independent School District Qualified Zone Academy Bonds Maintenance Tax Notes, Series 2001' were received by the District. The Notes were dated October 1, 2001. Interest on the Notes accrued from October 1, 2001, and will be payable on May 1 of each year, commencing on May 1, 2002. The proceeds from the sale of the Notes will be used for the funding of approved Qualified Zone Academy Bond projects at District schools and to pay costs of issuance associated with the Notes. The original principal amount of the debt was \$6,880,000, repayable at an interest rate of 6.82%. Principal and interest payments of \$344,321 begin on August 15, 2004, with the last payment due on May 1, 2014. This debt is subject to federal arbitrage regulations. The proceeds are maintained in the 'Dallas Independent School Dist Qualified Zone Academy Maint Tax Notes Series 2001' money market account at Bank of America.

**Dallas Independent School District**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Years Ended August 31, 2001**

**H. GENERAL FUND FEDERAL SOURCE REVENUES**

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

JROTC and Impact Aid	\$	1,254,332
Medicaid		2,854,482
Indirect Cost		1,036,720
	\$	<u>5,145,534</u>

Indirect costs of \$1,036,720 have been credited to General Fund Federal Program Revenue in the accompanying combined financial statements for the year ended August 31, 2001. The detail projects are as follows:

Program or Source	Federal CFDA Number	Amount
Grant Programs -		
Indirect cost charged to federal programs -		
Javits – Sol Net	84.206A	\$ 17,291
Indian Education Formula	84.060A	1,144
Systemwide Improvement Grants	84.291R	631
21 <sup>st</sup> Century Learning Centers	84.287A	27,792
McKinney Homeless Children	84.196	2,079
Title VII, Part C	84.162A	30,198
ESEA, Title II, Part B	84.281A	11,522
ESEA, Title I, Part A	84.01A	580,120
Title I, Part C	84.011	6,217
Federal Adult Education Section 231	84.002A	26,013
ESEA Title VI- Class Size Reduction Program	84.340A	69,056
IDEA-B Formula	84.027	112,400
IDEA-B Preschool	84.173	6,950
IDEA-B Capital, Building and Improvement	84.027	3,290
IDEA-B Preschool Deaf	84.173	447
ESEA, Title VI	84.298	16,964
Drug and Violence Prevention Coordinators for Middle Schools	84.184K	5,447
Bilingual Education: Comprehensive School Grants	84.294U	6,400
Carl Perkins Grant for Career & Technology Training	84.048A	14,685
Refugee Children School Impact Grant	93.576	3,116
Early Childhood Intervention	84.181	29,680
Public Charter School-Core Knowledge	N/A	343
Development & Implementation Grant	N/A	1,231
Title I School Improvement Program	N/A	23,459
Read for Texas Local Reading Improvement Program	N/A	1,272
ESEA, Title IV	84.186A	22,570
AIDS Health Education	93.938	5,029
Public Charter School	N/A	700
Accelerated Academic Achievement for Truant Youth	N/A	521
Students Making Abstinence Real Today	93.938	3,244
TANF for Adult Education	93.558	<u>6,909</u>
		\$ <u>1,036,720</u>

**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

**I. LIABILITY FOR COMPENSATED ABSENCES**

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

**J. CAPITAL LEASES**

As of August 31, 2001, the accompanying combined financial statements include property under capital leases totaling a principle balance due of \$29,036,534, with a net present value (NPV) of \$28,281,268. Capital leases provide for the acquisition of equipment to improve the District's energy management systems, student information systems and telephone system and are recorded as assets in the General Fixed Asset Account Group. Capital lease expenditures for fiscal year 2001 were \$7,601,969, representing principal and interest payments that have been reflected as debt service expenditures in the General Fund of the accompanying combined financial statements.

<u>Date of Issue</u>	<u>Purpose/Lawful Authority (Maturity)</u>	<u>Interest Rate</u>	<u>Net Present Value (in thousands)</u>
8/28/96	Energy Management Systems/Johnson Controls, Inc. (10/15/06)	5.96%	\$ 3,184
8/27/96	Energy Management Systems/Honeywell, Inc. – Phase I (09/01/06)	5.62%	3,246
4/14/97	Energy Management Systems/Honeywell, Inc. – Phase IIA (03/01/08)	6.89%	6,914
4/14/97	Energy Management Systems/Honeywell, Inc. – Phase IIB (03/01/08)	6.89%	6,914
11/03/97	Student Record Initiative/Unisys (08/15/02)*	4.63%	1,899
12/18/98	Telephone System/Fujitsu (9/15/05)*	4.44%	6,124
			<u>\$ 28,281</u>

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

**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

Pursuant to the terms of the capital lease agreements, the following schedule presents future minimum lease payments, including principle and interest, by year as of August 31, 2001.

Year Ended August 31 (in thousands)	
2001-2002	\$ 7,180
2002-2003	5,108
2003-2004	5,133
2004-2005	5,147
2005-2006	5,174
Thereafter	6,189
Future minimum lease payments	33,931
Amount representing interest(1)	5,650
Total future minimum lease payments (2)	\$ 28,281

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

(2) Reflected in the General Long-Term Debt Accounting Group as leases payable-current and non-current.

#### **K. DEFINED BENEFIT PENSION PLAN**

##### Plan Description

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

##### Funding Policy

By statute, plan members must contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.0% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 1999, 2000 and 2001, were \$40,386,582, \$44,311,416 and \$47,394,734 respectively, equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 1999, 2000 and 2001, were \$7,410,594 and \$8,547,566 and \$10,670,954 respectively, equal to the required contributions for each year. The District has recorded, in the General Fund, approximately \$37.4 million in revenue and expenditures for fringe benefits and salaries paid on behalf of the District by the System.

**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

**L. RISK MANAGEMENT**

During the year ended August 31, 2001, employees of the District could chose between two health insurance plans. The District paid premiums of \$200 per month per employee. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. The District does not provide any post retirement health benefits to its employees.

Beginning in 1989, the District moved from a self-insured worker's compensation program administered by a third party to a self-insured program administered by the District. The District currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. The provision for reported claims and for claims incurred but not yet reported are determined by District management.

At August 31, 2001, the accrued liability for Worker's Compensation self insurance of \$13.360 million includes incurred but not reported claims and is recorded in accrued liabilities in the general fund and the long-term portion of \$10.414 million is recorded in the general long term debt account group. 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.

Changes in the reported liability since August 31, 1998, resulted from the following:

<u>Fiscal Year</u>	<u>Balance September 1</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claims Payments</u>	<u>Balance August 31</u>
1999-00	\$ 13,753,980	\$ 8,173,591	\$ (8,404,185)	\$ 13,523,386
2000-01	\$ 13,523,386	9,416,996	(9,580,456)	\$ 13,359,926

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in insurance coverage from the prior year. There have been no claim settlements in excess of insurance coverage in the last three years.

**Dallas Independent School District**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Years Ended August 31, 2001**

**M. INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances at August 31, 2001 consisted of the following individual fund receivables and payables:

Fund	Receivables	Payables
General Fund -		
Special Revenue Funds	\$ 10,802,908	\$ 5,980,712
Capital Projects Fund	-	470,526
Debt Services Fund	8,197,759	-
	<u>19,000,667</u>	<u>6,451,238</u>
Special Revenue Funds -		
General Fund-		
Drug Free Schools	-	158,502
ESEA Title I, Regular	-	1,032,867
ESEA Title I, Migrant	-	111,216
ESEA Title II, Math/Science	-	24,571
ESEA Title IV	-	63,678
Food Services	5,980,712	-
Aid to Families	-	219,214
IDEA-B Formula	-	954,725
IDEA-B Preschool	-	78,032
Adult Basic Education	-	623,486
Vocational Education	-	75,603
Emergency Immigration Education	-	155,178
Regional Day School for the Deaf	-	-
Early Childhood Intervention	-	358,227
Urban Systemic Initiative	-	-
Miscellaneous Other	-	6,947,609
	<u>5,980,712</u>	<u>10,802,908</u>
Debt Service Fund -		
General Fund	-	8,197,759
Capital Projects Fund -		
General Fund	<u>470,526</u>	<u>-</u>
	<u>\$ 25,451,905</u>	<u>\$ 25,451,905</u>

The negative \$8.7 million Residual Equity Transfer is due to the change for the State Technology fund from the General Fund to the Special Revenue Funds.

**N. FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAMS**

The Office of Management and Budget's Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*, The Single Audit Act, issued June 30, 1997, requires that Federal financial assistance programs must be audited using the "single audit" approach in connection with the audit of the District's combined financial statements. Program transactions may be subject to further audit at the discretion of the granting agency. Management believes the ultimate outcome of the instances of noncompliance and any grantor audits will not have a significant effect on the allowability of expenditures funded by federal and state financial assistance programs.

**Dallas Independent School District  
Notes to the General Purpose Financial Statements  
For the Fiscal Years Ended August 31, 2001**

**O. LOCAL REVENUES**

Local revenues are comprised of the following:

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total
Property Taxes	\$ 748,125,953	\$ -	\$ 35,635,919	\$ -	\$ 783,761,872
Dallas CED	399,479	-	18,784	-	418,263
Food Services	-	11,827,037	-	-	11,827,037
Interest Income	15,788,657	-	1,944,129	326,773	18,059,559
Tuition, Fees					
And Cocurricular	2,339,225	-	-	-	2,339,225
Other	8,518,997	2,565,302	-	-	11,084,299
Total	\$ 775,172,311	\$ 14,392,339	\$ 37,598,832	\$ 326,773	\$ 827,490,255

**P. LITIGATION, CONTINGENCIES AND COMMITMENTS**

As of August 31, 1999, the District accrued a contingent liability of \$634,041 to recognize an obligation to employees who were omitted from participation in the District's 403(b) Plan. The contingent liability resulted from the District's submission to the Internal Revenue Service's Tax-sheltered Annuity Voluntary Correction Program. The remaining balance for this liability is \$292,758.

The District is a defendant in various lawsuits arising principally in the normal course of operations. In the opinion of the District management, the potential losses, after insurance coverage, on all allegations, claims, and lawsuits will not have a material effect on the District's financial position or results of operations. Accordingly, no provision for losses has been recorded in the accompanying combined financial statements for such contingencies.

**Payable to Dallas County Schools**

According to an interlocal agreement between the District and the Dallas County Schools, the District agreed to pay Dallas County Schools one-third of its FY 1998-1999 debt of \$7,743,604 over a three-year period beginning with FY 1999-2000. The final -third of \$2,581,202 is included in the FY2001-2002 budget. A promissory note has been signed. The entire amount remaining of \$2,581,202 is recorded as accrued expenditures in the General Long Term Debt Account Group.

**Q. SUBSEQUENT EVENTS**

On November 19, 2001 Dallas Independent School District Trustees unanimously approved a \$1.37 bond proposal. The bond referendum will be included on the January 19, 2002 election ballot. These funds will be used to build new schools and the land that will be needed to build them, new classrooms in existing schools and for needed renovations.



**Combining and Individual Fund Account Group  
Statements and Schedules**

**Exhibits B-1 Through B-3**

## **Combining and Individual Fund and Account Group Statements and Schedules**

**Combining Statements** - by fund type are presented for fund types consisting of more than one fund. The purpose of the statement is to provide a "link" between the general purpose financial statements and the individual fund statements.

**Individual Fund and Account Group Statements** - are presented to provide information on the individual funds and account groups where the District has only one fund of a specific type or to present detail in addition to that provided in the combining statements. Individual fund and account group statements will immediately follow combining statements of fund types which consist of more than one fund.

**Schedules** - are presented immediately following statements of funds and account groups. These schedules, although not necessary for fair presentation in conformity with generally accepted accounting principles, are provided for the readers' information. The schedules are presented to demonstrate finance-related legal and contractual compliance, to provide detail of data summarized in the general purpose financial statements, and to present other information deemed useful to the reader.



## **Special Revenue Funds**

The Special Revenue Funds are used to account for funds received from other governmental agencies that are legally restricted as to expenditure for specified purposes. The programs included within these funds are as follows:

**Drug Free Schools** - this fund is used to account for funds granted as a result of P.L. 99-570.

**ESEA Title I Regular** - this fund is used to account for funds allocated for programs for educationally disadvantaged children.

**ESEA Title I Migrant** - this fund is used to account for funds allocated for programs benefiting children of migrant agriculture or agriculture-related workers.

**ESEA Title II Math/Science** - this fund is used to account for funds allocated to improve the skills of teachers and instruction in mathematics, science, foreign languages, and computer science.

**ESEA Title VI** - this fund is used to account for block grant programs of the Education Consolidation and Improvement Act.

**Food Services** - this fund is used for programs using federal reimbursement revenues originating from the United States Department of Agriculture.

**Aid to Families** - this fund is used to account for funds granted to provide educational services to adults who are recipients of Aid to Families with Dependent Children funds.

**IDEA-B, Formula** - this fund is used to account for funds used to operate educational programs for handicapped children.

**IDEA-B, - Preschool** - this fund is used to account for funds used to operate educational programs for preschool-aged handicapped children.

**Adult Basic Education** - this fund is used to account for funds used to provide training in the fundamental skills of reading, writing, speaking and arithmetic.

**Vocational Education** - this fund is used to account for funds provided for purposes of vocational-technical education other than for programs or funds provided by the Foundation School Program Act.

**Emergency Immigration Education** - this fund is used to account for funds used to provide assistance to educate immigrant children.

**Regional Day School for the Deaf** - this fund is used to account for funds allocated for staff and activities of the Regional Day School Program for the Deaf.

**Early Childhood Intervention** - this fund is used to account for funds for an umbrella program for young children with disabilities.

**Urban Systemic Initiative** - this fund is used to account for funds allocated for development of major systematic improvements in the teaching of mathematics, science, and technology.

**Miscellaneous Other** - this fund is used to account for funds not specified above.

**Dallas Independent School District**  
**Combining Balance Sheet - All Special Revenue Funds**  
**August 31, 2001**  
**Exhibit B-1**

Data Control Codes	Assets	284 Drug Free Schools	211 ESSEA Title I Regular	212 ESSEA Title I Migrant	218 ESSEA Title II Math/ Science	236 ESSEA Title VI	348 Food Services	223 382 Aid to Families	224 IDEA B Formula
1110-60	Cash	\$ -	\$ -	\$ -	\$ -	\$ -	332,016	\$ -	\$ -
1170	Investment, at cost	-	-	-	-	-	-	-	-
	Receivables								
1240	Due from Federal Agencies	158,502	1,057,875	114,348	24,571	90,033	4,041,520	221,983	955,291
1250	Accrued Interest	-	-	-	-	-	113,277	-	-
1260	General Fund	-	-	-	-	-	5,980,712	-	-
1290	Other Receivables	-	-	-	-	-	-	-	-
1300	Inventories, at Cost	-	-	-	-	-	4,859,784	-	-
1400	Other Current Assets	-	-	-	-	-	646	-	-
1000	<b>Total Assets</b>	<b>\$ 158,502</b>	<b>1,057,875</b>	<b>\$ 114,347</b>	<b>\$ 24,571</b>	<b>\$ 90,033</b>	<b>\$ 15,127,833</b>	<b>\$ 221,983</b>	<b>\$ 955,291</b>
	Liability and Fund Balance								
	Current Liabilities								
2110	Accounts Payable	\$ -	8,831	1,833	\$ -	\$ -	312,871	1,889	\$ -
2160	Accrued Wages Payable	-	-	1,198	-	-	499,136	967	500
2170	Due to Other Funds	158,502	1,032,867	111,216	24,571	63,878	-	219,214	954,725
2300	Deferred Revenues	-	16,177	-	-	26,356	-	93	-
2500	Advanced from Other Funds	-	-	-	-	-	-	-	-
2000	<b>Total Liabilities</b>	<b>158,502</b>	<b>1,057,875</b>	<b>114,347</b>	<b>24,571</b>	<b>90,033</b>	<b>811,806</b>	<b>221,983</b>	<b>955,291</b>
3000	Fund Balance								
3410	Reserved for Investment in Inventories	-	-	-	-	-	4,859,784	-	-
3450	Reserved for Food Service and Child Nutrition	-	-	-	-	-	9,646,896	-	-
3440	Reserved for Outstanding Encumbrances	-	-	-	-	-	9,467	-	-
3800	Undesignated	-	-	-	-	-	-	-	-
	<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,316,127</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liability and Fund Balance</b>	<b>\$ 158,502</b>	<b>1,057,875</b>	<b>\$ 114,347</b>	<b>\$ 24,571</b>	<b>\$ 90,033</b>	<b>\$ 15,127,833</b>	<b>\$ 221,983</b>	<b>\$ 955,291</b>

225	229	244	262	308	272	295		Totals	
IDEA B	Adult	Vocational	Emergency	Regional	Early	Urban	Miscellaneous	August 31,	August 31,
Preschool	Basic	Education	Immigration	Day School	Childhood	Systemic	Other	2001	2000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	332,015	\$ 141,840
-	-	-	-	-	-	-	33,965	33,965	33,965
78,032	753,656	75,803	181,100	-	400,482	-	10,346,524	18,498,480	22,782,731
-	-	-	-	-	-	-	-	113,277	1,887
-	-	-	-	-	-	-	-	5,980,712	7,613,851
-	-	-	-	-	-	-	184,835	184,835	55,331
-	-	-	-	-	-	-	-	4,858,764	3,878,171
-	-	-	-	-	-	-	-	645	645
\$ 78,032	\$ 753,656	\$ 75,803	181,100	\$ -	\$ 400,482	\$ -	\$ 10,564,323	\$ 29,803,892	\$ 34,508,301
\$ -	\$ 54,341	\$ -	\$ 2,025	\$ -	\$ 10,759	\$ -	\$ 526,043	\$ 918,292	\$ 1,881,785
-	75,829	-	23,887	-	2,314	-	258,771	862,877	868,088
78,032	623,486	75,803	156,178	-	368,227	-	6,947,809	10,802,908	5,684,865
-	-	-	-	-	29,162	-	2,938,340	3,010,127	12,488,081
									9,042,334
78,032	753,656	75,803	181,100	-	400,482	-	10,670,782	15,564,003	29,983,153
-	-	-	-	-	-	-	-	4,858,764	3,878,171
-	-	-	-	-	-	-	-	9,646,898	9,051,051
-	-	-	-	-	-	-	-	9,487	308,910
-	-	-	-	-	-	-	(108,439)	(108,439)	(8,882,884)
-	-	-	-	-	-	-	(108,439)	14,209,888	4,545,148
\$ 78,032	\$ 753,656	\$ 75,803	\$ 181,100	\$ -	\$ 400,482	\$ -	\$ 10,564,323	\$ 29,803,892	\$ 34,508,301

**Dallas Independent School District  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
All Special Revenue Funds  
For the Year Ended August 31, 2001  
Exhibit B-2**

Data Control Codes	204 Drug Free Schools	211 ESSEA Title I Regular	212 ESSEA Title I Migrant	210 ESSEA Title II Math/ Science	230 ESSEA Title VI	240 Food Services	223 302 Aid to Families	224 IDEA-B Formula
<b>Revenues</b>								
5700 Local	-	-	-	-	-	11,827,037	-	-
5800 State Program	-	-	-	-	-	880,598	97,482	-
5900 Federal Program	1,685,958	38,857,590	397,185	722,382	1,150,879	44,057,568	485,482	8,533,508
5030 Total Revenues	1,685,958	38,857,590	397,185	722,382	1,150,879	56,551,203	582,944	8,533,508
<b>Expenditures</b>								
Current-								
0011 Instruction	338,387	27,008,140	82,130	48,360	278,934	-	388,078	2,270,888
0012 Instructional Resources and Media Services	-	263,777	-	-	-	-	-	-
0013 Curriculum and Staff Development	757,022	2,783,036	2,621	808,134	548,181	-	71,819	218,842
0021 Instructional Leadership	230,277	2,884,884	100,460	48,363	88,658	-	41,931	2,431,367
0023 School Leadership	1	108,988	-	-	-	-	-	-
0026 Communication and Dissemination	-	-	-	-	-	-	-	-
0031 Guidance and Counseling Services	238,428	717,287	-	10,500	188,001	-	50,318	1,330,040
0032 Social Work Services	-	11,828	-	-	-	-	-	-
0033 Health Services	-	-	-	-	-	-	-	206,341
0034 Student Transportation	-	-	1,828	-	-	-	-	-
0036 Food Services	-	-	-	-	-	82,784,233	-	-
0038 Co-Curricular Activities	-	-	-	-	-	-	-	-
0041 General Administration	-	58,488	-	7,036	1,848	-	-	-
0061 Plant Maintenance and Operations	2,278	3,047	-	-	424	2,678,875	-	1,771
0062 Security and Monitoring Services	1,863	51,417	-	-	-	-	-	-
0063 Data Processing Services	-	-	-	-	-	-	-	-
0061 Community Services	-	4,987,083	200,836	-	86,837	-	-	76,488
Debt Service-	-	-	-	-	-	-	-	-
0042 Debt Service	-	-	-	-	-	-	-	-
Capital Services-	-	-	-	-	-	-	-	-
0062 Facilities Acquisition and Construction	-	-	-	-	-	-	-	-
0081 Facilities Acquisition	-	-	-	-	-	-	-	-
6050 Total Expenditures	1,685,958	38,857,590	397,185	722,382	1,150,879	55,473,208	582,944	8,533,508
1200 Excess(Deficiency) of Revenues Over Expenditures	-	-	-	-	-	1,077,995	-	-
0100 Fund Balances, beginning of year	-	-	-	-	-	13,238,132	-	-
7900 Residual Equity Transfer Out (In)	-	-	-	-	-	-	-	-
3000 Fund Balances, end of year	-	-	-	-	-	14,316,127	-	-





**Dallas Independent School District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Budget (GAAP) and Actual - Food Service Special Revenue Fund**  
**For The Year Ended August 31, 2001**  
**Exhibit B-3**

		240		
		Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
5700	Local	\$ 10,630,000	\$ 11,827,037	\$ 1,197,037
5800	State Program	675,000	666,598	(8,402)
5900	Federal Program	43,931,000	44,057,568	126,568
<b>Total Revenues</b>		<b>55,236,000</b>	<b>56,551,203</b>	<b>1,315,203</b>
<b>Expenditures</b>				
<b>Current-</b>				
0011	Instruction	-	-	-
0012	Instructional Resources and Media Svcs	-	-	-
0013	Curriculum and Staff Development	-	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0026	Communication and Dissemination	-	-	-
0031	Guidance and Counseling Services	-	-	-
0032	Social Work Services	-	-	-
0033	Health Services	-	-	-
0034	Student Transportation	-	-	-
0035	Food Services	55,458,895	52,794,233	2,664,662
0036	Co-Curricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Plant Maintenance and Operations	2,347,846	2,678,975	(331,129)
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
0075	Data Processing Services	-	-	-
0061	Community Services	-	-	-
0081	Facilities Acquisition	-	-	-
6050	<b>Total Expenditures</b>	<b>57,806,741</b>	<b>55,473,208</b>	<b>2,333,533</b>
1200	Excess(Deficiency) of Revenues Over Expenditures	(2,570,741)	1,077,995	3,648,736
0100	Fund Balances, beginning of year	13,238,132	13,238,132	-
7900	Residual Equity Transfer Out (In)	-	-	-
3000	<b>Fund Balances, end of year</b>	<b>\$ 10,667,391</b>	<b>\$ 14,316,127</b>	<b>\$ 3,648,736</b>



## **Agency Fund**

The Agency Fund is used to account for assets held by the District as an agent for student organizations. The Agency Fund maintained by the District is the Student Activity Fund.

Dallas Independent School District  
Statement of Changes in Assets and Liabilities - Agency Fund  
For The Year Ended August 31, 2001  
Exhibit B-4

Data Control Codes		5030	6050	Balance August 31, 2001	
		Balance September 1, 2000	Additions		Deductions
Total Agency Fund - Student Activities					
Assets					
1110-50	Cash	\$ 2,869,194	\$ 9,550,964	\$ 9,400,163	\$ 3,019,995
1000	Total Assets	2,869,194	9,550,964	9,400,163	3,019,995
Liabilities					
2190	Due To Student Groups	2,869,194	9,550,964	9,400,163	3,019,995
2000	Total Liabilities	\$ 2,869,194	\$ 9,550,964	\$ 9,400,163	\$ 3,019,995



### **General Fixed Asset Account Group**

This account group reflects the District's investment in fixed assets. It provides a vehicle for management control and accountability. General fixed assets are not subject to depreciation.



**Dallas Independent School District  
Schedule of General Fixed Assets By Source  
August 31, 2001**

**General Fixed Assets**

Land and Improvements	\$ 47,091,907
Buildings and Improvements	940,698,475
Construction-in-Progress	10,687,356
Furniture and Equipment	<u>59,137,935</u>

<b>Total General Fixed Assets</b>	<b>\$ <u>1,057,615,673</u></b>
-----------------------------------	--------------------------------

**Investment in General Fixed Assets**

Investment in Property from All Sources Prior to September 1, 1978	\$ 324,207,436
Investment in Property Acquired After August 31, 1978, From -	
General Fund	266,622,450
Special Revenue Funds	56,590,510
Capital Projects Fund	598,170,433
From Others - Gifts and Donations	10,415,925
Change in Capitalization Policy	<u>(198,391,081)</u>

<b>Total Investment in General Fixed Assets</b>	<b>\$ <u>1,057,615,673</u></b>
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**Dallas Independent School District  
Schedule of General Fixed Assets by Function and Activity  
August 31, 2001**

	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>
<b>Balances, September 1, 2000</b>	<b>\$ 46,769,257</b>	<b>\$ 933,395,765</b>
<b>General Fund</b>		
Instruction	-	-
Instructional Resources and Media Services	-	-
Curriculum and Staff Development	-	90
Instructional Leadership	-	-
School Leadership	-	3,049
Communication and Dissemination	-	-
Guidance and Counseling Services	-	-
Social Work Services	-	-
Health Services	-	-
Student Transportation	-	-
Co-Curricular Activities	-	-
General Administration	-	-
Plant Maintenance and Operations	-	10,306
Security and Monitoring Services	-	-
Data Processing Services	-	-
Community Services	-	13,812
Facilities Acquisition & Construction	<u>322,650</u>	<u>5,756,435</u>
<b>Total General Fund</b>	<u>322,650</u>	<u>5,783,692</u>
<b>Special Revenue Funds</b>		
Instruction	-	-
Instructional Resources and Media Services	-	-
Curriculum and Staff Development	-	-
Instructional Leadership	-	-
School Leadership	-	-
Guidance and Counseling Services	-	-
Social Work Services	-	-
Health Services	-	-
Food Services	-	614,869
Co-Curricular Activities	-	2,346
General Administration	-	-
Plant Maintenance and Operations	-	-
Data Processing Services	-	-
Community Services	-	-
Facilities Acquisition & Construction	<u>-</u>	<u>271,154</u>
<b>Total Special Revenue Funds</b>	<u>-</u>	<u>888,369</u>
<b>Capital Project Funds</b>	<u>-</u>	<u>453,130</u>
<b>Current Year Retirements</b>	-	-
<b>Current Year Gifts and Donations</b>	-	-
<b>Change in Capitalization Policy-Prior Year</b>	<u>-</u>	<u>177,519</u>
<b>Total General Fixed Assets</b>	<b>\$ <u>47,091,907</u></b>	<b>\$ <u>940,698,475</u></b>

<u>Construction In Progress</u>	<u>Furniture and Equipment</u>	<u>Total</u>
\$ 10,169,509	\$ 55,338,404	\$ 1,045,672,935
-	1,769,981	1,769,981
-	-	-
-	-	90
-	20,809	20,809
-	-	3,049
-	-	-
-	-	-
-	-	-
-	253,985	253,985
-	-	-
-	-	-
-	596,767	607,073
-	44,497	44,497
-	-	-
-	-	13,812
-	144,995	6,224,080
-	2,831,034	8,937,376
-	673,451	673,451
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	60,621	675,490
-	245,462	247,808
-	-	-
-	-	-
-	-	-
-	-	-
-	-	271,154
-	979,534	1,867,903
517,847	-	970,977
-	(58,509)	(58,509)
-	28,415	28,415
-	19,057	196,576
\$ 10,687,356	\$ 59,137,935	\$ 1,057,615,673

Dallas Independent School District  
Schedule of Changes in General Fixed Assets by Function and Activity  
For the Year Ended August 31, 2001

	General Fixed Assets September 1, 2000	Additions	Deletions	General Fixed Assets August 31, 2001
<b>Balances, September 1, 2000</b>	\$ 1,045,672,935	\$ -	\$ -	\$ 1,045,672,935
<b>General Fund</b>				
Instruction	-	1,769,981	-	1,769,981
Instructional Resources and Media Services	-	-	-	-
Curriculum and Staff Development	-	90	-	90
Instructional Leadership	-	20,809	-	20,809
School Leadership	-	3,049	-	3,049
Communication and Dissemination	-	-	-	-
Guidance and Counseling Services	-	-	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student Transportation	-	253,985	-	253,985
Co-Curricular Activities	-	-	-	-
General Administration	-	-	-	-
Plant Maintenance and Operations	-	607,073	-	607,073
Security and Monitoring Services	-	44,497	-	44,497
Data Processing Services	-	-	-	-
Community Services	-	13,812	-	13,812
Facilities Acquisition & Construction	-	6,224,080	-	6,224,080
<b>Total General Fund</b>	-	8,937,376	-	8,937,376
<b>Special Revenue Funds</b>				
Instruction	-	673,451	-	673,451
Instructional Resources and Media Services	-	-	-	-
Curriculum and Personnel Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance and Counseling Services	-	-	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Food Services	-	675,490	-	675,490
Co-Curricular Activities	-	247,808	-	247,808
General Administration	-	-	-	-
Plant Maintenance and Operations	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	-	-	-	-
Facilities Acquisition & Construction	-	271,154	-	271,154
<b>Total Special Revenue Funds</b>	-	1,867,903	-	1,867,903
<b>Capital Project Funds</b>	-	970,977	-	970,977
<b>Current Year Retirements</b>	-	-	(58,509)	(58,509)
<b>Current Year Gifts and Donations</b>	-	28,415	-	28,415
<b>Change in Capitalization Policy-Prior Year</b>	-	-	196,576	196,576
<b>Total General Fixed Assets</b>	\$ 1,045,672,935	\$ 11,804,671	\$ 138,067	\$ 1,057,615,673

## **Supplemental Schedules**



## **Supplemental Schedules**

The schedules within this subsection are presented as supplemental information to expand upon the data presented in the other subsections of the Financial Section.

**Dallas Independent School District  
Schedule of Delinquent Taxes Receivable  
For the Year Ended August 31, 2001  
Exhibit C-1**

<b>Last Ten Years Ended August 31,</b>	<b>1                      2 Tax Rates Per \$100</b>		<b>3 Net Assessed Valuation</b>	<b>10 Balance September 1, 2000</b>
	<b>Maintenance</b>	<b>Debt Service</b>		
1992 (1)	Various	Various	38,534,294,980	5,338,728
1993	0.3444	0.0865	36,467,426,621	677,880
1994	1.3316	0.0865	35,442,881,742	2,699,534
1995	1.3316	0.0865	35,459,582,431	3,888,535
1996	1.3316	0.0865	36,803,403,695	4,563,147
1997	1.3740	0.0865	38,106,648,354	4,692,734
1998	1.3740	0.0865	40,469,448,988	5,419,323
1999	1.3740	0.0865	44,624,425,308	7,664,606
2000	1.3980	0.0625	49,107,307,100	16,626,849
2001	1.4780	0.0695	53,136,828,664	-
<b>Total</b>				<b>\$ 51,571,336</b>

**Note:**

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



<b>20 Current Year's Total Levy</b>	<b>30 Total Collections</b>	<b>40 Entire Year's Adjustments</b>	<b>50 Balance August 31, 2001</b>
-	(291,764)	(154,864)	4,892,100
-	(53,569)	(7,965)	616,346
-	(216,650)	(37,507)	2,445,377
-	(276,258)	(63,684)	3,548,593
-	(381,633)	(93,241)	4,088,273
-	(385,065)	(146,963)	4,160,706
-	(876,615)	(117,415)	4,425,293
-	(1,327,230)	(322,648)	6,014,728
-	(5,440,832)	(2,189,614)	8,996,403
<u>795,652,305</u>	<u>(775,850,115)</u>	<u>391,422</u>	<u>20,193,612</u>

\$ - \$ (785,099,731) \$ (2,742,479) \$ 59,381,431

Less Allowance for Uncollectible Taxes (21,757,830)

Net After Estimated Uncollectible Taxes \$ 37,623,601

**Dallas Independent School District**  
**Schedule of Expenditures for Computation of Indirect Costs**  
**General and Special Revenue Funds**  
**For the Year Ended August 31, 2001**  
**Exhibit C-2**

**Function 41 and Related Function 53 - General Administration**

Account Number	School Board	Tax Collection	Superintendent's Office	Indirect Cost	Direct Cost	Miscellaneous	Total
6100	\$ 451,327	\$ -	\$ 477,332	\$ 14,377,945	\$ 101,251	\$ 79,477	\$ 15,487,332
6211	2,797,266	-	-	-	-	-	2,797,266
6212	-	-	-	242,250	-	-	242,250
6213	-	3,910,857	-	-	-	-	3,910,857
6214	-	-	-	-	-	-	-
6215	-	-	-	-	-	-	-
621X	372,398	-	97,857	3,869,867	-	72,245	4,412,367
6220	-	-	-	-	-	-	-
6230	-	-	-	-	-	-	-
6240	-	-	-	-	8,671	-	8,671
6250	-	-	-	-	-	-	-
6260	16,640	-	4,480	168,569	-	-	189,689
6270	-	-	-	-	-	-	-
6280	-	-	-	-	-	-	-
6290	286,008	-	9,235	162,097	-	81	457,421
6310	-	-	-	-	-	-	-
6320	-	-	252	2,117	-	-	2,369
6330	-	-	-	-	-	-	-
6340	-	-	1,257	-	-	-	1,257
63XX	20,425	-	24,719	422,095	-	50,699	517,938
6410	54,962	-	16,635	114,530	-	14,098	200,225
6430	170,250	-	-	-	-	-	170,250
6440	-	-	-	-	-	-	-
6450	-	-	-	-	-	-	-
6490	150,034	-	108,103	770,360	-	112,173	1,140,670
6500	-	-	-	-	-	-	-
6600	-	-	-	-	-	138,539	138,539
<b>Total</b>	<b>\$ 4,319,310</b>	<b>\$ 3,910,857</b>	<b>\$ 739,870</b>	<b>\$ 20,129,830</b>	<b>\$ 109,922</b>	<b>\$ 467,312</b>	<b>\$ 29,677,101</b>

Total expenditures - General and Special Revenue Funds (Schedule A-2) (9) 1,113,712,272

**Other Information:**

**Year-to-Date-**

Total Capital Outlay (6600) (Only Funds 100-199/200-499/810-879)	(10)	26,270,267
Total Debt and Lease (6500) (Only Funds 100-199/200-499/810-879)	(11)	14,536,950
Plant Maintenance (Function 51, 6100-6400)	(12)	113,612,400
Food (Function 35, 6341)	(13)	16,091,319
Stipends (6132 and 6412)	(14)	-

**Cumulative-**

Historical cost of buildings over 50 years old	(15)	121,907,590
Amount of federal money in building cost (net of above)	(16)	342,363
Historical cost of furniture and equipment over 16 years old	(17)	39,181,261
Amount of federal money in furniture and equipment (net of above)	(18)	31,181,261

**Dallas Independent School District**  
**Optimum Fund Balance Calculation Schedule**  
**General Fund as of August 31, 2001**  
**Exhibit C-3**

1.	Total General Fund Balance as of August 31, 2001				\$	<u>90,762,510</u>
2.	Reserved Fund Balances - General Fund					
	3410 Inventories	2a.	7,023,145			
	3430 Prepaid Items	2b.	4,907,530			
	3440 Outstanding Encumbrances	2c.	-			
	3470 Capital Acquisitions Program	2d.	4,200,000			
	3490 Other	2e.	-			
	Total Reserved Fund Balance (2a+2b+2c+2d+2e)					<u>16,130,675</u>
3.	Designated Unreserved Fund Balance - General Fund					
	3510 Construction	3a.	5,824,675			
	3520 Claims and Judgments	3b.	-			
	3530 Expected Fiscal Year 1996 Model		-			
	401 Cash Flow Deficit	3c.	-			
	3540 Capital Expenditures - Equipment	3d.	-			
	3590 Other <u>Campus Activity</u>	3e.	3,075,440			
	Total Designated Unreserved Fund Balance (3a+3b+3c+3d+3e)					<u>8,900,115</u>
4.	Estimated Amount Needed to Cover Fall (9/1/01-1/30/02) Cash Flow Deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues) Unaudited.....					-
5.	Estimated Average Monthly Cash Disbursements of General Fund for Period 9/1/00 - 5/31/01 Unaudited.....					66,644,041
6.	General Fund Optimum Fund Balance ( Lines 2+3+4+5) Unaudited.....					<u>91,674,831</u>
7.	Excess (Deficit) Net Undesignated Unreserved General Fund Fund Balance (Line 1 minus Line 6) Unaudited.....				\$	<u>(912,321)</u>



**Statistical Section**

**(Unaudited)**

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

	<u>1992</u>	<u>1993</u>	<u>1994</u>
<b>Current-</b>			
Instruction	\$ 339,361,152	\$ 369,254,549	\$ 404,527,579
Instructional Resources and Media Services	11,932,116	13,428,506	14,848,099
Curriculum and Staff Development	5,495,539	8,099,569	10,491,947
Instructional Leadership	16,035,269	14,872,433	13,786,319
School Leadership	32,883,105	35,116,776	39,748,843
Communication and Dissemination	904,167	859,374	902,516
Guidance and Counseling Services	13,947,034	16,718,773	18,348,137
Social Work Services	6,135,868	4,923,540	5,611,381
Health Services	5,182,298	5,766,193	6,316,214
Student Transportation	4,646,618	3,578,672	5,380,435
Food Services	37,864,719	39,712,327	39,293,540
Co-Curricular Activities	4,506,211	4,652,606	4,848,282
General Administration	14,388,329	16,295,392	16,027,424
Plant Maintenance and Operation	76,468,233	82,180,379	92,603,491
Security and Monitoring Services	-	-	-
Data Processing Services	4,634,083	4,721,081	4,625,697
Community Services	4,158,544	5,241,105	5,154,518
Debt Service	41,718,498	32,965,885	32,435,795
Capital Outlay	<u>4,230,563</u>	<u>7,644,579</u>	<u>26,493,446</u>
<b>Total Expenditures</b>	<b>\$ <u>624,492,346</u></b>	<b>\$ <u>666,031,739</u></b>	<b>\$ <u>741,443,663</u></b>

**NOTE:**

**Notes:**

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

<u>1995 (2)</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 448,445,182	\$ 441,499,746	\$ 485,851,584	\$ 496,733,130	\$ 508,492,721	\$ 574,084,455	\$ 643,919,253
16,617,974	17,169,740	19,310,139	16,901,965	17,956,177	17,982,627	19,276,462
11,487,266	16,425,148	17,220,766	20,117,974	22,545,533	23,619,481	31,293,486
17,169,251	18,444,675	16,042,329	19,266,465	20,335,600	21,642,393	21,819,049
43,684,014	43,411,420	50,622,528	51,353,173	52,082,863	56,358,934	60,842,443
961,067	1,524,872	-	-	-	-	-
23,122,441	21,518,514	26,366,999	28,509,988	30,027,196	34,449,484	36,647,130
8,868,181	9,470,555	3,860,553	4,196,571	4,937,158	3,369,455	3,266,708
8,000,821	7,592,177	8,327,368	8,723,902	9,184,448	9,894,083	10,742,150
6,847,870	5,492,461	3,347,807	5,968,119	3,626,344	13,653,221	16,140,861
42,090,599	46,304,520	45,178,204	48,881,720	50,114,906	52,326,652	52,794,233
5,933,598	6,645,149	6,331,271	6,755,829	7,602,452	7,198,685	9,010,046
18,344,532	19,247,950	19,463,942	24,414,975	24,173,821	25,906,983	29,559,255
109,437,924	110,629,856	106,790,445	95,995,295	104,312,977	105,098,316	116,451,273
-	-	5,179,582	6,843,801	6,889,954	7,576,868	8,151,889
5,164,360	12,150,177	10,656,718	26,794,531	25,940,188	18,003,486	16,968,653
6,303,252	7,849,355	11,059,469	10,760,298	13,029,918	12,331,992	16,245,011
34,951,813	37,967,031	41,981,076	44,902,514	50,195,561	48,658,508	52,033,911
45,493,574	118,529,531	109,934,035	24,353,676	15,096,146	8,998,364	7,276,083
<u>\$ 852,923,719</u>	<u>\$ 941,872,877</u>	<u>\$ 987,524,815</u>	<u>\$ 941,473,926</u>	<u>\$ 966,543,963</u>	<u>\$ 1,041,153,787</u>	<u>\$ 1,152,437,896</u>

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

<u>Source</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>
Revenue From Local Sources-			
Local Maintenance and Debt Service Tax (2),(3)	\$ 508,019,799	\$ 527,644,316	\$ 488,314,805
Tuition from Patrons	1,163,952	1,349,896	1,339,060
Other Revenue From Local Sources	20,057,007	26,980,030	20,798,586
Local Revenue	-	-	-
Transportation Fees from Patrons	146,038	-	-
Cafeteria and Co-Curricular Revenue	8,023,258	10,285,325	7,803,206
Total Revenue from Local Sources	<u>537,410,054</u>	<u>566,259,567</u>	<u>518,255,657</u>
Revenue from State Sources-			
Per Capita and Foundation (3)	41,598,129	42,870,100	109,826,449
Transportation	447,925	571,523	-
Other Foundation Revenue from State	539,081	1,078,681	689,869
Other State Revenue	3,242,665	2,501,648	5,143,302
Total Revenue from State Sources	<u>45,827,800</u>	<u>47,021,952</u>	<u>115,659,620</u>
Revenue from Federal Sources-			
Federal Source Revenues	37,606,784	39,289,895	44,127,595
Other Revenue	27,241,616	32,573,246	32,564,031
Total Revenue from Federal Sources	<u>64,848,400</u>	<u>71,863,141</u>	<u>76,691,626</u>
Total Revenues	<u>\$ 648,086,254</u>	<u>\$ 685,144,660</u>	<u>\$ 710,606,903</u>

Notes:

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



<u>1995 (4)</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 486,088,595	\$ 506,853,504	\$ 545,217,946	\$ 587,472,941	\$ 633,063,886	\$ 687,309,641	\$ 783,761,872
1,203,274	1,264,428	1,164,666	1,133,693	1,284,511	1,860,722	1,415,844
29,535,697	54,757,483	30,645,708	29,069,943	26,988,662	25,011,015	30,538,469
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,566,512	7,592,840	8,589,067	8,851,900	9,639,273	10,529,990	11,774,070
524,394,078	570,468,255	585,617,387	626,528,477	670,976,332	724,711,368	827,490,255
136,560,805	123,778,994	141,324,467	154,205,079	143,802,199	165,295,026	131,538,298
-	-	-	-	-	-	-
188,231	638,001	5,144,221	7,233,397	10,350,523	20,900,556	32,907,045
44,803,702	37,040,261	37,814,764	40,791,921	40,723,721	38,441,822	39,671,388
181,552,738	161,457,256	184,283,452	202,230,397	194,876,443	224,637,404	204,116,731
51,872,385	53,369,573	56,694,332	64,737,008	62,295,219	72,084,813	75,381,869
34,029,816	35,747,925	35,389,035	33,957,529	43,815,036	37,961,327	46,569,259
85,902,201	89,117,498	92,083,367	98,694,537	106,110,255	110,046,140	121,951,128
\$ 791,849,017	\$ 821,043,009	\$ 861,984,206	\$ 927,453,411	\$ 971,963,030	\$ 1,059,394,912	\$ 1,153,558,114

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

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections (2)</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Taxes Collected</b>	
				<b>Delinquent Taxes</b>	<b>Interest and Penalty</b>
1992 (3)	160,288,806	155,035,352	96.7%	4,377,549	3,241,281
1993 (3)	150,499,560	144,940,349	96.3%	4,902,326	2,762,198
1994	485,683,154	474,418,859	97.7%	4,073,016	4,252,076
1995	488,238,900	474,453,236	97.2%	6,935,715	4,443,231
1996	506,832,572	493,939,196	97.5%	7,208,972	5,257,169
1997	544,528,653	533,801,391	98.1%	8,831,961	5,729,275
1998	578,793,538	566,383,970	97.9%	12,818,492	7,141,907
1999	635,512,919	625,528,479	98.4%	6,788,024	6,816,053
2000	699,990,930	682,870,950	97.6%	(41,171)	7,212,086
2001	795,652,305	775,850,115	97.5%	9,249,616	8,256,646

**Notes:**

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

<u>Total Taxes Collected Plus Interest and Penalty</u>	<u>Percent of Total Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes Only (1)</u>	<u>Outstanding Delinquent Taxes as Percent of Tax Levy</u>
162,654,182	101.5%	5,161,973	3.22%
152,604,873	101.5%	4,659,688	3.10%
482,743,951	99.4%	12,808,698	2.64%
485,832,182	99.5%	13,287,238	2.72%
506,405,337	99.9%	12,756,179	2.52%
548,362,627	100.7%	13,435,525	2.47%
586,344,369	101.3%	12,535,916	2.17%
639,132,556	100.6%	13,752,574	2.16%
690,041,865	98.6%	16,626,849	2.38%
793,356,377	99.7%	20,193,612	2.54%



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

<b>Fiscal Year</b>		<b>Real Property Assessed Value</b>		<b>Personal Property Assessed Value</b>		<b>Total Assessed Value</b>
1991	\$	31,343,635,515	\$	8,927,097,320	\$	40,270,732,835
1992		29,489,826,590		9,044,468,390		38,534,294,980
1993		28,617,335,427		7,850,091,194		36,467,426,621
1994		27,931,440,223		7,511,441,519		35,442,881,742
1995		28,025,770,211		7,433,812,220		35,459,582,431
1996		27,358,032,195		9,445,371,500		36,803,403,695
1997		28,349,612,614		9,757,035,740		38,106,648,354
1998		29,942,923,688		10,526,525,300		40,469,448,988
1999		33,930,890,638		10,693,534,670		44,624,425,308
2000		34,339,032,057		14,768,275,043		49,107,307,100
2001		41,395,422,776		11,741,405,888		53,136,828,664

Source: Dallas Central Appraisal District.

**Note:**

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

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

<u>Fiscal Year</u>	<u>Town of Addison</u>	<u>City of Carrollton</u>	<u>City of Seagoville</u>	<u>City of Dallas</u>	<u>City of Farmers Branch</u>	<u>City of Cockrell Hill</u>	<u>Town of Highland Park</u>
<b>Tax Rates</b>							
1992	0.53380	0.55400	0.58394	0.67440	0.44000	0.64274	0.26973
1993	0.52710	0.57830	0.60021	0.67440	0.44000	0.66826	0.29254
1994	0.52450	0.57830	0.52863	0.67440	0.44000	0.70064	1.66000
1995	0.51770	0.60430	0.53634	0.67220	0.44000	0.71538	0.29700
1996	0.45500	0.60430	0.55408	0.67010	0.44000	0.73996	0.46255
1997	0.44750	0.60430	0.55762	0.65160	0.44000	0.70432	0.29700
1998	0.40000	0.60430	0.53779	0.64910	0.44000	0.77183	0.26930
1999	0.38460	0.60430	0.53779	0.66750	0.44000	0.75202	0.25750
2000	0.38100	0.59930	0.58000	0.66750	0.44000	0.77047	0.24620
2001	0.38480	0.59930	0.58000	0.66750	0.44000	0.77047	0.22900
<b>Tax Levies</b>							
1992	\$ 7,220,994	\$ 24,932,936	\$ 989,508	\$ 289,374,000	\$ 11,132,236	\$ 278,864	\$ 3,905,175
1993	7,491,781	26,458,109	1,022,815	285,430,450	10,902,324	287,187	4,191,750
1994	7,651,703	27,091,172	938,013	296,683,791	11,057,745	296,372	4,357,884
1995	8,435,357	29,578,704	979,248	296,748,000	11,333,704	306,544	4,511,560
1996	8,321,557	31,046,680	1,013,611	308,772,941	12,148,988	315,584	4,709,922
1997	9,548,109	32,776,117	1,046,137	309,537,142	13,437,872	311,046	4,827,925
1998	9,978,264	34,981,848	1,050,367	353,459,317	14,750,312	351,846	4,806,346
1999	10,674,928	38,265,900	1,117,120	373,157,247	15,590,179	354,755	4,994,830
2000	11,845,515	42,222,913	1,241,839	397,700,226	16,229,195	386,526	5,285,023
2001	12,363,129	45,442,240	1,241,839	401,892,233	16,229,185	388,596	5,534,428

Source: Information furnished by each governmental unit.

Note:

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

<u>City of Mesquite</u>	<u>City of University Park</u>	<u>City of Garland</u>	<u>City of Balch Springs</u>	<u>County of Dallas</u>	<u>Dallas County Hospital</u>	<u>Dallas County Community College</u>	<u>Dallas Independent School District</u>
0.47000	0.46870	0.59900	0.55000	0.20240	0.20696	0.04935	0.43087
0.51000	0.49620	0.61910	0.58630	0.20240	0.20969	0.05208	0.43087
0.51000	0.47734	0.63340	0.60211	0.20240	0.19959	0.05206	1.41813
0.55170	0.46581	0.63360	0.59625	0.21610	0.19959	0.05208	1.41813
0.54148	0.46137	0.63360	0.59241	0.21000	0.19409	0.05206	1.41813
0.58148	0.45995	0.63360	0.59000	0.20100	0.18577	0.05000	1.46053
0.58148	0.45995	0.63360	0.62000	0.19720	0.17990	0.05000	1.46053
0.54148	0.39537	0.61360	0.62000	0.19600	0.19600	0.05000	1.46053
0.54148	0.37159	0.63360	0.59990	0.19600	0.19600	0.05000	1.46053
0.54148	0.39537	0.64111	0.59990	0.19600	0.25400	0.05000	1.54753
14,252,707	7,909,003	33,547,448	1,619,104	155,276,465	158,756,219	38,140,613	160,288,806
16,069,302	8,515,991	32,970,018	1,626,492	152,032,562	155,439,115	39,410,740	150,499,560
16,006,895	8,660,917	38,977,075	1,727,284	153,996,286	161,840,724	39,934,094	485,683,154
18,214,819	9,085,115	37,340,148	1,754,900	171,705,369	158,644,437	40,842,636	488,238,900
19,197,826	9,439,304	39,348,913	1,828,214	175,623,994	162,695,000	43,895,156	506,832,572
21,986,000	9,798,958	41,517,758	1,888,316	180,930,939	159,000,000	45,378,529	544,528,653
23,139,048	10,180,938	43,443,608	2,029,486	192,056,214	171,565,000	49,783,480	578,793,538
23,283,587	10,471,200	45,657,685	2,029,486	207,984,019	177,418,943	54,583,760	635,512,919
24,459,205	1,076,608	55,219,518	2,204,860	225,372,886	208,937,157	58,701,000	699,990,930
24,555,379	10,766,466	54,656,628	2,204,600	223,440,740	314,100,138	58,801,337	795,652,305

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Fund</b>
1992	1,015,944	38,534,294,980	169,091,000	16,819,856
1993	1,013,550	36,467,426,621	289,624,706	19,041,012
1994	1,023,400	35,442,881,742	287,613,642	19,012,829
1995	1,030,150	35,459,582,431	288,237,326	18,541,429
1996	1,039,100	36,803,403,695	438,443,854	15,680,415
1997	1,047,350	38,106,648,354	415,089,294	14,576,082
1998	1,052,300	40,469,448,988	394,072,365	13,920,870
1999	1,068,800	44,624,425,308	381,112,730	19,886,557
2000	1,083,508	49,107,307,100	359,452,300	17,763,584
2001	1,188,580 1	53,136,828,664	333,613,743	17,865,455

[1] Demographia - demographic brief based on 2000 U.S. Census data  
(www.demographia.com)



<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
152,271,144	0.40%	172
270,583,694	0.74%	150
268,600,813	0.76%	267
269,695,897	0.76%	262
422,763,439	1.15%	407
400,513,212	1.05%	382
380,151,495	0.94%	361
361,226,173	0.81%	338
341,688,716	0.70%	315
315,748,288	0.59%	266

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

<u>Name of Governmental Unit</u>	<u>Total Debt Outstanding</u>	<u>Percentage Overlapping Debt to this Governmental Unit (1)</u>	<u>Value of Overlapping Debt</u>
Direct:			
Dallas Independent School District	<u>\$ 333,613,743</u>	100.00%	<u>\$ 333,613,743</u>
Overlapping:			
Addison, Town of	21,312,132	94.10%	20,054,716
Balch Springs, City of	5,850,000	37.50%	2,193,750
Carrollton, City of	118,555,153	8.98%	10,646,253
Cockrell Hill, City of	None	100.00%	-
Dallas County	264,192,395	46.32%	122,373,917
Dallas County CCD	None	46.32%	-
Dallas County Hospital District	None	46.32%	-
Dallas, City of	738,485,670	80.32%	593,151,690
Dallas, City of - TIFR Zone 2	10,935,000	100.00%	10,935,000
DeSoto, City of	40,302,827	11.67%	4,703,340
Farmers Branch, City of	21,065,482	29.04%	6,117,416
Garland, City of	177,460,868	1.25%	2,218,261
Highland Park, Town of	None	6.76%	-
Mesquite, City of	55,650,101	3.53%	1,964,449
Seagoville, City of	2,087,307	99.64%	2,079,793
University Park, City of	<u>215,000</u>	0.59%	<u>1,269</u>
Total Overlapping Bonded Debt	<u>1,456,111,935</u>		<u>776,439,853</u>
Total Direct and Overlapping Bonded Debt	<u><u>\$ 1,789,725,678</u></u>		<u><u>\$ 1,110,053,596</u></u>

Source: Texas Municipal Reports (TMR)

(1) Percentage of overlapping debt-per TMR

**Dallas Independent School District  
Computation of Legal Debt Margin  
August 31, 2001  
(Unaudited)**

Assessed Value	\$	53,136,828,664
Debt Limit Ten Percent of Assessed Value		5,313,682,866 [1]
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$	333,613,743
Less - Net Assets in Debt Service Fund		<u>17,865,455</u>
Total Amount of Debt Applicable to Debt Limit		<u>315,748,288</u>
Legal Debt Margin:	\$	<u><u>4,997,934,578</u></u>

**NOTES:**

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



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

<b>Fiscal Year</b>	<b>Debt Service Expenditures (2)</b>			<b>Total General Expenditures</b>	<b>Ratio of Debt Service to General Expenditures</b>
	<b>Principal</b>	<b>Interest (1)</b>	<b>Total</b>		
1991	\$ 22,593,000	15,994,621	38,587,621	\$ 619,390,232	6.23%
1992	23,640,500	14,400,636	38,041,136	624,492,346	6.09%
1993	15,272,000	14,470,040	29,742,040	666,031,739	4.47%
1994	15,060,000	15,267,528	30,327,528	741,443,663	4.09%
1995	16,844,000	14,167,030	31,011,030	852,923,719	3.64%
1996	10,209,602	24,055,400	34,265,002	941,872,877	3.64%
1997	5,030,398	29,742,672	34,773,070	987,524,815	3.53%
1998	16,120,000	20,508,070	36,628,070	941,473,926	3.89%
1999	15,772,226	19,121,225	34,893,451	966,543,963	3.61%
2000	16,115,000	17,808,498	33,923,498	1,041,153,787	3.26%
2001	20,495,000	17,001,961	37,496,961	1,152,437,896	3.25%

**Notes:**

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

(2) Excludes \$48,000,000 in defeased bonds.

**Dallas Independent School District  
Schedule of Insurance in Force  
August 31, 2001  
(Unaudited)**

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage and Co-Insurance	Liability Limits	Annual Premium
		From	To			
Property- McGriff, Seibels & Wms Hartford Specialty	04XLSQ63407	12/1/98	12/1/01	Real & personal - Subject To named exclusions \$250,000 deductible.	\$ 1,749,871,323 Blanket Value	\$ 663,931
Boiler & Machinery- Waller Hartford Steam Boiler	FBP7318121	4/1/99	4/1/02	Boiler vessels, Refrig- eration systems subject to state inspection. \$1,000 deductible.	\$25,000,000 Per Accident \$100,000 Expediting	35,942
Paving Bond- Waller/RLI	203510	1/1/01	1/1/02	Protection for dam- age incurred to city property during construction.	\$2,000	50
Tax Assessor and Collector Bond- Waller/Crum & Forster	6101475795	1/1/99	1/1/03	Tax Assessor Bond.	\$50,000	887
Treasurer's Bond- Waller/Crum & Forster	6102245511	7/14/01	7/14/02	Coverage for Treasurer.	\$2,000,000	9,700
Treasury Excess- Waller/Crum & Forster	626021728	1/1/99	1/1/02	Coverage for CFO, Assistant CFO and Treasury employees.	\$1,750,000	7,751
Public Employees Honesty Bond- Waller/Crum & Forster	6260217273	1/1/01	1/1/02	Fidelity coverage on all employee. \$5,000 per occurrence.	\$250,000	9,435
Commercial Crime Bond- Waller/Crum & Forster	6260217255	1/1/99	1/1/02	Coverage for theft, disappearance and/or destruction of monies, securities. \$1,000 per occurrence.	On or Off premises \$20K cash \$10K checks	1,572
Student Health Assistant's Liability- Waller/Reciprocal Alliance	HPS6044401 Med HGL6044401 Liab	4/16/01	4/16/02	Covers loss arising from non-paid student internships at various hospitals and doctor's offices. No D/D.	\$500,000	5,699
Safety/Security Officers' Bond- Waller/U.S. Fire	610211183 4	7/7/01	7/7/02	Coverage for DISD Security employees' job performance.	\$1,000 Bond per Officer	2,550
Auto Liability- McGriff, Seibels & Wms Coregis	651011021	9/1/99	9/1/02	Covers all DISD is to pay for damages. Subject to exclusions. \$25,000 D/D.	Bodily \$100K/person \$300K/occurrence Prop-\$100K/occur.	158,710

(Continued on following page)

Type of Coverage and Name of Company	Policy Number	Policy Period		Details of Coverage and Co-Insurance	Liability Limits	Annual Premium
		From	To			
Commercial General Liability- Waller Monticello	MCK286972	10/23/00	10/23/01	Liability coverage for sites in Dallas that are not owned by DISD but are used for classrooms or parking spaces. \$500 deductible.	\$1M per occurrence \$1M aggregate	\$ 9,249
Asbestos Transport Liability- McGriff, Seibels & Wms Surplus Ins Services	40PH000 140001	12/13/00	12/13/01	Covers district drivers who transport asbestos. Scheduled drivers and vehicles only. \$5K D/D.	\$1M limit \$2M aggregate	5,085
Pollution Liability- McGriff, Seibels & Wms Zurich American	USC356 9614-00	11/18/00	11/18/01	Covers off-site cleanup, 3rd party liability and defense costs with respect to 13 DISD operated storage tanks. \$5,000 per occurrence.	\$1M per occurrence \$1M aggregate	4,706
Hotel Training Medical- Waller/Hartford	46SR123527	9/29/99	9/29/02	Covers students in program as required by hotels.	\$10,000 per occurrence Medical \$5,000	310
Graduation Liability Upshaw/Scottsdale	MCK308163	9/1/00	8/31/01	Covers all liability for guests and participants at 4 non- District sites. \$1M/occurrence.	\$500 per occurrence	3,915
Athletic Insurance- Gallagher Braniff, Inc. Cigna	Binder 54407	8/1/00	8/1/03	Covers medical costs, AD&D or sight loss for students in Athletic events at school or away.	\$25,000 per accident	765,000
Athletes Catastrophic- Gallagher Braniff, Inc. Cigna	SPS904788	8/1/00	8/1/03	Covers medical costs, AD&D or sight loss for students in Athletic events at school or away.	\$5M per accident	15,000
Employed Lawyers Professional Liability- Upshaw/AIG	00278-67-22	7/7/01	7/7/02	Pays and defends all lawyers for damages while rendering professional services to DISD. \$25K D/D	\$3M	24,246
Tulip Program Upshaw/Monticello	MCK247418	1/1/01	1/1/02	Covers DISD Lessees who don't provide own coverage. \$-0- deductible.	\$1M limit	9,985





**Dallas Independent School District  
Administrative Salary Schedule  
For the Fiscal Year Ended August 31, 2001  
(Unaudited)**

<b>Position Title</b>	<b>Minimum</b>	<b>Maximum</b>
Superintendent	\$ 190,000	\$ 280,000
Associate Superintendents	77,162	127,784
Executive Managers/Assistant Superintendents	70,149	116,166
Executive Directors-		
Executive Director - Grade 7	63,962	105,018
Executive Director - Grade 6	57,252	93,937
Directors-		
Director - Grade 5	52,169	85,520
Director - Grade 4	47,548	77,867
Principals-		
Principal 8	80,084	98,323
Principal 7	77,915	95,660
Principal 6	75,746	92,997
Principal 5	73,577	90,334
Principal 4	71,408	87,671
Principal 3	69,239	85,008
Principal 2	67,073	82,345
Principal 1	64,902	79,682

**Dallas Independent School District  
Budget - General Governmental Fund Types  
For the Fiscal Year Ended August 31, 2001  
Summary of Official Budget  
(Unaudited)**

	<u>General</u>
<b>Estimated Revenue</b>	
Revenue from Local Intermediate Sources	\$ 767,892,508
Revenue from State Sources	172,017,965
Revenue from Federal Sources, Transfers, Non-Revenue Receipts	<u>6,000,000</u>
<b>Total estimated revenues</b>	<u>945,910,473</u>
<b>Appropriations</b>	
Current-	
Instructional	605,901,505
Instructional Resources and Media Services	18,377,858
Curriculum and Staff Development	16,704,926
Instructional Leadership	13,185,691
School Leadership	59,747,036
Guidance and Counseling Services	32,187,367
Social Work Services	3,382,125
Health Services	9,992,876
Student Transportation	16,462,873
Food Services	-
Co-Curricular Activities	7,656,554
General Administration	26,040,476
Plant Maintenance and Operation	117,703,925
Security and Monitoring Services	7,934,453
Data Processing Services	16,908,642
Community Services	5,767,317
Debt Service	15,065,950
Capital Outlay	
Facilities Acquisition and Construction	<u>5,894,525</u>
<b>Total appropriations</b>	<u>978,914,099</u>
Other Financing Sources (Uses)	<u>-</u>
<b>Estimated Revenues Over / (Under) Appropriations</b>	<u><u>\$ (33,003,626)</u></u>

Source: Current District Budget

<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 17,525,351	\$ 37,790,002	\$ -	\$ 823,207,861
35,170,117	-	-	207,188,082
140,615,821	-	-	146,615,821
-	-	-	-
193,311,289	37,790,002	-	1,177,011,764
79,919,092	-	-	685,820,597
1,373,323	-	-	19,751,181
23,849,313	-	-	40,554,239
9,850,499	-	-	23,036,190
905,726	-	-	60,652,762
4,996,982	-	-	37,184,349
182,501	-	-	3,564,626
1,351,566	-	-	11,344,442
375,168	-	-	16,838,041
55,458,895	-	-	55,458,895
1,760,068	-	-	9,416,622
738,328	-	-	26,778,804
2,522,635	-	-	120,226,560
209,028	-	-	8,143,481
8,233	-	-	16,916,875
11,645,399	-	-	17,412,716
-	37,790,002	-	52,855,952
-	-	-	-
735,274	-	1,497,458	8,127,257
195,882,030	37,790,002	1,497,458	1,214,083,589
-	-	-	-
\$ (2,570,741)	\$ -	\$ (1,497,458)	\$ (37,071,825)

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

<b>Fiscal Year</b>	<b>Commercial Construction</b>		<b>Residential Construction</b>	
	<b>Number of Units</b>	<b>Value</b>	<b>Number of Units</b>	<b>Value</b>
1992	NLR	418,968,003	NLR	101,487,683
1993	NLR	522,330,483	NLR	110,262,510
1994	NLR	241,461,248	NLR	122,815,350
1995	NLR	228,962,690	NLR	191,024,938
1996	NLR	272,422,780	NLR	180,135,490
1997	NLR	246,520,994	NLR	170,595,254
1998	NLR	536,343,397	NLR	247,163,537
1999	NLR	749,630,454	NLR	328,862,265
2000	NLR	915,997,501	NLR	442,352,646
2001	NLR	829,922,317	NLR	443,265,319

NLR: No longer reported.

Source: Dallas Central Appraisal District Reports

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

Bank Deposits (1)	Property Value		
	Commercial	Residential	Nontaxable
48,946,000,000	26,161,807,259	11,987,306,245	3,344,526,360
53,716,217,000	24,966,100,307	11,651,620,038	3,713,782,125
51,361,624,000	23,448,446,317	11,587,167,671	3,729,969,282
45,200,000,000	24,149,773,561	12,411,797,427	2,853,444,950
57,311,688,000	25,390,025,559	12,716,622,795	3,894,994,996
32,241,073,000	28,143,811,672	12,274,901,576	5,021,460,584
30,874,327,000	31,056,664,951	13,315,688,491	4,989,410,548
26,686,330,000	34,139,972,233	14,768,275,043	5,251,236,653
28,537,890,000	36,004,966,764	16,627,580,401	5,562,878,428
37,131,000,000	37,954,072,412	18,857,608,395	6,617,603,150

**Dallas Independent School District  
Teacher Salary History  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Minimum</b>	<b>Maximum</b>
1992	22,720	38,482
1993	24,000	41,021
1994	24,240	42,466
1995	25,000	43,962
1996	25,250	45,720
1997	27,000	47,920
1998	27,000	47,920
1999	28,500	50,316
2000	33,000	54,821
2001	33,000	57,821

**Dallas Independent School District  
Attendance Data  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Number of Graduates</b>	<b>Average Daily Membership</b>	<b>Average Daily Attendance</b>		
			<b>Total</b>	<b>Percent of Change</b>	<b>Percent of Attendance</b>
1992	4,899	132,720	122,384	(0.40)	92.21
1993	4,706	131,551	121,854	(0.43)	92.63
1994	4,671	137,880	128,804	5.70	93.42
1995	4,478	141,817	132,567	2.92	93.48
1996	4,989	146,050	137,513	3.73	94.15
1997	5,391	149,535	140,946	2.50	94.26
1998	5,324	152,555	144,356	2.42	94.63
1999	5,292	154,759	147,290	2.03	95.17
2000	5,512	155,427	147,712	0.29	95.04
2001	5,702	157,726	150,329	1.77	95.31

**Dallas Independent School District  
Statement of Overlapping Debt  
Last Ten Fiscal Years  
(Unaudited)**

<u>Year</u>	<u>Estimated Overlapping Debt</u>	<u>Percent of District Assessed Valuation</u>	<u>Debt Per Capita</u>
1991	\$ 933,620,715	2.31%	\$ 927
1992	904,045,378	2.35%	890
1993	1,148,944,991	3.15%	1,134
1994	1,037,543,995	2.93%	1,014
1995	1,072,103,651	3.02%	1,040
1996	1,168,835,428	3.18%	1,125
1997	1,219,647,357	3.20%	1,165
1998	1,090,411,746	2.69%	1,036
1999	1,143,111,421	2.56%	1,070
2000	1,057,372,443	2.15%	967
2001	1,104,599,899	1.93%	929

Source: Texas Municipal Reports



**Dallas Independent School District  
Ten Largest Taxpayers  
2001 Tax Roll  
(Unaudited)**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2001 Taxable Assessed Valuation (000's)</u>	<u>Percent of Total Taxable Assessed Valuation</u>
Southwestern Bell Telephone	Telephone Company	\$ 1,046,330	1.8418%
Crescent Real Estate	Real Estate	821,906	1.4467%
Texas Utilities Electric Company	Electric Utility	638,725	1.1243%
Southwest Airlines	Real Estate/Aircraft	564,197	0.9931%
Trammel Crow	Real Estate	338,927	0.5966%
Metropolitan Life Insurance Company	Insurance/Real Estate	271,553	0.4780%
Post Apartment Homes	Real Estate	268,847	0.4732%
Dallas Main LP	Real Estate	250,944	0.4417%
PVC Village Apartments Dallas	Real Estate	243,611	0.4288%
Gerald D Hines Interests	Real Estate	216,962	0.3819%
<b>Total</b>		<b>\$ 4,662,002</b>	<b>8.2061%</b>

Source: Dallas County Tax Assessor/Collector, 2001 Tax Roll



**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

**Form of Government:** Independent School District

**Geographic Area:** 351 square miles

**Population:** 1,052,300

<b>Instruction Sites:</b>	<b><u>Number</u></b>	<b><u>Capacity/Sq. Ft.</u></b>	<b><u>Acreage</u></b>
Senior High Schools	38	5,419,734	1,125.31
Middle Schools	26	3,066,404	433.80
Elementary Schools	<u>155</u>	<u>8,781,226</u>	<u>1,198.59</u>
Totals	<u><u>219</u></u>	<u><u>17,267,364</u></u>	<u><u>2,757.70</u></u>

(Continued on the following page.)

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<b>Senior High Schools</b>	<b>Constructed</b>	<b>Capacity/Sq. Ft.</b>	<b>Acreage</b>
Bryan Adams	1956	216,337	24.30
W. H. Adamson	1915	145,263	8.02
D. W. Carter	1965	228,073	29.03
Hillcrest High	1937	135,364	20.09
Health Special	1948	131,170	1.45
T. Jefferson	1956	163,971	43.90
J. F. Kimball	1956	197,954	25.20
Lincoln & Lincoln Humanities Magnet	1938	283,850	18.07
James Madison	1915	160,495	5.01
Multiple Careers Magnet	1951	33,942	2.01
North Dallas	1921	170,211	7.08
L. G. Pinkston	1961	243,193	16.04
F. D. Roosevelt	1963	171,916	13.00
W. W. Samuell	1955	251,856	31.03
Seagoville	1980	157,992	88.05
Seagoville Environmental Center	1996	39,740	500.00
Skyline and Career Development Center	1970	581,702	75.00
A. M. Smith	1989	172,619	28.03
South Oak Cliff	1951	198,492	19.05
H. Grady Spruce	1962	240,845	46.07
Sunset High School	1925	147,244	9.00
Booker T. Washington for Performing and Visual Arts	1922	113,259	5.00
Townview (includes:)	1995	376,000	19.60
School of Business and Management			
School of Education and Social Services			
School of Health Professions			
School of Gov't Law and Law Enforcement			
School of Science and Engineering			
School for the Talented and Gifted			
Woodrow Wilson	1927	157,333	8.40
W. T. White	1964	261,650	32.03
Moises Molina	1997	263,255	25.00
E.D. Walker	1971	127,000	23.06
Comprehensive Evening Alternative (1)	-	-	-
Language Academy (2)	-	-	-
Learning Alternative Center for Empowering Youth (LACEY)	1953	18,000	0.60
Metropolitan Ed Center (1403 Corinth)	1915	31,008	2.19
Middle College (Rented from El Centro)	-	-	-
School Community Guidance Center (3)	1948	-	-
		<u>5,419,734</u>	<u>1,125.31</u>
(1) On Campus with Skyline High School			
(2) On Campus with Pinkston High School			
(3) On Campus with Health Special HS			

(Continued on the following page.)

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<u>Middle Schools</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
P.C. Anderson	1963	162,707	9.07
William H. Atwell	1964	157,977	27.00
T.W. Browne	1961	125,963	48.10
Edward Cary	1959	96,827	20.00
E. B. Comstock	1961	122,569	33.07
Dealy Montessori	1955	68,378	10.34
T.A. Edison	1966	187,030	15.08
F. Florence	1962	130,621	21.07
B. Franklin	1956	102,616	20.09
W.H. Gaston	1953	108,713	13.02
W.E. Greiner	1990	143,745	4.04
R. T. Hill	1951	94,073	18.08
O. W. Holmes	1955	164,278	21.07
J. B. Hood	1955	144,546	17.02
D. A. Hulcy	1970	167,013	18.04
J. L. Long	1933	75,171	7.00
H. W. Longfellow	1945	50,607	9.00
T. C. Marsh	1962	125,688	22.00
T. J. Rusk	1953	82,882	16.40
Seagoville (4)	1986	88,516	-
A. W. Spence	1940	100,906	11.09
L. V. Stockard	1954	96,219	14.07
Harry Stone Montessori	1959	77,787	13.03
B. Storey	1933	142,400	11.07
S. Zumwalt	1958	98,172	19.05
Raul Quintanilla	1997	151,000	16.00
		<u>3,066,404</u>	<u>433.80</u>

(4) On Campus with Seagoville High School

(Continued on the following page.)

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<u>Elementary Schools</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
J.Q. Adams	1946	60,277	8.02
Nathan Adams	1968	47,475	10.84
B. Alexander	1968	54,087	5.00
Gabe Allen	1953	56,377	6.00
W. M. Anderson	1957	52,839	11.07
Arcadia Park	1937	34,572	3.00
Arlington Park	1970	21,929	1.09
Bayles	1960	44,287	11.07
Mary McLeod Bethune	1996	74,250	12.70
W. A. Blair	1959	52,475	9.09
A. W. Blanton	1955	52,613	3.02
J. B. Bonham	1924	36,184	4.00
James Bowie	1987	61,624	5.40
J.T. Brashear- N Estes Plaza	1978	9,261	18.20
J.N. Bryan	1951	76,743	7.03
R. C. Buckner	1970	44,459	9.00
Harrell Budd	1923	69,295	4.00
R. C. Burleson	1955	57,267	9.00
D. G. Burnet	1956	73,009	12.50
W. W. Bushman	1955	79,769	4.05
W. L. Cabell	1958	64,446	13.00
F. P. Cailliet	1955	46,426	13.07
J. W. Carpenter	1960	46,737	10.05
C. F. Carr	1950	51,266	6.05
G. W. Carver	1955	79,747	11.50
Casa View	1953	53,594	6.06
Central	1987	41,864	20.04
Ceasar Chavez	1997	99,798	5.40
City Park	1919	58,000	2.02
Nancy Cochran	1968	60,819	11.02
S.S. Conner	1964	47,193	11.08
L. P. Cowart	1937	77,220	9.00
Gilbert Cuellar Sr.	1996	71,775	12.90
Billy Dade	1912	65,618	3.03
B.F. Darrell	1969	56,940	5.05
Dealy (5)	1994	-	-
DeGolyer	1962	44,319	7.33
L. DeZavala	1979	35,887	3.05
L. O. Donald	1949	65,259	8.10
J. Dorsey	1963	46,876	10.07
F. Douglas	1987	47,131	15.00
Paul Dunbar	1930	78,131	4.04
Amelia Earhart	1957	43,999	5.02
J. N. Ervin	1962	91,119	10.03

(Continued on the following page.)

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<u>Elementary Schools</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
J. W. Fannin	1915	62,762	2.06
T. W. Field	1952	32,647	8.00
S. C. Foster	1953	43,853	9.08
Anne Frank	1998	74,943	11.90
J. C. Frazier	1930	34,654	2.03
C. A. Gill	1957	69,134	9.40
T. C. Gooch	1965	45,665	11.40
L. K. Hall	1954	60,915	11.00
N. W. Harllee	1928	45,447	1.06
F. C. Harris	1951	23,945	2.03
N. Hawthorne	1956	43,375	4.00
M. B. Henderson	1941	69,087	5.70
Onesimo Hernandez	1996	72,867	7.60
V. H. Hexter	1954	43,024	8.05
J. S. Hogg	1979	41,733	4.03
Lida Hooe	1922	52,344	4.00
L. L. Hotchkiss	1962	51,705	13.01
Sam Houston	1909	76,868	2.90
John Ireland	1955	50,007	12.39
M. Jackson	1971	64,751	17.50
Stonewall Jackson	1940	47,679	11.02
Daniel James	1991	67,360	2.08
A. S. Johnston	1954	89,856	8.07
Anson Jones	1955	73,067	6.50
Barbara Jordon	1953	52,125	8.03
Louise W. Kahn	1997	72,295	12.20
John F. Kennedy Learning Center	1996	100,640	7.93
Martin Luther King Learning Center	1980	73,117	4.04
Kramer	1957	45,559	11.80
E. J. Kiest	1954	65,562	9.08
Kleberg	1987	52,134	12.09
Obadiah Knight	1931	47,617	6.00
Richard Lagow	1962	55,539	12.02
Lakewood	1952	43,140	10.01
Sidney Lanier	1949	74,232	4.04
R. E. Lee	1931	57,051	4.50
Umphrey Lee	1959	62,322	12.05
W. Lipscomb	1920	66,236	3.02
Lisbon	1919	48,009	9.06
B. H. Macon	1952	40,395	12.06
Maple Lawn	1931	78,623	9.07
H. Marcus	1963	53,748	8.02
Maria Moreno	1996	74,750	7.60
T. L. Marsalis	1957	46,883	11.07

(Continued on the following page.)

**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<u>Elementary Schools</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
T. D. Marshall	1969	39,076	10.09
E. Martinez	1990	70,689	7.72
Eduardo Mata	1997	75,995	6.20
J.J. McMillan - N Estes Plaza	1978	38,300	-
R.E. McNair	1989	57,515	10.01
Esperanza "Hope" Medrano	1999	76,868	3.22
Ben Milam	1909	45,830	2.08
W. B. Miller	1955	48,332	8.06
R. Q. Mills	1930	85,218	8.00
Nancy Moseley	1959	52,093	13.05
Mount Auburn	1921	77,959	5.07
Jose Navarro (6)	1971	40,910	-
Clara Oliver	1954	51,384	11.00
J.L. Patton - N Estes Plaza	1978	20,193	-
George Peabody	1928	53,272	2.08
E. M. Pease	1952	63,230	10.02
J. F. Peeler	1927	40,835	3.06
Pershing	1957	52,695	6.07
Pleasant Grove	1996	70,100	8.60
Prairie Creek Academy	1997	32,000	6.40
K. B. Polk	1964	44,496	4.04
Preston Hollow	1946	57,723	10.00
J. W. Ray	1940	74,801	2.80
J. H. Reagan	1980	41,931	3.00
M. T. Reilly	1954	67,038	9.06
Reinhardt	1940	58,789	14.05
J. J. Rhoads	1926	76,210	3.09
Charles Rice	1927	93,419	5.00
O. M. Roberts	1909	58,630	3.06
Dan D. Rogers	1955	45,478	11.04
Rosemont	1922	52,173	5.01
Edna Rowe	1968	49,574	10.07
J. W. Runyon	1968	54,260	11.08
C. P. Russell	1931	55,929	2.01
Julian T. Salvidar	1996	68,430	8.20
Alex Sanger	1956	46,700	6.00
San Jacinto	1952	45,708	8.08
Seagoville	1988	65,577	5.01
Seguin Community Learning Center	1970	55,565	6.09
Sequoyah	1957	91,300	11.50
J. P. Starks	1987	63,173	7.40
Ascher Silberstein	1956	46,577	11.08

(Continued on the following page.)



**Dallas Independent School District  
Miscellaneous Statistical Data  
August 31, 2001  
(Unaudited)**

<u>Elementary Schools</u>	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
L. A. Stemmons	1963	59,529	13.06
Stevens Park	1943	60,818	9.80
H. Stone Montessori (7)	1957	-	-
T. G. Terry	1956	46,214	13.03
H. S. Thompson	1951	94,227	5.07
R. L. Thornton	1962	54,254	9.13
Edward Titche	1960	65,165	10.00
Thomas Tolbert	1996	69,746	13.10
W. B. Travis Vanguard Academy	1955	49,348	2.06
G. W. Truett	1955	67,250	10.06
Adelle Turner	1966	47,755	30.02
Mark Twain	1955	57,637	8.04
P. L. Tyler	1971	39,475	1.02
Urban Park	1920	44,960	1.00
Euell D. Walker Vanguard Academy	1971	142,000	23.06
Walnut Hill	1937	52,857	6.90
Daniel Webster	1955	52,207	10.08
Martin Weiss	1962	44,828	9.02
Phyllis Wheatley	1929	28,799	3.00
Sudie L. Williams	1952	46,910	15.08
Winnetka	1939	39,697	4.03
Whitney M. Young	1971	81,228	6.40
Withers	1962	45,929	9.50
Vickery Meadow	1998	33,000	2.40
Ignacio Zaragoza	1989	70,797	1.84
		<u>8,781,226</u>	<u>1,198.59</u>

(5) On Campus with Dealy Montessori Middle School

(6) Property owned by the City of Dallas

(7) On Campus with Harry Stone Montessori Middle School

**Dallas Independent School District  
General Expenditures per Pupil (1)  
Last Ten Fiscal Years  
(Unaudited)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
<b>Average Daily Attendance</b>	<u>122,384</u>	<u>121,854</u>	<u>128,804</u>	<u>132,567</u>
Current expenditures per pupil-				
Instruction	\$ 2,773	\$ 3,030	\$ 3,141	\$ 3,382
Instructional Resources and Media Services	97	110	115	125
Curriculum and Staff Development	45	66	81	87
Instructional Leadership	131	122	107	129
School Leadership	269	288	309	330
Communication and Dissemination	7	7	7	7
Guidance and Counseling Services	114	137	142	174
Social Work Services	50	40	44	67
Health Services	42	47	49	60
Pupil Transportation-Regular	38	29	42	52
Food Services	309	326	305	318
Co-Curricular Activities	37	38	38	45
General Administration	118	134	124	138
Plant Maintenance and Operation	625	674	719	826
Security and Monitoring Services	-	-	-	-
Data Processing	38	39	36	39
Community Services	34	43	40	48
Debt Service	341	271	252	264
Capital Outlay	<u>35</u>	<u>63</u>	<u>205</u>	<u>343</u>
<b>Total Expenditures Per Pupil</b>	<u>\$ 5,103</u>	<u>\$ 5,464</u>	<u>\$ 5,756</u>	<u>\$ 6,434</u>

**Note:**

(1) The above computations include the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund.

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>137,513</u>	<u>140,946</u>	<u>144,356</u>	<u>147,290</u>	<u>147,712</u>	<u>150,329</u>

\$	3,211	\$	3,447	\$	3,441	\$	3,452	\$	3,887	\$	4,283
	125		137		117		122		122		128
	119		122		139		153		160		208
	134		114		133		138		147		145
	316		359		356		354		382		405
	11		-		-		-		-		-
	156		187		198		204		233		244
	69		27		29		34		23		22
	55		59		60		62		67		71
	40		24		41		25		92		107
	337		321		339		340		354		351
	48		45		47		52		49		60
	140		138		169		164		175		197
	805		758		665		708		712		775
	-		37		47		47		51		54
	88		76		186		176		122		113
	57		78		75		88		83		108
	276		298		311		341		329		346
	862		780		169		102		61		48

\$	<u>6,849</u>	\$	<u>7,007</u>	\$	<u>6,522</u>	\$	<u>6,562</u>	\$	<u>7,049</u>	\$	<u>7,666</u>
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**Dallas Independent School District  
School Lunch Program  
Last Ten Fiscal Years  
(Unaudited)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Charge per breakfast to students-				
Regular	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Reduced	0.30	0.30	0.30	0.30
Charge per breakfast to adults	1.05	1.10	1.10	1.15
Number of days breakfast served	180	177	175	175
Number of free breakfasts served	3,905,357	4,224,378	4,273,108	4,452,424
Average number of free breakfasts served to pupils daily	21,818	23,847	24,418	25,442
Number of paid breakfasts served-				
At reduced price	142,564	143,823	136,973	143,043
At regular price	317,505	334,594	294,980	304,538
Average number of paid breakfasts served to pupils daily-				
At reduced price	796	813	783	817
At regular price	1,774	1,890	1,686	1,740
Total number of breakfasts served to pupils	4,365,426	4,702,795	4,705,061	4,900,005
Average number of breakfasts served to pupils daily	24,252	26,570	26,887	28,000
Number of schools serving breakfast	190	191	192	192

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ 0.50 0.30	\$ 0.50 0.30	\$ 0.50 0.30	\$ 0.50 0.30	\$ 0.50 0.30	\$ 0.50 0.30
1.15	1.20	1.25	1.30	1.30	1.50
175	175	175	175	177	177
4,618,845	5,012,921	5,167,167	4,788,129	4,668,699	4,665,049
26,393	28,645	29,527	27,361	26,377	26,356
167,182 350,017	186,265 356,632	218,144 364,831	250,979 360,696	284,956 409,033	267,337 472,822
955 2,001	1,064 2,038	1,247 2,085	1,434 2,061	1,610 2,311	1,510 2,671
5,136,044	5,555,818	5,750,142	5,399,804	5,362,688	5,405,208
29,349	31,748	32,858	30,856	30,298	30,538
192	197	204	205	206	209

**Dallas Independent School District  
School Lunch Program (continued)  
Last Ten Fiscal Years  
(Unaudited)**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Charge per lunch to students-				
Regular (Elem./Secondary)	\$ .90/.95	\$ .90/.95	\$ .90/.95	\$ .90/.95
Reduced (Elem./Secondary)	0.40	0.40	0.40	0.40
Charge per lunch to adults	1.60	1.65	1.70	1.75
Number of days lunch served	180	177	175	175
Number of free lunches served	11,654,311	12,212,573	12,902,292	13,089,709
Average number of free lunches served to pupils daily	65,108	68,998	73,727	74,798
Number of paid lunches served-				
At reduced price	929,472	840,272	814,733	788,283
At regular price	3,675,478	3,202,358	3,049,587	2,887,952
Average number of paid lunches served to pupils daily-				
At reduced price	5,193	4,747	4,656	4,504
At regular price	20,533	18,092	17,426	16,503
Total number of lunches served to pupils	16,259,261	16,255,203	16,766,612	16,765,944
Average number of lunches served to pupils daily	90,329	91,837	95,809	95,805
Number of schools serving lunch	191	192	193	193

<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
\$ .90/.95	\$ .90/.95	\$ .90/.95	\$ .90/.95	\$ 1.00	\$ 1.00
0.40	0.40	0.40	0.40	0.40	0.40
1.75	2.10	1.75	1.80	2.15	2.25
175	175	175	175	177	177
13,459,403	14,347,520	14,672,617	13,884,463	14,154,934	14,130,068
76,911	81,986	83,844	79,340	79,971	79,831
876,683	990,513	1,151,053	1,296,744	1,469,394	1,371,599
3,640,357	3,022,281	2,986,132	2,984,806	3,335,497	3,435,068
5,009	5,660	6,577	7,410	8,302	7,749
17,373	17,270	17,064	17,056	18,845	19,407
17,376,443	18,360,314	18,809,802	18,166,013	18,959,825	18,936,735
99,294	104,916	107,485	103,806	107,118	106,897
193	198	205	206	207	209

**Dallas Independent School District**  
**Statistical Data - Teacher Retirement System of Texas**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>Total Membership</b>	<b>Benefits Paid</b>	<b>Fund Balance</b>	<b>Annual Expenditures</b>	<b>Pension Benefit Obligation</b>
1991	520,617 \$	1,185,833,198 \$	24,249,545,604 \$	1,361,696,191 \$	5,769,489,382
1992	539,517	1,361,265,728	26,376,370,478	1,513,560,166	5,888,772,336
1993	575,088	1,446,714,384	28,948,025,181	1,594,763,054	6,740,314,748
1994	593,065	1,600,976,218	33,294,796,555	1,763,469,342	2,770,585,599
1995	631,153	1,727,152,497	37,108,513,588	1,904,255,592	4,765,636,239
1996	658,166	2,098,605,401	50,089,328,689 **	2,293,588,569	4,700,000,000
1997	694,543	2,209,571,246	62,160,927,516 **	2,408,414,033	12,200,000,000
1998	718,934	2,494,175,451	66,456,822,943 **	2,714,581,221	NLR
1999	748,884 *	2,627,793,618	79,910,553,792	2,876,758,429	NLR
2000	788,856	3,344,798,735	89,987,158,208	3,607,951,570	NLR

Source: Teacher Retirement System of Texas - August 31, 1999, is the most recent financial information available.

- \* Correction to 1999 Benefits Paid
- \*\* Correction to Annual Expenditures
- NLR: No longer reported



**Dallas Independent School District  
Demographic Statistics  
Last Ten Fiscal Years  
(Unaudited)**

<b>Fiscal Year</b>	<b>Population(2)</b>	<b>Labor Force (1)</b>	<b>School Average Daily Membership(3)</b>	<b>Unemployment Rate (1)</b>	<b>Median Age (2)</b>	<b>Income Per Household (2)(4)</b>
1992	1,015,944	646,635	132,720	8.40%	32.8	34,872
1993	1,013,550	581,252	131,551	7.40%	32.8	36,213
1994	1,023,400	634,167	137,880	6.30%	36.5	36,008
1995	1,030,150	638,266	141,817	6.50%	37.5	37,500
1996	1,039,100	645,391	146,050	5.30%	31.5	35,672
1997	1,047,350	662,218	149,535	5.00%	32.5	52,300
1998	1,052,300	679,613	152,555	4.50%	34.5	54,400
1999	1,068,800	687,387	154,759	4.00%	35.5	37,263
2000	1,083,500	700,005	155,427	4.20%	NLR	42,302
2001	1,188,580	727,139	157,726	6.80%	NLR	52,300

**Source:**

- (1) Bureau of Labor Statistics Data website
- (2) Dallas Chamber of Commerce, Veronica @ 214-746-6704
- (2) No longer reported by Dallas Chamber
- (3) Current and prior District Annual Financial Reports
- (4) City of Dallas - HUD - '97, '98 Income - WWW.DallasCityHall.Org (2001)

**Dallas Independent School District  
Schedule of Credits  
August 31, 2001  
(Unaudited)**

E. Ray Zies, Associate Superintendent - Financial Operations  
Al Lopez, Executive Director, General & Special Revenue Accounting  
Emma Cannon, Accounts Payable Director  
Carolyn Garner, Payroll Director  
Darlene Williams, Treasurer  
Donna Miles, Coordinator, General Accounting  
Ann Jackson, Secretary to Associate Superintendent  
Gloria Traylor, Senior Receptionist

Moises Adame, Liaison, Payroll  
Bessye Adams, Specialist II, Grants Accounting  
Pamela Brown, Coordinator, Grant Accounting  
Claudia Coffey, Accounting Clerk III, Payroll  
Shamika Daughtry, Administration Clerk III, Payroll  
Kimberly David, Specialist III, Payroll  
Edward Davila, Specialist II, Grant Accounting  
Mallori Davis, Accounting Clerk III, Accounts Payable  
Denise de la Vega, Specialist IV, Treasury  
Irma Elizarraras, Liaison, Treasury  
Nancy Esparza, Liaison, Payroll  
Bonnie Ferguson, Administrative Clerk II, Payroll  
Ida Gent, Supervisor, Payroll  
Carol Harrington, Administrative Clerk II, Treasury  
Lupe Hernandez, Liaison, Accounts Payable  
Phiebie Hutchins, Accounting Clerk III, General Accounting  
Pamela Jackson, Liaison, Accounts Payable  
Connie Jones, Liaison, Accounts Payable  
Lois Jones, Administrative Clerk III, Payroll  
Danielle Jordan, Specialist II, Accounts Payable  
Jessica Lewis, Administrative Clerk II, Payroll  
Louise Luera, Liaison, Payroll  
Johnny Martz, Administrative Clerk II, Payroll  
Laurie McLeod, Specialist II, General Accounting  
Rachel Medina, Liaison, Accounts Payable  
Beverly Miles, Liaison, Payroll  
Tracy Moore, Liaison, Accounts Payable  
Dietra Nickerson, Administrative Clerk II, Accounts Payable

Eric Nickerson, Supervisor, Accounts Payable  
Sharon Norman, Specialist IV, Grant Accounting  
Patrick Opoku, Specialist IV, General Accounting  
Mercedes Ramirez, Liaison, Accounts Payable  
Noelia Quentero, Administration Clerk, Payroll  
Jocelyn Paige, Project Liaison, Accounts Payable  
Willie Roberson, Specialist I, General Accounting  
Shirley Shaw, Accounting Clerk III, Accounts Payable  
Saundra Staton, Liaison, Payroll  
Nelson Stewart, Specialist IV, General Accounting  
Rolanda Stitt, Specialist II, Grants Accounting  
Janice Henderson, Specialist II, Quality Control  
Gwendolyn Storms, Liaison, Treasury  
Sharon, Thompson, Liaison, Payroll  
Nhan Tran, Specialist IV, General Accounting  
Bessie Tyler, Administrative Clerk II, Accounts Payable  
Ollie Vicks, Specialist II, Accounts Payable  
Joi Wallace, Specialist I, Treasury  
Janice Walton, Liaison, Payroll  
Sheila Washington, Liaison, Treasury  
Beretta Wilson, Senior Accounting Clerk, Grant Accounting  
Daisy Young, Specialist IV, Payroll

A special thanks to Sharon Sumner and Internal Communications for their help in designing the cover and to Walter Rogers and the rest of the Graphics Department for printing the report.

**On the cover** - This year's cover is taken from the District's multicultural theme, "One Race Many Cultures," which promotes an appreciation for diversity within the District.



## **Federal and State Financial Assistance**



200 Crescent Court  
Suite 300  
Dallas, TX 75201-1885

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

**Board of Education  
Dallas Independent School District:**

We have audited the general-purpose financial statements of the Dallas Independent School District (the District) as of and for the year ended August 31, 2001, and have issued our report thereon dated November 20, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the District in a separate letter dated November 20, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. However, we noted certain matters involving internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 01-1 through 01-6.



A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated November 20, 2001.

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

KPMG LLP

November 20, 2001



200 Crescent Court  
Suite 300  
Dallas, TX 75201-1885

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

Board of Education  
Dallas Independent School District:

**Compliance**

We have audited the compliance of the Dallas Independent School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2001. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2001.

**Internal Control Over Compliance**

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





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

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

KPMG LLP

November 20, 2001

**Schedule of Expenditures of  
Federal and State Awards**

**Dallas Independent School District**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Twelve Months Ended August 31, 2001**  
**Exhibit D-1**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<b>Direct</b>					
R206A990001-00	Javits - Sol Net	84.206A	\$ 215,000	\$ 214,057	80,789
R206A990001-01	Javits - Sol Net	84.206A	215,000	88,534	152,643
T291R990026	Systemwide Improvement Grants	84.291R	522,086	231,760	207,836
T291R990026	Systemwide Improvement Grants	84.291R	523,523	524,222	545,646
S060A990065	Indian Education Formula	84.060A	97,623	1,568	(1,207)
S060A000065	Indian Education Formula	84.060A	101,940	81,484	99,209
S060A950065	Indian Education Formula	84.060A	97,623	-	-
R287A990241-00	21st Century	84.287A	1,481,776	1,926,688	1,718,529
R287A990241-01	21st Century	84.287A	1,424,327	967	90,650
T283B80012-97	Foreign Language Assistance	84.283B	173,659	-	-
S165A50058-97A	Magnet Schools Assistance	84.165A	599,398	-	-
T288S000275	Development and Implementation	84.288S	91,000	81,978	91,000
99-057905	Foreign Language Distance Learning-Russian World	84.293B	11,520	-	-
01-057905	Foreign Language	84.293B	20,374	-	-
T290U970069-99	Bilingual Education: Comprehensive School Grants	84.290U	283,460	176,726	-
T290U970069-00	Bilingual Education: Comprehensive School Grants	84.290U	273,245	234,855	431,534
T290U970069-01	Bilingual Education: Comprehensive School Grants	84.290U	252,975	-	8,818
B203A20028	Star Schools	84.202A,B,C	303,900	-	-
E203A20028	Star Schools	84.202A,B,C	271,624	-	-
<b>Total Direct</b>				<b>3,542,849</b>	<b>3,425,447</b>
<b>Passed Through State Department of Education</b>					
65000105790500	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	2,108,806	869,732	762
1850001057905	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	2,026,701	1,746,196	1,855,025
2650001057905	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	1,924,268	-	72,271
650065011480188	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162	1,212,932	-	-
650005790590199	Title VII, Part C - Emergency Immigrant Educ. Prog	84.162A	1,709,621	-	33,133
N/A	Evaluation of Pre-K Programs	N/A	14,394	-	-
0146121	McKinney Homeless Children	84.196	147,425	103,521	147,203
2246121	McKinney Homeless Children	84.196	135,000	-	-
0046113	McKinney Homeless Children	84.196	135,000	58,324	-
962006135007499	Academics 2000: Reading Improvement	84.276A	750,000	-	27,652
77620368-03	Academics 2000: First Things First	-	105,000	-	-
620062310380388	Academics 2000: First Things First	84.276A	60,000	-	958
2616001057905200	Improving Teaching and Learning (Silberstein)	84.276A	149,704	-	5,742
2616001057905108	Improving Teaching and Learning (Bayles)	84.276A	144,087	-	3,818
2616001057905210	Improving Teaching and Learning (Stemmons)	84.276A	135,142	-	10,442
0694001057905	ESEA, Title II, Part B	84.281A	1,181,250	-	154
2694001057905	ESEA, Title II, Part B	84.281A	1,477,693	-	24,571
1694001057905	ESEA, Title II, Part B	84.281A	1,138,766	759,181	709,333
88-057905	ESEA, Title II, Part B	84.281A	1,309,936	-	-
9694001057905	ESEA, Title II, Part B	84.281A	1,406,157	-	-
0610101057905	ESEA, Title I, Part A	84.010A	39,975,350	37,423	(4,548)
1610101057905	ESEA, Title I, Part A	84.010A	43,483,848	38,931,507	38,451,074
2610101057905	ESEA, Title I, Part A	84.010A	40,258,869	-	810,934
9610101057905	ESEA, Title I, Part A	84.01A	42,952,157	-	739,019
061500105790500	Title I, Part C	84.011	417,255	136,732	157
2615001057905	Title I, Part C	84.011	416,755	-	18,347
1615001057905	Title I, Part C	84.011	444,288	289,081	385,082
88-057905	Title I, Part C	84.011	315,861	-	-
615005790590199	Title I, Part C	84.011	305,674	-	166
1610301057905	Title I School Improvement Program	84.348A	2,650,781	1,387,182	2,275,778
1610201057905	ESEA, Title I, Part A (Capital Expenses)	84.216A	80,779	64,623	64,623
041000112	Federal Adult Education Section 231	84.002A	1,371,250	-	141
041000212	Federal Adult Education Section 225	84.002A	162,150	-	-
041000312	Federal Adult Education Section 223	84.002A	34,014	-	-
141000112	Federal Adult Education Section 231	84.002A	1,542,285	1,285,002	1,635,751
141000212	Federal Adult Education Section 225	84.002A	154,229	80,233	-
141000312	Federal Adult Education Section 223	84.002A	30,845	14,742	-
057905-02	Federal Adult Education Section	84.002A	1,753,534	-	100,376
941000335311	Federal Adult Education Section 353	84.002A	66,234	-	-
941000232611	Federal Adult Education Section 326	84.002A	110,000	-	-
941000132211	Federal Adult Education Section 322	84.002A	1,298,618	-	-
941000335311	Federal Adult Education Section 353	84.002A	66,234	-	-
941000232611	Federal Adult Education Section 326	84.002A	110,000	-	-
00-057905	Learn and Serve America	94.001	3,000	-	-
00-057905	Learn and Serve America	94.001	4,500	4,500	4,500
99.05	Learn and Serve America	94.001	45,604	-	-
066000105790500	IDEA-B Formula	84.027	10,846,076	284,687	31,139
166000105790511	IDEA-B Formula	84.027	13,407,325	6,433,811	5,774,599

**Dallas Independent School District**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Twelve Months Ended August 31, 2001**  
**Exhibit D-1**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
266000105790522	IDEA-B Formula	84.027	11,175,377	-	793,214
8-8-057905	IDEA-B Formula	84.027	6,160,860	-	7,446
966000105790599	IDEA-B Formula	84.027	8,813,316	-	129,208
066000405790500	IDEA-B Cap. Bldg. & Impr.	84.027	163,139	2,618	638
166000405790511	IDEA-B Cap. Bldg. & Impr.	84.027	345,956	87,121	85,938
266000405790522	IDEA-B Cap. Bldg. & Impr.	84.027	490,602	-	-
066100105790500	IDEA-B Preschool	84.173	476,762	27,059	-
166100105790511	IDEA-B Preschool	84.173	591,800	360,832	346,097
266100105790522	IDEA-B Preschool	84.173	309,442	-	48,972
966100105790599	IDEA-B Preschool	84.173	476,906	-	32,701
066100205790500	IDEA-B Preschool Disc.	84.173	3,500	-	350
966000205790599	IDEA-B Discretionary (Deaf)	84.027	76,854	-	-
066000205790500	IDEA-B Discretionary (Deaf)	84.027	83,742	22,480	-
166000205790511	IDEA-B Discretionary (Deaf)	84.027	74,604	57,877	51,444
266000205790522	IDEA-B Discretionary (Deaf)	84.027	73,793	-	12,114
General	Library Supplement	N/A	40,145	-	-
16850132140108	Library Supplement	84.298A	40,425	40,425	40,425
066000105790500	IDEA-B Formula (Deaf)	84.027	311,715	-	363
166000105790511	IDEA-B Formula (Deaf)	84.027	301,386	157,383	123,038
266000105790522	IDEA-B Formula (Deaf)	84.027	159,212	-	47,627
166000405790511	IDEA-B Cap. Bldg. & Impr.	84.027	6,740	4,388	-
266000405790522	IDEA-B Cap. Bldg. & Impr.	84.027	10,371	-	-
06610601057905	IDEA-B Preschool (Deaf)	84.173	28,229	-	-
166100105790511	IDEA-B Preschool (Deaf)	84.173	37,681	28,675	28,675
0685001057905	ESEA, Title VI	84.298	1,360,406	21,616	(7,950)
1685001057905	ESEA, Title VI	84.298	1,554,546	1,168,110	1,085,560
2685001057905	ESEA, Title VI	84.298	1,560,875	-	90,033
88-057905	ESEA, Title VI	84.298	1,049,142	-	-
9685001057905	ESEA, Title VI	84.298	1,265,223	-	-
S184K990033	Drug and Violence MS	84.184K	540,492	330,144	341,699
0691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	3,259,340	-	-
1691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	1,899,704	1,557,317	1,430,061
2691001057905	ESEA, Title IV Safe and Drug Free Schools & Comm.	84.186A	1,036,265	-	158,502
042000605790510	Carl Perkins Grant for Career & Technology Training	84.048A	1,927,157	37,464	533
242000605790510	Carl Perkins Grant for Career & Technology Training	84.048A	2,071,716	-	75,603
14200605790510	Carl Perkins Grant for Career & Technology Training	84.048A	2,045,769	1,772,124	1,667,385
88M1181V-29	Carl Perkins Grant for Career & Technology Training	84.048A	1,696,768	-	430
942000605790510	Carl Perkins Grant for Career & Technology Training	84.048A	1,886,372	-	48,219
061540205790500	Refugee Children School Impact Grant	93.576	200,000	48,617	1,155
1815401057905	Refugee Children School Impact Grant	93.576	200,000	160,039	200,000
0610103057905	ESEA, Title I, Part D	84.010A	58,570	-	-
1610103057905	ESEA, Title I, Part D	84.010A	8,970	8,019	8,019
9610103057905	ESEA, Title I, Part D	84.010A	129,670	2,200	2,200
066002216110	IDEA-B Visually Impaired	N/A	15,275	15,275	-
866002216110	IDEA-B Visually Impaired	N/A	12,500	-	-
966002216110	IDEA-B Visually Impaired	N/A	N/A	-	-
166002212010	IDEA-B Visually Impaired	N/A	15,000	11,325	11,325
064502721000400	Read for Texas Tutorial Assistance	84.338	480,000	-	-
0666001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	5,416,777	-	-
2666001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	11,105,758	-	552,496
1666001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	9,004,050	4,435,894	4,015,304
0666001057905	ESEA, Title VI-Class Size Reduction Program	84.340A	5,416,777	-	2,280
064502621000100	READ for Texas, Local Reading Improvement	84.338A	4,000,000	19,231	74,748
99990104	Texas Families: Together and Safe	N/A	327,421	87,620	(278)
UCN 99990104	Texas Families: Together and Safe	84.287A	327,421	208,038	277,903
99990104	Texas Families: Together and Safe	N/A	228,855	-	(1,652)
139110105790511	IDEA-C Early Childhood Intervention	84.181	18,245	8,959	8,959
77620884-03	Academics 2000: First Things First	84.276A	105,000	-	-
620021001680389	Academics 2000: First Things First	84.276A	60,000	-	(388)
ED-99-J22-15058	Accelerated Academic Achievement for Truant Youth	N/A	122,031	25,954	(5)
ED-00-J20-15058-02	Accelerated Academic Achievement for Truant Youth	N/A	113,730	-	33,388
ED-98J01-12732	Accelerated Academic Achievement for Truant Youth	N/A	189,628	-	-
062005335004600	Academics 2000 Reading Improvement	84.276A	300,000	220,094	278,147
962005235005799	Academics 2000 Reading Improvement	84.276A	525,000	343,795	-
620021051480389	Academics 2000: First Things First Rdg. Improvement	84.276A	750,000	-	39,319
063000121401700	Technology Integration In Education	84.318X	12,408	-	-
N/A	IDEA-B Rider 29	N/A	82,000	-	-
01/00-057-905	Pregnancy, Education and Parenting	93.575	79,766	79,766	41,084
99/00-057-905	Pregnancy, Education and Parenting	93.575	103,114	-	123,770
059000135008200	Public Charter Schools-Prairie Creek Academy	84.282A	40,000	38,567	8,602
059000135005300	Public Charter Schools-Buckner Academy	84.282A	40,000	7,911	-
059000135006300	Public Charter Schools-Gabe P Allen Charter	84.282A	40,000	16,265	28,603

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Twelve Months Ended August 31, 2001  
Exhibit D-1**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
159000135011711	Public Charter Schools	84.282A	70,000	10,666	26,146
159000136011711	Public Charter Schools	84.282A	60,000	-	-
5900PCS04480188	Public Charter Schools	84.282A	34,000	-	-
959000112008499	Public Charter Schools	84.282A	30,000	18,504	5,510
P334A990155	GEAR UP (Gaining Early Awareness & Readiness)	84.334	131,800	104,510	118,027
	<b>Total Passed Through State Department Of Education</b>			<b>64,033,359</b>	<b>65,671,179</b>
	<b>Passed Through State Department Of Health</b>				
C0023-01	Early Childhood Intervention	84.181	1,764,023	402,402	4,432
C1019-01B	Early Childhood Intervention	84.181	950,413	1,196,946	889,776
C8027	Early Childhood Intervention	84.181	1,388,046	-	-
C9025-01A	Early Childhood Intervention	84.181	1,572,079	-	35,542
C1019-01	Early Childhood Intervention	84.181	120,781	106,886	78,694
00-057905	Early Childhood Intervention Pre-K Medicaid	84.181	125,843	39,894	4,469
99-057905	Early Childhood Intervention-PK/ Program Income	84.181	53,441	-	-
	<b>Total Passed Through State Department Of Health</b>			<b>1,746,128</b>	<b>1,012,913</b>
	<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>69,322,336</b>	<b>70,109,539</b>
	<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
	<b>Direct</b>				
90CD088602	Head Start	93.600	610,000	-	-
90CD0886/05	Head Start	93.600	640,000	-	-
90CD0886/06	Head Start	93.600	770,000	-	-
U87/CCU608968-09	AIDS Health Education	93.938	264,869	126,940	151,012
U87/CCU608968-08	AIDS Health Education	93.938	264,859	195,315	59,307
U87/CCU608968-05	AIDS Health Education	93.938	270,099	-	-
U87/CCU608968-06	AIDS Health Education	93.938	264,870	100,999	-
U87/CCU608968-07	AIDS Health Education	93.938	264,871	302,449	-
90Ex0048/02	Gateway Demonstration Program	93.578	122,238	-	-
	<b>Total Direct</b>			<b>725,703</b>	<b>210,319</b>
	<b>Passed Through State Department Of Health</b>				
1APHPA000838-01	Students Making Abstinence Real Today (SMART)	93.995	250,000	193,491	43,985
6APHPA000838-02-1	Students Making Abstinence Real Today (SMART)	93.995	278,057	176,175	192,279
7560012787-2001	Abstinence Education	93.235	497,000	81,205	-
7560012787-01	Abstinence Education	93.995	372,000	193,668	246,084
7560012787 99	Abstinence Education	93.995	341,966	-	-
7560012787	School Health Program	N/A	125,000	-	93,558
	<b>Total Passed Through State Department Of Health</b>			<b>644,539</b>	<b>575,906</b>
	<b>Passed Through State Department Of Education</b>				
036250112	Federal-TANF	93.558	468,666	190,803	124,313
136250112	Federal-TANF	93.558	736,862	198,219	348,058
	<b>Total Passed Through State Department Of Education</b>			<b>389,022</b>	<b>472,371</b>
	<b>Total Passed Through Parkland Hospital District</b>			-	-
	<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>1,759,264</b>	<b>1,258,596</b>
	<b>U.S. DEPARTMENT OF LABOR</b>				
	<b>Passed Through Dallas County Department of Human Services</b>				
	<b>Direct</b>				
	<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			-	-
	<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
	<b>Direct</b>				
N/A	National School Breakfast	10.553		6,578,228	6,575,949
N/A	National School Lunch	10.555		32,171,890	32,163,078
N/A	Commodity Supplemental Food	10.565		3,356,451	4,238,085
N/A	Summer Feeding Program	10.559		1,526,240	1,080,456
	<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>43,632,809</b>	<b>44,057,568</b>
	<b>NATIONAL SCIENCE FOUNDATION</b>				
	<b>Direct</b>				
ESR-9908168	Urban Systemic Program		2,500,000	2,097,868	-
ESR-9908168	Urban Systemic Program		2,685,258	1,161,875	2,258,490
ESR-9453668	Urban Systemic Initiatives	47.073	4,129,029	-	-
ESR-9908168	Urban Systemic Initiatives	47.073	2,685,258	175,365	-
ESR-9453668	Urban Systemic Initiatives	47.073	3,500,000	-	-
ESR-9453668	Urban Systemic Initiatives	47.073	3,165,686	1,457,504	-

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Twelve Months Ended August 31, 2001  
Exhibit D-1**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>				<b>4,892,611</b>	<b>2,258,490</b>
NATIONAL ENDOWMENT FOR THE ARTS					
Direct					
00-4200-3038	Leadership Initiatives		50,000	-	50,000
01-22119	TX Commission on the Arts		3,255	3,255	-
<b>TOTAL NATIONAL ENDOWMENT FOR THE ARTS</b>				<b>3,255</b>	<b>50,000</b>
U. S. DEPARTMENT OF JUSTICE					
Direct					
<b>TOTAL U. S. DEPARTMENT OF JUSTICE</b>				-	-
OTHER FUNDING AGENCIES					
CY9810IB	JTPA IIB-Intensive Career	17.250	437,000	-	-
0010-YOUTH	JTPA IIB-Intensive Career	17.250	882,293	564,162	-
0010-YOUTH	JTPA IIB-Intensive Career	17.250	2,094,588	-	1,077,783
00-057905	Toward No Tobacco	N/A	4,989	4,474	-
General	JROTC	12.000	N/A	-	1,254,332
99980617	Home Inst. for Preschool Youngster (HIPPY)	93.575	126,801	6,423	-
99-057905	City of Dallas - Youth and Family Impact Centers	N/A	60,000	-	-
1999-STC101	School to Careers	N/A	600,000	-	-
1999-STC101	School to Careers	N/A	217,915	-	159,892
1999-STC101	School to Careers	N/A	600,000	379,499	182,153
IM-90038-99	Museum Assessment Program I	N/A	1,775	-	-
<b>TOTAL OTHER FUNDING AGENCIES</b>				<b>954,558</b>	<b>2,674,160</b>
<b>TOTAL FEDERAL ASSISTANCE</b>				<b>120,564,833</b>	<b>120,408,353</b>
STATE DEPARTMENT OF EDUCATION					
Direct					
001000112	State Adult Education	N/A	491,509	198,216	-
101000112	State Adult Education	N/A	507,728	99,635	454,710
001100112	State-TANF	N/A	145,913	25,358	97,482
001100112	State-TANF	N/A	153,660	32,897	-
00-057905	Texas Commission on the Arts	N/A	4,265	-	-
01-22119	Texas Commission on the Arts	N/A	3,255	-	-
102470121003011	TX After-School Initiative for Middle Schools-Franklin	N/A	80,513	-	62,056
1024701210030111	TX After-School Initiative for Middle Schools-Rusk	N/A	52,963	-	12,839
102470121002911	TX After-School Initiative for Middle Schools-Spence	N/A	46,930	-	15,288
002470121000700	TX After-School Initiative for Middle Schools-Franklin	N/A	75,000	68,064	5,576
002470121006000	TX After-School Initiative for Middle Schools-Rusk	N/A	41,055	16,824	1,940
002470121009000	TX After-School Initiative for Middle Schools-Spence	N/A	35,022	28,709	2,427
124	Mentor School Network/Org. #153 (State)	N/A	4,938	-	-
124	Mentor School Network/Org. #153	84.298A	3,062	-	-
126	Mentor School Network/Org. #224 (State)	N/A	4,938	-	2,193
126	Mentor School Network/Org. #224	84.298A	3,062	-	-
3012	Mentor School Network/Org. #034	N/A	1,000	-	-
910012016110	State Visually Handicapped	N/A	165,560	-	-
010012012010	State Visually Handicapped	N/A	111,472	28,907	-
005790501	State Visually Handicapped	N/A	87,424	87,424	87,424
010012205790500	State Deaf	N/A	2,599,903	-	-
110012205790511	State Deaf	N/A	2,582,453	2,582,453	2,582,453
8-8-057-905	State Deaf	N/A	2,680,966	-	-
100990005	Apprenticeship Training Program	N/A	165,398	52,055	-
100970005	Apprenticeship Training Program	N/A	142,624	-	-
100980005	Apprenticeship Training Program	N/A	166,898	-	-
AT010005	Apprenticeship Training Program	N/A	182,008	164,880	179,215
General	TX Success Schools	N/A	121,848	-	-
General	TX Success Schools	N/A	-	-	-
General	TX Success Schools	N/A	-	-	-
00-057-905	Pregnancy, Education, and Parenting	N/A	350,000	-	10,276
01-057-905	Pregnancy, Education, and Parenting	N/A	350,000	350,000	303,685
99-057-905	Pregnancy, Education, and Parenting	N/A	350,000	-	-
002500220204800	AP/IB Incentive Program Equipment & Materials	N/A	3,000	88,395	89,340
002500220204900	AP/IB Incentive Program Equipment & Materials	N/A	3,000	-	-
010011435058022	Investment Capital Fund Roosevelt HS	N/A	49,705	17,513	9,900
110011735059127	Investment Capital Fund Sunset HS	N/A	49,275	8,236	8,236
057905-02	Investment Capital Fund Sunset HS	N/A	49,275	-	1,500
86210118-01	Alliance Schools Grants	N/A	117,757	-	-
77X14016-14	Campus Deregulation and Restructuring/ Org. #003	N/A	10,000	-	-
77X14004-14	Campus Deregulation and Restructuring/ Org. #191	N/A	20,000	-	-
100105790581404	Campus Deregulation and Restructuring/ Org. #205	N/A	24,820	-	-

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Twelve Months Ended August 31, 2001  
Exhibit D-1**

Pass-Through Grantor's Number	Federal/State Grantor-Pass Through Grantor/Program Title	Federal CFDA Number	Program or Award Amount	Audit Period Receipts	Audit Period Expenditures and Refunds
100105790581401	Campus Deregulation and Restructuring/ Org. #140	N/A	19,000	-	-
100105790581408	Campus Deregulation and Restructuring/ Org. #013	N/A	39,482	-	-
100105790581403	Campus Deregulation and Restructuring/ Org. #127	N/A	25,000	-	-
100105790581405	Campus Deregulation and Restructuring/ Org. #191	N/A	24,840	-	-
100105790581407	Campus Deregulation and Restructuring/ Org. #236	N/A	24,970	-	-
100105790581406	Campus Deregulation and Restructuring/ Org. #272	N/A	25,000	-	-
91001405790501	Campus Deregulation and Restructuring/ Org. #103	N/A	25,000	-	2,397
91001405790502	Campus Deregulation and Restructuring/ Org. #168	N/A	25,000	7,679	3,377
77X14004-14	Campus Deregulation and Restructuring/ Org. #191	N/A	20,000	12,500	-
1100104057905	Optional Extended Year Program	N/A	4,388,344	-	3,061,536
0100104057905	Optional Extended Year Program	N/A	4,265,628	4,177,592	-
66-057905	Optional Extended Year Program	N/A	3,480,650	-	-
77-057905	Optional Extended Year Program	N/A	3,320,520	-	-
88-057905	Optional Extended Year Program	N/A	3,969,182	-	-
9100104057905	Optional Extended Year Program	N/A	4,144,030	-	-
N/A	Accelerated Reading Instruction Program	N/A	4,972,740	4,475,466	5,707,584
N/A	Accelerated Reading Instruction Program	N/A	1,947,020	194,702	-
010014521009500	Ninth Grade Success Initiative	N/A	5,000,000	1,305,844	-
010014521009500	Ninth Grade Success Initiative	N/A	5,000,000	6,029,674	6,987,856
1001043	Prekindergarten and Kindergarten Grant Program	N/A	4,181,243	-	3,159,399
1001043	Prekindergarten and Kindergarten Grant Program	N/A	9,868,761	-	-
1001043	Prekindergarten and Kindergarten	N/A	240,000	-	36,761
023000721401200	Technology Pilot Program	N/A	90,000	37,559	62,171
99-057-905	Technology Allotment	N/A	4,402,134	-	-
99-057-905	Technology Allotment	N/A	4,445,799	-	4,471,075
01-057-905	TCHR Program	N/A	142,750	-	72,245
N/A	School Lunch Match	N/A	-	666,598	666,598
<b>TOTAL STATE DEPARTMENT OF EDUCATION</b>				<b>20,757,180</b>	<b>28,157,539</b>
<b>INTERAGENCY COUNCIL ON EARLY CHILDHOOD INTERVENTION</b>					
<b>Direct</b>					
C1019-01B	Early Childhood (ECI)/ State	84.181	777,610	-	-
C0023-01	Early Childhood (ECI)	84.181	1,764,023	-	-
C9025	Early Childhood (ECI)/ State	84.181	1,572,079	-	-
<b>TOTAL INTERAGENCY COUNCIL ON ECI</b>				<b>-</b>	<b>-</b>
<b>OTHER STATE AGENCIES</b>					
98-057905	Home Inst. for Preschool Youngster (HIPPY)/ State	93.575	89,135	-	-
99980617	Home Inst. for Preschool Youngster (HIPPY)/ State	93.575	85,000	77,379	-
99980617	Home Inst. for Preschool Youngster (HIPPY)	93.575	85,000	104	43,768
PS-2000-STA4C-3653	Telecommunications Infrastructure Fund Board	N/A	1,000,000	600,110	999,508
PS-1999-DL2S-3046	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3047	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3048	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3049	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3050	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3051	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3052	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3053	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3054	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
PS-1999-DL2S-3055	Telecommunications Infrastructure Fund Board	N/A	54,500	48,496	48,496
UF-97-PUS-0035	Telecommunications Infrastructure Fund Board	N/A	262,872	-	-
UF-97-PUS-0036	Telecommunications Infrastructure Fund Board	N/A	281,262	-	-
PS-1998-TA1S-1666	Telecommunications Infrastructure Fund Board	N/A	100,000	85,022	-
PS-1998-TA1S-6667	Telecommunications Infrastructure Fund Board	N/A	99,737	77,041	-
PS-1998-TA1S-6668	Telecommunications Infrastructure Fund Board	N/A	99,737	69,571	517
PS-1998-TA1S-6669	Telecommunications Infrastructure Fund Board	N/A	100,000	84,484	-
00-057905	One Community - One Child/Org.	N/A	40,000	40,000	-
00-057905	One Community - One Child/Org. #060	N/A	7,800	-	-
00-057905	One Community - One Child/Org. #072	N/A	4,453	-	1,778
00-057905	One Community - One Child/Org. #106	N/A	3,737	-	-
00-057905	One Community - One Child/Org. #120	N/A	1,000	-	3,407
00-057905	One Community - One Child/Org. #131	N/A	7,800	-	3,469
00-057905	One Community - One Child/Org. #140	N/A	3,988	-	817
00-057905	One Community - One Child/Org. #143	N/A	1,250	-	-
00-057905	One Community - One Child/Org. #174	N/A	7,800	-	3,480
00-057905	One Community - One Child/Org. #189	N/A	7,800	-	3,240
00-057905	One Community - One Child/Org. #200	N/A	2,786	-	2,531
00-057905	One Community - One Child/Org. #237	N/A	7,800	-	-
00-057905	One Community - One Child/Org. #249	N/A	7,800	-	4,939
00-057905	One Community - One Child/Org. #265	N/A	2,778	-	-
00-057905	One Community - One Child/Org. #275	N/A	7,800	-	-
01-057905	One Community - One Child/Org. #047	N/A	5,000	-	5,035

**Dallas Independent School District  
Schedule of Expenditures of Federal and State Awards  
For the Twelve Months Ended August 31, 2001  
Exhibit D-1**

<b>Pass-Through Grantor's Number</b>	<b>Federal/State Grantor-Pass Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Program or Award Amount</b>	<b>Audit Period Receipts</b>	<b>Audit Period Expenditures and Refunds</b>
01-057905	One Community - One Child/Org. #065	N/A	5,000	-	1,400
01-057905	One Community - One Child/Org. #120	N/A	-	-	631
01-057905	One Community - One Child/Org. #135	N/A	5,000	-	684
01-057905	One Community - One Child/Org. #142	N/A	5,000	-	-
01-057905	One Community - One Child/Org. #175	N/A	5,000	-	2,720
01-057905	One Community - One Child/Org. #189	N/A	5,000	-	505
01-057905	One Community - One Child/Org. #209	N/A	5,000	-	3,548
01-057905	One Community - One Child/Org. #268	N/A	5,000	-	5,227
01-057905	One Community - One Child/Org. #275	N/A	-	-	(247)
99-057905	One Community - One Child/Org. #072	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #106	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #120	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #140	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #143	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #200	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #249	N/A	8,000	-	-
99-057905	One Community - One Child/Org. #265	N/A	8,000	-	-
98-057905	Dallas County Mental Health and Mental Retardation	N/A	31,556	-	-
98-057905	Outdoor Composting Science Lab/ Org. #273	N/A	6,003	-	-
98-057905	Outdoor Composting Science Lab/ Org. #208	N/A	6,003	-	-
01-057905	Reading Initiative	N/A	1,600	-	45
01-057905	Department of Agriculture - Community Environment Ctr.	N/A	2,500	2,500	-
US01-C	Department of Agriculture - Urban School Gardening	N/A	2,419	2,419	1,493
	<b>TOTAL OTHER STATE AGENCIES</b>			<b>1,523,590</b>	<b>1,573,435</b>
	<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>22,280,770</b>	<b>29,730,974</b>
	<b>TOTAL FINANCIAL ASSISTANCE</b>			<b>\$ 142,845,603</b>	<b>150,139,327</b>
	<b>SUMMARY</b>				
	Total State Financial Assistance			\$ 22,280,770	29,730,974
	Total Federal Financial Assistance			\$ 120,564,833	120,408,353
	<b>TOTAL FINANCIAL ASSISTANCE</b>				<b>150,139,327</b>
	<b>RECONCILIATION</b>				
	Federal Revenue Exhibit A-2-				
	Prior Period Accrued (Deferred) Revenue			\$ (14,575,569)	
	Accrued Revenue (08/31/01)			15,824,369	
	Deferred Revenue (08/31/01)			(1,405,280)	
	Net Adjustments			(156,480)	
	<b>Total Federal Revenue</b>			<b>\$ 120,408,353</b>	
	Federal Program Expenditures Exhibit A-2				
	General Fund			\$ 5,145,534	
	Medicaid Reimbursement Revenue In General Fund			(2,854,482)	
	Special Revenue Funds			116,805,594	
	Refunds			1,311,707	
	<b>Total Federal Expenditures</b>			<b>\$ 120,408,353</b>	

**Note**

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note A to the District's General Purpose Financial Statements



# **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

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

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

<b>Program</b>	<b>CFDA number</b>
Title I, Part A, Improving Basic Programs	#84.010
Child Nutrition Clusters	#10.555, #10.553 and #20.559
Special Education Cluster	#84.027 and #84.173
Commodity Supplemental Food Program	#10.565
Class Size Reduction Program	#84.340

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

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

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

**Finding 01-1: General-Purpose Financial Statement Level**

**Information Security**

**Finding**

The District's migration from a mainframe to a client/server environment has certain important information security implications. The currently planned environment will have all critical business servers on the same network backbone as the academic servers. Such network backbone will also be used for connection to student and teacher users. We understand that the District's network has a number of modems attached to individual workstations thereby providing additional access points to potential intruders. The architecture included an unprotected connection to the Internet which allowed public users uncontrolled access to the District's network. The District established a firewall (connection control mechanism) for its Internet connection after we brought this issue to its attention.

While all of these issues are indicative of the District's overlooking of certain implementation best practices, more importantly, these circumstance indicate a misunderstanding or disregard for information asset security and protection. The District's intended client/server environment essentially puts all (or substantially all) of its information assets, whether business, academic or educational, on the same computing platform. This places all such assets at risk to a single point of failure (i.e. if an intruder is able to exploit a single weakness in the network, he or she could potentially access all of the District's computing platforms).

**Recommendation**

As noted above, after we strongly encouraged the District to establish a firewall for its Internet connection, a CISCO PIX firewall was implemented. Although this was an important first step, implementing a firewall solution will only address a small portion of the overall information security problems. This is because typically 80% of computer misuse comes from within an organization, and because the District currently has a substantial number of other external access points via workstation modems. We believe the District should conduct an information security assessment that will provide a baseline understanding of its current information security environment. This baseline can be used to make high priority adjustments immediately and will also allow for a structured information security architecture process that will establish the future required state for protecting the District's information assets. Based on the assessment and architecture process, solutions can be implemented based on prioritized risk assessments regarding information asset threats and vulnerabilities. We also strongly encourage continuous monitoring of implemented information security solutions as new threats and vulnerabilities are continuously developing.

**Response**

The District's Information Technology Department agrees with this finding and will take the steps necessary to determine the feasibility of implementing this recommendation.

# **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

### **Finding 01-2: General-Purpose Financial Statement Level**

#### **Logical Access**

##### **Finding**

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

##### **Recommendation**

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

##### **Response**

The District's Information Technology Department agrees with this finding and will take the steps necessary to determine the feasibility of implementing this recommendation.

### **Finding 01-3: General-Purpose Financial Statement Level**

#### **Time and Attendance Reporting**

##### **Finding**

Designated school and department personnel on transmittal pay forms manually transcribe employee time and absence data from employee time cards. These forms are delivered to central administration via inconsistent delivery methods (e.g. mail, carrier, etc.). The inconsistent delivery methods have resulted in misplaced or late forms causing delays in payroll processing, errors and late payments to employees.

##### **Recommendation**

Standardized delivery methods should be used to help reduce the occurrences of misplaced transmittals and late delivery and to ensure payroll transactions are processed timely and accurately.

##### **Response**

We agree with the finding. The Payroll and Information Technology Departments have begun testing modifications to the current Delta system that will allow schools and departments to enter time electronically. In addition, the District is in the process of acquiring an integrated financial system that will address this concern.

##### **Finding**

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

# **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

### **Recommendation**

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

### **Response**

We agree with the finding, however, limitations to the Delta system in calculating pay when an employee receives a pay raise prohibit the implementation of this recommendation. The District is in the process of acquiring an integrated financial system that will address this concern.

### **Finding 01-4: General-Purpose Financial Statement Level**

#### **Payroll Processing**

#### **Finding**

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

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

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

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

- Up to 999 hours at a rate up to \$999,999.99;
- Any valid account code on the system without regard to the employee's work location or type of work performed;
- Any stipend or supplemental pay amount up to \$999,999.99;

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

- Monthly and biweekly payroll cycle numbers and type codes (i.e. biweekly and monthly) set in the General Control Code screen and required for accurate processing do not match established payroll cycle types and numbers established in the system;
- Time for an employee outside his/her designated pay cycle (i.e. monthly or biweekly).

#### **Recommendation**

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

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

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

#### **Response**

We agree with the finding, however, limitations to the Delta system prohibit the implementation of this recommendation. Monitoring reports have been developed to prevent these types of errors. The District is in the process of acquiring an integrated financial system that will address this concern.

#### **Finding**

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

#### **Recommendation**

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

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

## **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

#### **Response**

We agree with the finding, however, limitations to the Delta system prohibit the implementation of this recommendation. Management will review the monitoring reports to see if the process can be simplified. The District is in the process of acquiring an integrated financial system that will address this concern.

#### **Finding 01-5: General-Purpose Financial Statement Level**

##### **Payroll Calculation and Disbursement**

##### **Finding**

When payroll runs the final payroll calculation and produces the ACH file (i.e. direct deposit file), Delta outputs a file to a specific UNIX directory (ACH UNIX File). The ACH transfer file is then transferred to a tape reel (ACH Tape File), which is subsequently sent to Bank of America to effect the ACH transactions. The ACH UNIX File is stored in such a manner that anyone with a UNIX ID (approximately 1600 IDs) can read and update this file prior to it being transferred to the ACH Tape File. Therefore, any UNIX ID could modify the ACH UNIX File and increase one record while simultaneously decreasing other ACH records, resulting in erroneous and potentially fraudulent ACH payments. The risk of detection is low since no District employees reconcile ACH transactions to Delta ACH payroll summaries.

##### **Recommendation**

To protect confidential employee information, ACH files should be stored in such a way that only authorized personnel (i.e. computer operators) have access to the ACH UNIX File. Additionally, the recommendation should be implemented immediately to help ensure all ACH transactions are authorized.

##### **Response**

The Information Technology Department agree with this finding and will take the steps necessary to determine the feasibility of implementing this recommendation. Additionally, a separate department currently performs all bank reconciliations and ensures that all ACH transactions are authorized.

##### **Finding**

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

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

# **DALLAS INDEPENDENT SCHOOL DISTRICT**

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

**Year ended August 31, 2001**

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

### **Recommendation**

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

### **Response**

We agree with the finding, however, limitations to the Delta system prohibit the implementation of this recommendation. Management will review the monitoring reports to see if the process can be simplified. The District is in the process of acquiring an integrated financial system that will address this concern.

### **Finding 01-6: General-Purpose Financial Statements**

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

#### **Finding**

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

#### **Recommendation**

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

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

#### **Response**

We agree with the finding, however, limitations to the Delta system prohibit the implementation of this recommendation. Management will work with the Payroll Department to ensure that the manual processes are reviewed and that there is adequate separation of duties for adequate internal control. The District is in the process of acquiring an integrated financial system that will address this concern.

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