



Duncanville Independent School District

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015*

710 S. Cedar Ridge Drive
Duncanville, Texas 75137
www.duncanvilleisd.org

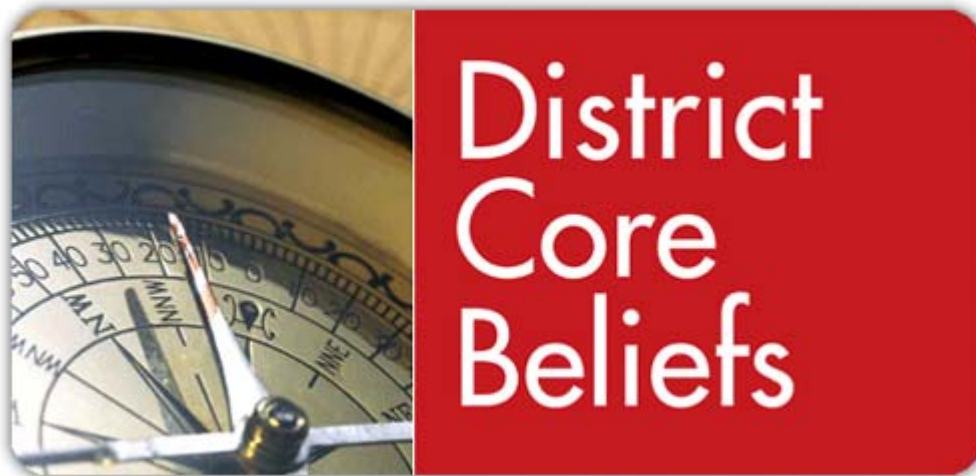
Duncanville Independent School District

Duncanville, Texas



*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015*

*Prepared by:
Ronald Kuehler, Chief Financial and Operations Officer*



Purposeful Engagement

is the most effective long-term way to learn and is our primary responsibility.

Quality Teachers

are the single most important influence on the quality of learning.

Collaboration & Continuous Improvement

We are a learning organization with a culture of continuous improvement and collaboration.

Valuing Each Individual

Each person is unique and of infinite value; therefore, we embrace and celebrate diversity.

Schools Impacting Community

Quality schools encourage and sustain quality of life, freedom, democracy, and economic growth

The mission of Duncanville Independent School District is to provide each student with the necessary skills to achieve lifelong success and contribute to a global society.

**Duncanville Independent School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2015
TABLE OF CONTENTS**

<u>INTRODUCTORY SECTION</u>	Page	Exhibit
Letter of Transmittal.....	2	
Board of Trustees, Administrators, and Consultants.....	9	
District Organizational Chart.....	11	
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	12	
ASBO Certificate of Excellence in Financial Reporting.....	13	
Certificate of Board.....	14	
<u>FINANCIAL SECTION</u>		
Independent Auditors' Report.....	17	
Management's Discussion and Analysis.....	19	
<u>Basic Financial Statements:</u>		
Government Wide Statements:		
Statement of Net Position.....	30	A-1
Statement of Activities.....	31	B-1
Government Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	32	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	35	C-2
Statement of Revenues, Expenditures and Change in Fund Balance - Governmental Funds.....	36	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities.....	38	C-4
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	40	C-5
Statement of Net Position - Proprietary Funds.....	41	D-1
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	42	D-2
Statement of Cash Flows - Proprietary Funds.....	43	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	44	E-1
Statement of Changes in Fiduciary Fund Net Position - Fiduciary Funds.....	45	E-2
Notes to Financial Statements:		
Notes to the Basic Financial Statements.....	46	
<u>Required Supplementary Information:</u>		
Teacher Retirement System of Texas:		
District's Proportionate Share of the Net Pension Liability.....	70	G-1
Schedule of District Contributions.....	71	G-2
Notes to Required Supplementary Information.....	72	
<u>Other Supplementary Information - Combining Statements and Schedules:</u>		
Nonmajor Governmental Funds:		
Combining Balance Sheet - Nonmajor Governmental Funds.....	74	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	78	H-2
Combining Statement of Net Position Internal Service Funds.....	81	H-3
Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds.....	82	H-4
Combining Statement of Cash Flows - Internal Service Funds.....	83	H-5
Statement of Changes in Assets and Liabilities - Agency Fund.....	84	H-9
<u>Required Texas Education Agency Schedules</u>		
Schedule of Delinquent Taxes Receivable.....	86	J-1

Schedule of Expenditures for Computations of Indirect Cost for 2014-2015 - General and Special Revenue Fund.....	88	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Child Nutrition Program.....	89	J-3

	Page	Exhibit
STATISTICAL SECTION (UNAUDITED)		

Financial Trend Information

Net Position by Component.....	92	1
Governmental Activities Revenue and Expenses.....	94	2
General Revenues and Changes in Net Position.....	96	3
Fund Balances, Governmental Funds.....	98	4
Governmental Funds Revenues.....	100	5
Governmental Funds Expenditures and Debt Service Ratio.....	102	6
Other Financing Sources and Uses and Changes in Fund Balance.....	104	7

Revenue Capacity Information

Assessed and Actual Value - Real and Personal Property.....	107	8
Property Tax Rates - Direct and Overlapping Governments.....	108	9
Property Tax Levies and Collections.....	110	10
Principal Property Taxpayers.....	111	11

Debt Capacity Information

Legal Debt Margin Information.....	113	12
Outstanding Debt by Type.....	114	13
Ratio of Net Bonded Debt to Taxable Assessed Valuation and Net Bonded Debt Per Capita.....	116	14
Direct and Overlapping Governmental Activities Debt.....	118	15

Demographic and Economic Information

Demographic and Economic Statistics.....	120	16
Principal Employers.....	121	17

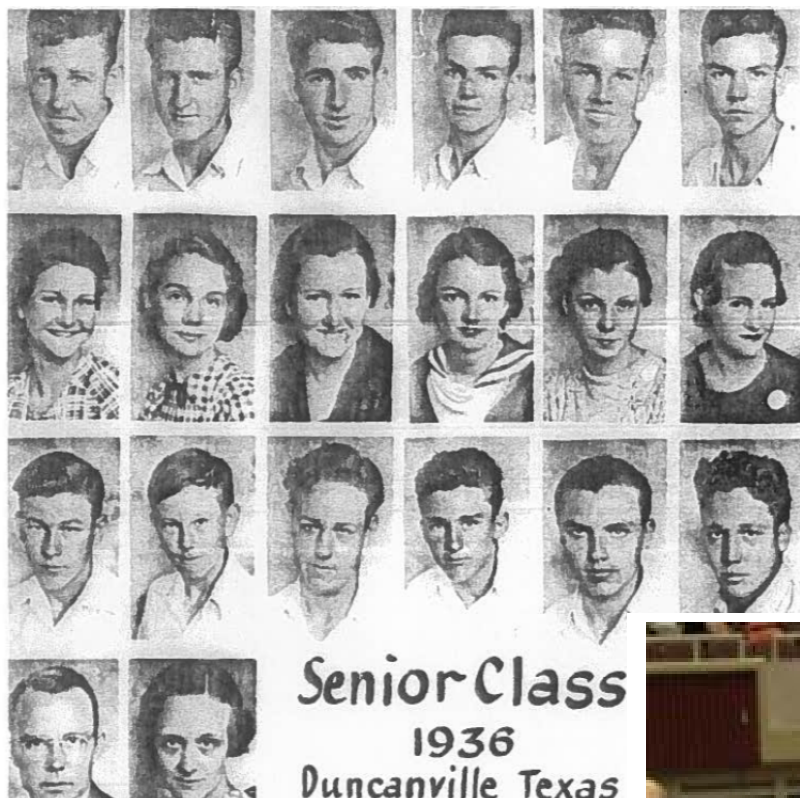
Operating Information

Total Enrollment and Average Daily Attendance Data Chart.....	123	18
Full Time Equivalent District Employees by Type.....	124	19
Teacher Salary Data.....	125	20
Operating Statistics.....	126	21
School Building Information - Campus.....	128	22
School Building Information - Other Buildings.....	129	23
District Map.....	130	24

FEDERAL AWARDS SECTION

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	133	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.....	135	
Schedule of Findings and Questioned Costs.....	137	
Schedule of Status of Prior Findings.....	139	
Corrective Action Plan.....	140	
Schedule of Expenditures of Federal Awards.....	141	K-1
Notes on Accounting Policies for Federal Awards.....	142	

Introductory Section



HONORING THE PAST



CELEBRATING THE FUTURE





Duncanville Independent School District
710 S. Cedar Ridge Drive
Duncanville, Texas 75137

January 31, 2016

Formal Transmittal of the Comprehensive Annual Financial Report (CAFR)

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

The CAFR of the Duncanville Independent School District (the District) for the fiscal year ended June 30, 2015, is hereby submitted. The report includes the unmodified opinion of our independent auditors, Hankins, Eastup, Deaton, Tonn and Seay, P.C. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respect; that it is presented in a manner designed to fairly set forth the financial position and the 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 an understanding of the District's financial activities have been included. This report includes all funds of the District. The CAFR for the year end June 30, 2015, is presented in conformance with the reporting model adopted by the Governmental Accounting Standards Board ("GASB") in their statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999. The CAFR also adheres to guidelines recommended by the Government Finance Officers Association of the United State and Canada (GFOA) and the Association of School Business Officials International (ASBO).

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). MD&A is intended to give the reader an easy-to-understand overview of the school district's financial position and results of operations for the year. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors Report.

The remainder of this transmittal highlights the governance structure, the mission, the accomplishments and initiatives, the economic conditions and outlook, and the financial activities of the District.

Copies of this report will be provided to the City Library, Moody's Investment Service, Fitch Investor Service, Standard and Poor's and any other interested parties.

PROFILE OF THE DISTRICT

As its mission states, Duncanville Independent School District provides each individual student with the necessary skills to achieve lifelong success and contribute to a global society.

General Education

The District provides a fully comprehensive instructional program in grades K-12 with a pre-kindergarten program. The District is committed to quality schools that encourage and sustain quality of life, freedom, democracy, and economic growth. In addition to the regular curriculum, the District provides a comprehensive Career and Technology Education (CTE) program in several areas:

- Agriculture, Food and Natural Resources
- Architecture and Construction

- Arts, A/V Technology and Communications
- Business Management and Administration
- Education and Training
- Finance
- Health Science
- Hospitality and Tourism
- Human Services
- Information Technology
- Marketing
- Manufacturing
- Science, Technology, Engineering and Mathematics
- Transportation, Distribution and Logistics

All students can succeed in a lifetime of success and excellence by exploring career options and make wise decisions about how best to follow a field of interest. The students participate in field trips, earn dual credit for college, receive certification in certain areas, and are placed in internships, clinical rotations, and co-operative education training placements in businesses related to their career interest. Students apply during their 7th grade year for one of two classes that are offered at the 8th grade level. Data Entry and High School Career Prep “Money Matters” is the classes that are offered the 8th grade year. The students are selected according to the criteria of grades, attendance records, essays and teacher recommendations. Approximately thirty one percent of students in grades 8-12 are enrolled in one or more CTE courses.

The District has other programs such as Gifted & Talented Education (GATE) Program which is designed to meet the diverse and unique needs of the gifted population. The GATE curriculum is designed to be a springboard to learning through interdisciplinary themes and higher-level thinking skills that will incorporate the four core areas of language arts, mathematics, social studies, and science. Gifted and Talented students will be offered learning opportunities designed to enrich and stimulate thinking skills, maximize intellectual and artistic growth, promote creativity, and expand leadership abilities to prepare the student for lifelong success. GATE is a K-12 program in the District.

The District offers Bilingual Education for Limited English Proficiency (LEP) students whose native language is Spanish in grades PK through 6th. The goal of our bilingual education program is to enable students with limited English proficiency to become competent in comprehension, speaking, reading, and composition of the English language through the development of literacy and academic skills in their primary language and English. The district also offers a Transitional/Early exit program model. Students are instructed in their primary language to establish a strong foundation that will lead to successful transition into English. The child's language of instruction in English gradually increases as he/she gains proficiency according to the state's English Language Proficiency Standards. This program also offers English as a Second Language (ESL) to LEP students who speak other languages in grades PK through 6th as well as for all LEP students in grades 7th through 12th. The goal of our ESL language program is to enable limited English proficient students to become competent in the comprehension, speaking, reading, and composition of the English language through the integrated use of second language methods.

The District provides Special Education Program, a comprehensive educational program with complete educational opportunities essential to the full intellectual and social development of students with disabilities between the ages of 3 and 21. The needs of such students require resources and assistance beyond those available within the regular classroom. The District believes in educating students in the least restrictive environment. A full continuum of instructional and related services is available to eligible students, with initial consideration given to provision of services in the general education classroom to the greatest extent possible. The emphasis will be on flexibility, with an individually tailored education to be provided on campus and/or within a centralized program to address communication, cognitive, developmental, socio/emotional, physical, and/or medical challenges. The District's goal is to assist students in developing skills that will enable them to participate successfully in society by improving outcomes, both in learning and social situations.

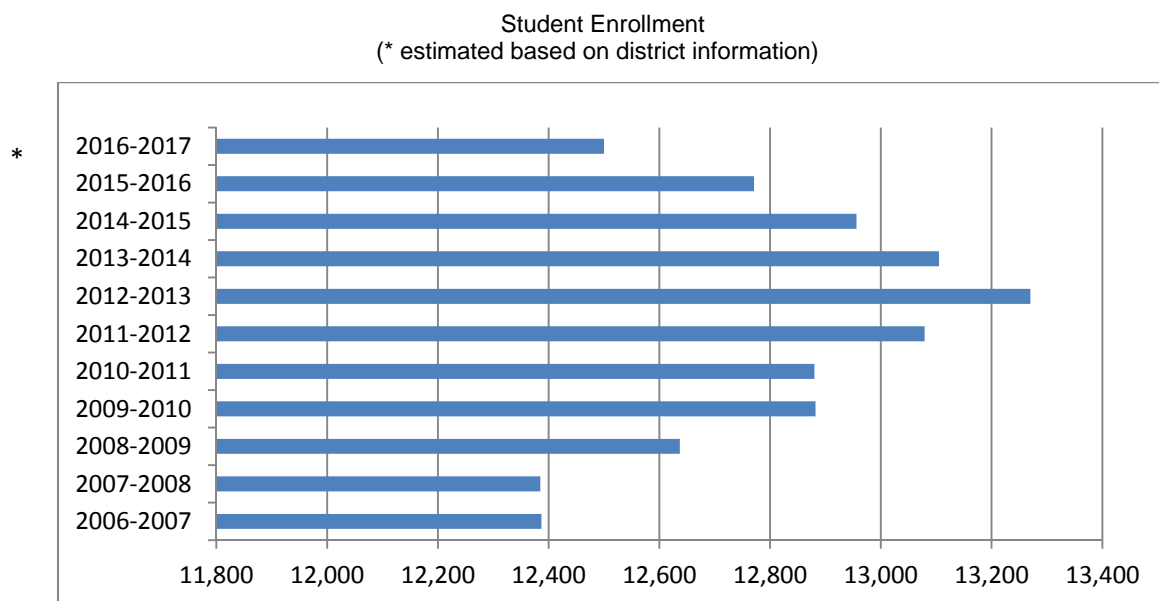
DESCRIPTION OF THE ENTITY

The Duncanville Independent School District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees, elected at large to staggered three-year terms by the District's residents, autonomously governs the District. The Board is the level of government which has oversight responsibility and control over all activities related to public school education within the District. Dallas County Appraisal District is used to place a value on the property and Dallas County Tax Office is used to collect the

District's portion of taxes. The District receives funding from local, state and federal governments sources and must comply with all the requirements of these funding sources entities.

There are has two charter schools, A.W. Brown Charter School and Harmony Nature School in the District that their primary source of funding comes through tuition and the Foundation School Program (FSP) which is based on the number and types of students attending school (what the agency calls average daily attendance [ADA]). Schools that choose to provide transportation to students receive additional state funds. Charter schools are not entitled to participate in the Instructional Facilities Allotment program or the Existing Debt Allotment program.

The Texas Education Agency and Southern Association of Colleges and Schools provide the District's K-12 education accreditation. The District is home to approximately 68,380 residents within an area of 29.4 square miles and serves four communities, the entire city of Duncanville and portions of Dallas, Cedar Hill, and Desoto. Enrollment in the District's eighteen campuses, these include nine elementary, three intermediate and three middle schools, one high school, and two alternative campuses, was 12,956 for the 2014-2015 fiscal year, of which 31% were enrolled at the high school level, 16% at the middle school level and 53% at the elementary level. The projected K-12 enrollment for 2015-2016 is 12,771.



The District has an extensive Internet website with individual home pages for all departments and campuses. At <http://www.duncanvilleisd.org/> families can locate a wealth of information, including a Edulog bus transportation package that identifies the schools which serve their addresses.

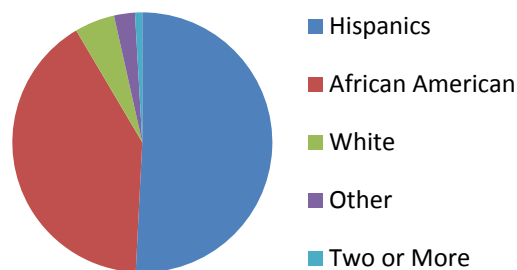
The class of 1936 was the first class to graduate from a fully-accredited school in Duncanville. Since the first class left Duncanville ISD as graduates, the community has evolved and changed in the past 79 years. Since the first building in 1936 we have continue to build school buildings up to the new Bond Construction Program of 2014. To see the Construction in process please note the attached website <http://www.duncanvilleisdbond.org/>. Currently, a culturally and ethnically diverse population offers the benefit of a "real world setting" to the patrons of the District. By embracing change and progress, Duncanville schools represent the ideal environment for families who place education as a top priority in their lives and the lives of their children.

The economy is the cause of the slowdown in the enrollment of the Duncanville District, the home building industry in particular. The 2013-2014 snapshot enrollment of 13,105 represents a 165-student decrease from the final enrollment of 2012-2013, a .99% loss. Possibly this is continuing to be a downswing from the loss of 149 student from the 2013-2014 year. We had a decrease in enrollment for the 2014-2015 school year to 12,956 which resulted in an additional .99% decrease.

Statistics

Student Demographics

Hispanics – 50.7%
 African American – 40.7%
 White – 5.0%
 Other – 2.5%
 Two or more - .9%
 Economically Disadvantaged – 75.08%
 Limited English Proficient – 15.53%
 Students w/Disciplinary Placements – .60%
 At Risk – 64.93%



Staff Demographics

Teachers – 47.38%
 Professional Support – 8.09%
 School Leadership – 2.96%
 Central Administration – 1.50%
 Educational Staff – 8.21%
 Auxiliary Staff – 31.86%

State of Texas Assessments of Academic Readiness

The State of Texas Assessments of Academic Readiness (STAAR) assessment replaced the Texas Assessment of Knowledge and Skills (TAKS), beginning in the 2011-2012 school year. Students in the graduating Class of 2015, who are currently in seventh grade, will be the first students who must meet the end-of-course testing requirements, as well as pass their classes, in order to earn a diploma.

STAAR will be used for the twelve (12) end-of-course assessments mandated by SB 1031 in 2007 and the new grade 3-8 assessments mandated by HB 3 in the 2009 legislative session. The new tests are significantly more rigorous than previous tests and will measure a child's performance as well as academic growth.

All District Grades Tested	Reading		Math		Social Studies		Science		Writing	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
All Students	70%	70%	65%	67%	74%	71%	67%	70%	67%	63%
African Amer.	66%	68%	58%	61%	73%	68%	63%	68%	66%	57%
Hispanic	72%	75%	69%	70%	74%	71%	68%	69%	68%	65%
White	82%	81%	76%	81%	85%	86%	84%	89%	72%	72%
Econ Disadv.	68%	50%	63%	66%	71%	67%	64%	68%	64%	60%

ECONOMIC CONDITION AND OUTLOOK

Introduction

Nestled in the wooded rolling hills of southwest Dallas County, among the most attractive scenery North Texas has to offer, is the city of Duncanville in Dallas County, Texas (USA). Duncanville is a suburb of Dallas and is part of the Best Southwest area, which includes Duncanville, Cedar Hill, Desoto, and Lancaster. The 2015 population of Duncanville is 39,221 with 5.30% unemployment rate. The job growth is 3.43% with future job growth over the next ten years is predicted to be 41.60%. The median home value in Duncanville is \$112,300. Home appreciation is 10.0% over the last year. The median age of Duncanville real estate is 36 years. Renters make up 30.22% of the Duncanville population. 5.63% of houses and apartments in Duncanville are unoccupied. Overall Cost of Living in Duncanville is 90.0% compared to the United States average. Economic development activities in Duncanville over the last 5-7 years indicate that our community remains on a slow rise. New businesses have started coming to the area.

Local Economy/Access

Duncanville provides businesses with a mature transportation infrastructure and convenient access to major freeways, railways and airports. Duncanville is literally minutes from Love Field (Southwest Airlines main hub), and DFW International Airport (American Airlines headquarters and one of the largest airports in the nation) is only twenty minutes away. The city sits just west of I-35E, a primary north & south highway in the center of Dallas county, while Interstate 20 crosses the north side of the city and Highway 67 runs through the east side. By providing companies with multiple means of access, Duncanville offers convenient and cost effective business opportunities at local, regional, national and international levels. The Duncanville Community & Economic Development Corporation (CEDC) continues to successfully recruit and retain dozens of businesses and further beautify this thriving city. In November 2005 the City broke ground on a 28 plus acre mixed use development that will consist of retail space, a financial institution, quality multi-family residential units, walking trails, fountains, and a five acre city park. This project generates annual retail sales of \$23,000,000 and annual sales tax revenues of \$448,000.00 and creating hundreds of jobs.

An example of a long-lasting sense of community spirit is the magical Kildsville playground. Over 5,000 citizens made it a reality by donating 36,000 hours of volunteer time, while Duncanville ISD students collected money for the project and local retailers supplied equipment, tools and materials. Attracting kids of all ages, it is still one of the largest volunteer-built creative wooden playgrounds in the United States, and is a monument to the community spirit of Duncanville.

In the fall of 2005, the City of Duncanville celebrated the opening of the Hilton Garden Inn Hotel and Banquet facility, an endeavor that city leaders worked toward for nearly a decade. The Community & Economic Development Corporation played a vital role in attracting this quality facility. Since opening, the Hilton reports record business and incredible success. Additionally, the City celebrated the opening of Costco in the summer of 2006.

Duncanville is next door to several exciting North Texas attractions. The Cedar Ridge Preserve (formerly Dallas Nature Center) is a 360-acre park that offers seven miles of hiking trails for enjoying scenic views, native trees, wildflowers, butterflies, birds, insects and other wildlife. Joe Pool Lake and Cedar Hill State Park, encompassing 30,000 acres, create a boating and fishing paradise encircled by mountain bike and walking trails. The Penn Farm Agricultural History Center located within the park shows the evolution of buildings constructed by the Penn family as they updated their farm with modern conveniences. Art from other cultures comes to life in the renowned International Museum of Cultures on the campus of the International Linguistics Center. Visitors gain a greater understanding of different ways of life of the culturally diverse peoples living today.

Duncanville is just minutes away from downtown Dallas, the Arts District, the new \$185,000,000 Perot Museum of Nature and Science, Klyde Warren Park over Woodall Rodgers, one of the few parks in the United States that is over a highway, the Meyerson Symphony Center, the American Airlines Arena (home of the Dallas Stars and Dallas Mavericks), AT&T Stadium in Arlington (home of the Dallas Cowboys), and the Ballpark in Arlington (home of the Texas Rangers).

In addition to educational facilities provided by Duncanville Independent School District, the city of Duncanville also offers many quality childcare centers. There are seventeen institutions of higher education in Dallas County, including Southern Methodist University, University of Texas at Dallas, University of North Texas System Center at Dallas, and the Dallas County Community College District.

FINANCIAL POLICIES

Internal and Budgetary Controls: The management of the District follows certain methods and procedures of accounting for revenues and disbursements as required by Texas Education Code. These methods and procedures are outlined by TEA Financial Accountability System Resources Guide. The business and purchasing operations of the District are under the direction of the Chief Financial and Operations Officer.

The District contracts with PrologicTEAMS for computer services, which record all revenues realized and all expenditures made during the fiscal year. The records include a statement showing total receipts from each fund, itemized according to source; total disbursements, itemized according to the nature of expenditures; and the balance on hand in each fund. The records are kept in the business office under the direction of the Chief Financial and Operations Officer.

The annual operating budget is a site-based decision making process. This process is designed to allow schools and central office departments to plan future operations in a manner which best serves the needs of students. Each principal/director works with a total appropriation. Individual allocations will be determined at the campus level and site-based shared decision-making requires input from the faculty.

Change in Fiscal Year

The District changed their fiscal year in 2013 to start July 1st. The change of fiscal year was approved by the Board under consideration of the House Bill (HB) 98 of the 76th Legislature (1999) which approved an option that allows Districts to change the start date for their fiscal year for financial management activities. According to HB 98, school Districts may choose a fiscal year that begins on either July 1 or September 1 of each year. Previously, the District operated with a fiscal year that began September 1st through August 31st.

State Funding Components

- Maintenance and Operations Tax Rate - \$1.04
- Interest and Sinking Tax Rate - \$.4895
- High School Allotment – \$275 per grades 9-12 ADA
- Basic Allotment – \$5,040
- Revenue at Compressed Rate per WADA – \$5,336
- Equalized Wealth Level – \$319,500
- A guaranteed yield to \$61.86 per penny of tax effort on the first 6 cents of local option.
- A guaranteed yield to \$31.95 per penny of tax effort on the last 11 cents of local option.
- Student transportation provides additional state funds.

Long-Term Financial Planning

The District has maintained its fund balance to insure that the needed resources are available to provide for current operations and unexpected situations:

- The Technology Department moved in June before the 2014-2015 school year into the renovated section of our Summit School for alternative education. The section is called the IDEA(Innovation/Developing/Engaging/Academics) Hub. This renovation and move allows the District to save money on a lease of a building we had with the City of Duncanville.
- For the future, the District is seeking to pay off outstanding financial obligations.

Major Initiatives

Capital Projects The community's approval of a \$102,545 million Bond Program, November 2, 2014 to replace two Elementary Schools and brought much-needed changes to many of the district facilities. In addition to constructing the two replacement elementary schools, through bond funding every existing campus is having technology renovations.

Independent Audit

A financial audit is required annually for each school district, and is to be made on an organization-wide basis, including all fund types and account groups that are the accounting responsibility of the school district. The Board of Trustees selected the accounting firm Hankins, Eastup, Deaton, Tonn and Seay, for the 2014-2015 financial audit.

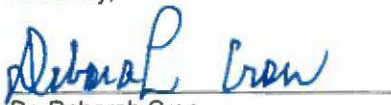
Summary of Achievements

- Senate Bill (SB) 218 of the 77th Legislature (2001) authorized the implementation of a financial accountability rating system called school FIRST (Financial Integrity Rating System of Texas). The District received the highest rating of Superior Achievement. This rating shows that the District's schools are accountable not only for student learning, but also for achieving those results cost effectively and efficiently. This rating is based upon an analysis of staff and student data reported for the 2013-2014 school year and budgetary and actual financial data for the fiscal year ending June 30, 2014. The District has received a Superior Achievement rating for the past thirteen years.
- According to the No Child Left Behind Act, school districts are required to meet the state's measurable highly qualified requirements. For the fourteenth year in a row, the District has 100% of the core academic subjects taught by highly qualified teachers.
- All of the District's campuses Met TEA School Accountability Standards for TEA School Accountability Standards for 2015.
- The Texas Comptroller's Office awarded a Fifth Year Platinum Award to the District for the Texas Comptroller Leadership Circle Program 2011, 2012, 2013, 2014 and 2015. This award is given to local governments across the state of Texas striving to meet a high standard for financial transparency online.
- Received the ASBO Certificate of Excellence in Financial Reporting Award for a second time for the fiscal year end of June 30, 2014.
- Received the Government Finance Officers Association, Certificate of Achievement for Excellence in Financial Reporting for a third time for the fiscal year end of June 30, 2012, June 30, 2013, and June 30 2014.

Acknowledgements

The presentation and development of this report would not be possible without the special efforts of Stefani Pudgurney – Director of Accounting, Learning Services, Human Resources and other staff members. We would also like to express our appreciation to the Board of Trustees for their interest and support regarding District financial operations.

Sincerely,



Dr. Deborah Cron
Interim Superintendent



Ronald Kuehler
Chief Financial and Operations Officer

Duncanville Independent School District Board of Trustees



PHIL MCNEELY
President
Place 2
Term Expires 2016



ELIJAH GRANGER
Vice – President
Place 5
Term Expires 2017



CARLA FAHEY
Secretary
Place 7
Term Expires 2018



TOM KENNEDY
Place 1
Term Expires 2016



RENE MCNEELY
Place 4
Term Expires 2017



JANICE SAVAGE-MARTIN
Place 6
Term Expires 2018



MARLIES PEREGORY
Place 3
Term Expires 2016

*Duncanville Independent School District
Administrators and Consultants*

Administrative Staff



*DR. DEBORAH CRON
Interim Superintendent of Schools*

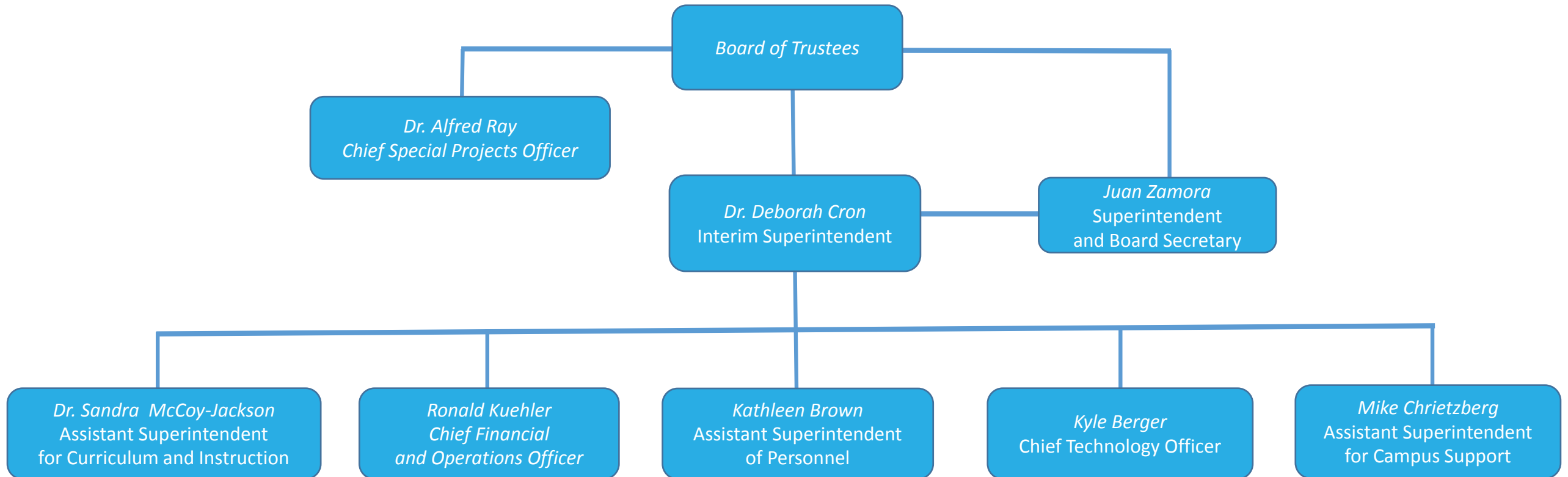
Mike Chrietzberg.....Assistant Superintendent for Campus Support
Dr. Sandra McCoy-Jackson.....Assistant Superintendent for Curriculum and Instruction
Kathleen Brown.....Assistant Superintendent of Personnel
Tiara Richards..... Chief Communications Officer
Ronald Kuehler.....Chief Financial and Operations Officer
Kyle Berger.....Chief of Technology

Consultants and Advisors

Hankins, Eastup, Deaton, Tonn & Seay.....Independent Auditor
Strasburger & Price.....Legal Counsel
BOSC, Inc.....Financial Advisor
McCall, Parkhurst & Horton.....Bond Counsel



Duncanville ISD





Government Finance Officers Association

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

Presented to

**Duncanville Independent
School District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Association of School Business Officials International



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

Duncanville Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director

CERTIFICATE OF BOARD

Duncanville Independent School District
Name of School District

Dallas
County

057-907
Co. - Dist. Number

We, the undersigned, certify that the attached annual financial report on the above named school district was reviewed and (check one) (☒) approved (☐) disapproved for the year ended June 30, 2015, at a meeting of the board of school trustee of such school district on the 11th day of December, 2015.

Carla Fahey
Signature of Board Secretary

Phil McKeely
Signature of Board President

Page Intentionally Left Blank



Financial Section

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
Independent Auditors' Report

To the Board of Trustees
Duncanville Independent School District
Duncanville, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 17 to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as of June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 19 through 27 and the *pension schedules* on pages 70 and 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Duncanville Independent School District's basic financial statements. The introductory section, other supplementary information (as described in the accompanying table of contents), required Texas Education Agency schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2015 on our consideration of Duncanville Independent School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Duncanville Independent School District's internal control over financial reporting and compliance.


Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 2, 2015

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

This section of Duncanville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2015. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

On a Government-wide Basis:

- The District's total net position was \$25,156,462 at June 30, 2015. A total of \$16,318,330 is unrestricted and may be used to meet the District's ongoing obligations.
- The District's total net position increased by \$3,025,782 during the fiscal year from the result of current year operations. Total net position at the beginning of the fiscal year decreased by \$17,578,760 due to new standards that required recording of the District's proportionate share of the Texas Teacher Retirement System's net pension liability.
- The total cost of the District's programs was \$129,767,067 for the year ended June 30, 2015.

In accordance with Fund Accounting:

- The District's governmental funds financial statements reported a combined ending fund balance of \$149,657,067. Of this amount, the General Fund includes \$289,122 of nonspendable funds, \$815,000 committed for the District's retirement plan, \$3,116,977 of assigned fund balance, and \$39,588,525 of unassigned fund balance available for spending at the District's discretion. The Special Revenue Funds have a fund balance of \$1,001,843 primarily restricted or committed with a small portion in the nonspendable and assigned categories. Fund balance of \$104,845,600 is restricted for use by the Debt Service and Capital Projects Funds.
- The District's General Fund reported an unassigned fund balance of \$39,588,525 or 40.2% of the total General Fund expenditures for the year ended June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
 - *Governmental fund* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

Government-wide Statements

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

The two government-wide statements, *statement of net position* and *statement of activities*, report the District's *net position* and how it has changed. Net position—the difference of the District's assets, and deferred outflows and resources; less liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

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

The government-wide financial statements of the District include the *governmental activities*. These statements recognize the District's functions, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration as being primarily supported by property taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 18 and 19 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because the focus of the governmental funds is shorter-term than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s short-term financing decisions. In addition, reconciliations are provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to aid in the comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found beginning on page 20 of this report. Page 28 also includes a Budgetary Comparison Statement for the General Fund.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. There are two types of proprietary funds:
 - *Internal service funds* are used to report activities that provide supplies and services for the District’s other programs and activities—such as the District’s Worker’s Compensation Self Insurance Fund.
 - *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District does not maintain any *enterprise funds*.

The basic proprietary fund financial statements can be found beginning on page 29 of this report.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position that can be found on pages 29 and 30 of this report. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 34 of this report.

Other Information

This report also presents certain *required supplementary information, combining schedules, and other information* required by the Texas Education Agency that further explains and supports the information in the financial statements. The required supplementary information, combining schedules, and other TEA required information can be found on pages 58-77 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's *combined* net position was \$25,156,462 at June 30, 2015. (See Table A-1).

Table A-1

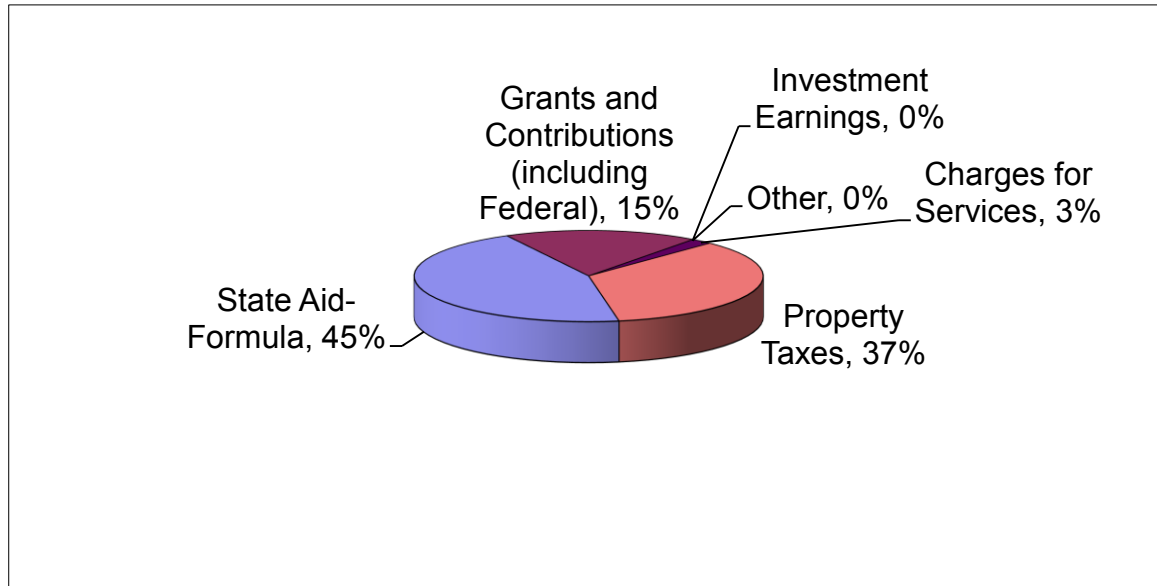
	Governmental Activities		Percentage Change
	June 30, 2015	June 30, 2014	
Current and Other Assets	166,371,458	65,161,373	155%
Capital Assets	159,129,221	164,313,141	-3%
Total Assets	325,500,679	229,474,514	42%
Deferred Outflows of Resources	8,027,088	6,893,289	16%
Current Liabilities	13,666,510	12,282,355	11%
Noncurrent Liabilities	290,021,599	184,376,008	57%
Total Liabilities	303,688,109	196,658,363	54%
Deferred Inflows of Resources	4,683,196	-	N/A
Net Position:			
Net Investment in Capital Assets	(927,924)	3,815,635	N/A
Restricted	9,766,056	9,343,858	5%
Unrestricted	16,318,330	26,549,947	-39%
Total Net Position	25,156,462	39,709,440	-37%

Net investment in capital assets (e.g. land, buildings, furniture, and equipment) is (\$927,924). Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional amount, \$9,766,056 (restricted net position), represents resources that are subject to external limitations on how they may be used. The remaining \$16,318,330 (unrestricted net position) represents resources available to fund future activities of the District.

Change in net position. The District's total revenues were \$132,792,849. Forty-five percent of the District's revenues comes from state allocations – formula grants and thirty-seven percent from property taxes. (See Figure A-1) Sixteen percent relates to grants and contributions (including federal funds).

Figure A-1

District Sources of Revenue for Fiscal Year 2015



Governmental Activities. The total cost of all programs and services was \$129,767,067 (See Table A-2); 54% of these costs are for instruction and instructional related services.

Table A-2

	Governmental Activities		Total % Change
	Year Ended June 30, 2015	Year Ended June 30, 2014	
Revenues			
<u>Program Revenues</u>			
Charges for Services	3,996,241	2,315,702	73%
Operating Grants and Contributions	20,719,274	23,133,249	-10%
<u>General Revenues</u>			
Property Taxes	48,702,129	46,600,695	5%
State aid - Formula	59,108,704	60,099,570	-2%
Grants and Contributions	1,000	49,830	-98%
Investment earnings	26,692	20,971	27%
Other	238,809	239,353	-
Total Revenues	132,792,849	132,459,370	-
Expenses			
Instruction	65,346,809	63,316,082	3%
Instructional Resources & Media Services	1,014,799	985,942	3%
Curriculum and Staff Development	3,859,002	3,755,404	3%
Instructional Leadership	1,963,999	2,283,469	-14%
School Leadership	6,417,454	6,169,919	4%
Guidance, Counseling and Evaluation Services	4,404,532	4,165,357	6%
Social Work Services	46,054	42,845	7%
Health Services	1,105,745	1,082,444	2%
Student (Pupil) Transportation	3,918,072	3,235,654	21%
Food Services	7,560,833	7,777,268	-3%
Extracurricular Activities	3,012,097	2,812,124	7%
General Administration	3,535,368	3,070,088	15%
Plant Maintenance and Operations	11,312,346	11,384,624	-1%
Security and Monitoring Services	1,330,896	1,088,207	22%
Data Processing Services	3,186,471	2,303,696	38%
Community Services	348,410	414,328	-16%
Debt Service - Interest on Long Term Debt	8,584,286	8,406,530	2%
Debt Service - Bond Issuance Cost and Fees	978,412	19,135	5013%
Capital Outlay	1,565,444	-	N/A
Payments to Juvenile Justice Alternative Ed. Prg.	57,378	97,812	-41%
Other Intergovernmental Charges	218,660	216,068	1%
Total Expenses	129,767,067	122,626,996	6%
Increase (Decrease) in Net Position	3,025,782	9,832,374	-69%
Beginning Net Position	39,709,440	29,877,066	33%
Prior Period Adjustment	(17,578,760)	-	N/A
Ending Net Position	25,156,462	39,709,440	-37%

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

- The cost of all *governmental* activities for the year was \$129,767,067.
- The amount that our taxpayers paid for these activities through property taxes was \$48,702,129.
- Some of the cost was paid by those who directly benefited from the programs \$3,996,241, or
- By operating grants and contributions \$20,719,274.

Table A-3
Net Cost of Selected District Functions

	Total Cost of Service		Total % Change	Net Cost of Services		Total % Change
	Year Ended June 30, 2015	Year Ended June 30, 2014		Year Ended June 30, 2015	Year Ended June 30, 2014	
Instruction	65,346,809	63,316,082	3.21%	55,754,752	54,441,683	2.41%
Facilities Maintenance and Operations	11,312,346	11,384,624	-0.63%	10,862,492	11,006,716	-1.31%
Debt Service	9,562,698	8,504,342	12.44%	7,075,588	4,703,263	50.44%
Food Services	7,560,833	7,777,268	-2.78%	146,418	264,144	-44.57%
School Leadership	6,417,454	6,169,919	4.01%	6,074,023	5,912,099	2.74%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues of the General Fund totaled \$103,238,716, an increase of 1.7% compared to the preceding period's General Fund revenues. Local revenues increased by 5.1% due to an increase in property values, state revenues decreased 0.5%, and federal revenues in the General Fund increased by 12.8%. The state funding formula was increased for the current fiscal year by the state. The increase in the funding formula was offset by a 0.6% decrease in average daily attendance.

Debt Service Fund revenues increased due to a 5.3% increase in taxable values. Debt service expenditures increased 7.7% due to a one-time \$1.145 million principal redemption. The Capital Projects Fund accounted for a new \$88.17 million (par value) bond issue in fiscal year 2015.

General Fund Budgetary Highlights

Over the course of the fiscal period, the District amended its budget several times. Even with these adjustments, actual expenditures were \$3,488,648 below final budgeted amounts. The most significant positive variances resulted from instruction, curriculum and instructional staff development and facilities maintenance and operations. A portion of the positive variance for instruction is due to payroll costs being less than anticipated. The positive variance for curriculum and instructional staff development and the positive variance in facilities maintenance and operations were due to cost savings during the year.

Additionally, resources available were \$3.1 million above the final budgeted amounts. The positive variance is primarily due to additional state funding and federal SHARS funding in excess of budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2015, the District had invested \$299,286,127 in a broad range of capital assets, including land, land improvements, buildings and improvements and furniture and equipment (See Table A-4). This amount represents a net increase (including additions and deductions) of \$1,299,358 or .44 percent more than last year.

Table A-4
District's Capital Assets

	Governmental Activities	Total %
	June 30,	June 30,
	<u>2015</u>	<u>2014</u>
Land	5,151,359	5,151,359
Construction in Progress	1,300,788	-
Land Improvements	8,831,764	8,831,764
Buildings and Improvements	266,307,139	266,187,743
Furniture and Equipment	17,695,077	17,815,903
Totals at Historical Cost	<u>299,286,127</u>	<u>297,986,769</u>
		0.44%
Total Accumulated Depreciation	(140,156,906)	(133,673,628)
Net Capital Assets	<u>159,129,221</u>	<u>164,313,141</u>
		-3.15%

More detailed information about the District's capital assets is presented in Note 6 to the financial statements.

Long-Term Debt

At June 30, 2015, the District had \$274,712,184 in bonds payable as shown in Table A-5. During the current fiscal year, the District issued \$88.17 million (par value) of new school building bonds to finance approved construction and other projects. More detailed information about the District's debt is presented in Notes 9 through 12 to the financial statements.

Table A-5
District's Long Term Debt

	Governmental Activities	Total %
	June 30,	June 30,
	<u>2015</u>	<u>2014</u>
General Obligation Bonds	225,991,096	144,385,236
Accreted Interest	14,639,319	16,697,391
		56.52%
Bond Premium/Discount	34,081,769	23,293,381
		-12.33%
Total Long-Term Debt	<u>274,712,184</u>	<u>184,376,008</u>
		49.00%

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows:
Moody's Investor Services "Aa3" and Standard & Poors "AA-"

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Appraised value used for the 2016 budget preparation increased 5.4% from the previous year.
- The District's refined average daily attendance (ADA) was based on a decrease in enrollment of approximately 100 students.
- State funding is estimated to decrease approximately \$500,000 in 2016 due to higher local tax collections and lower ADA.

These indicators were taken into account when adopting the general fund budget for 2016. Amounts available for appropriation in the general fund budget are \$102.2 million, a decrease of 1.0 percent compared to the 2015 actual revenue of \$103.2 million. Expenditures are budgeted at \$105.3 million in 2016, an increase of 6.8 percent, mainly due to an increase in personnel costs. General operating fund spending per student is approximately \$8,194 in the 2016 budget.

The District's maintenance and operations tax rate remained \$1.04 per \$100 of taxable value for the 2015 fiscal year. The debt service tax rate increased from \$0.37 per \$100 of taxable value to \$0.4895 per \$100 of taxable value for the 2016 fiscal year due to increased debt service payments related to the 2015 bond series.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the District's Financial Services Department.



Duncanville
Independent School District
2015

BASIC FINANCIAL STATEMENTS

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 144,119,444
1220 Property Taxes Receivable (Delinquent)	2,772,541
1230 Allowance for Uncollectible Taxes	(138,627)
1240 Due from Other Governments	19,202,203
1290 Other Receivables, net	5,324
1300 Inventories	410,573
Capital Assets:	
1510 Land	5,151,359
1520 Buildings, Net	149,980,989
1530 Furniture and Equipment, Net	2,696,085
1580 Construction in Progress	1,300,788
1000 Total Assets	325,500,679
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge on Bond Refundings	4,728,166
1705 Deferred Outflows Related to TRS	3,298,922
1700 Total Deferred Outflows of Resources	8,027,088
LIABILITIES	
2110 Accounts Payable	1,746,920
2140 Accrued Interest Payable	1,037,709
2150 Payroll Deductions & Withholdings	911,659
2160 Accrued Wages Payable	9,488,857
2200 Accrued Expenses	407,531
2300 Unearned Revenue	73,834
Noncurrent Liabilities	
2501 Due Within One Year	8,834,050
2502 Due in More Than One Year	265,878,134
2540 Net Pension Liability (District's Share)	15,309,415
2000 Total Liabilities	303,688,109
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflows Related to TRS	4,683,196
2600 Total Deferred Inflows of Resources	4,683,196
NET POSITION	
3200 Net Investment in Capital Assets	(927,924)
3820 Restricted for Federal and State Programs	594,258
3850 Restricted for Debt Service	9,171,798
3900 Unrestricted	16,318,330
3000 Total Net Position	\$ 25,156,462

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

EXHIBIT B-1

FOR THE YEAR ENDED JUNE 30, 2015					Net (Expense) Revenue and Changes in Net Position
Data	Program Revenues				
Control	1	3	4	6	
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11 Instruction	\$ 65,346,809	\$ 2,231,087	\$ 7,360,970	\$ (55,754,752)	
12 Instructional Resources and Media Services	1,014,799	34,005	36,156	(944,638)	
13 Curriculum and Staff Development	3,859,002	4,291	870,185	(2,984,526)	
21 Instructional Leadership	1,963,999	-	285,781	(1,678,218)	
23 School Leadership	6,417,454	13,288	330,143	(6,074,023)	
31 Guidance, Counseling and Evaluation Services	4,404,532	-	1,390,242	(3,014,290)	
32 Social Work Services	46,054	-	2,042	(44,012)	
33 Health Services	1,105,745	261	56,365	(1,049,119)	
34 Student (Pupil) Transportation	3,918,072	-	900,018	(3,018,054)	
35 Food Services	7,560,833	1,224,683	6,189,732	(146,418)	
36 Extracurricular Activities	3,012,097	349,708	95,731	(2,566,658)	
41 General Administration	3,535,368	-	256,166	(3,279,202)	
51 Facilities Maintenance and Operations	11,312,346	137,352	312,502	(10,862,492)	
52 Security and Monitoring Services	1,330,896	426	35,197	(1,295,273)	
53 Data Processing Services	3,186,471	-	61,965	(3,124,506)	
61 Community Services	348,410	1,140	48,969	(298,301)	
72 Debt Service - Interest on Long Term Debt	8,584,286	-	2,487,110	(6,097,176)	
73 Debt Service - Bond Issuance Cost and Fees	978,412	-	-	(978,412)	
81 Capital Outlay	1,565,444	-	-	(1,565,444)	
95 Payments to Juvenile Justice Alternative Ed. Prg.	57,378	-	-	(57,378)	
99 Other Intergovernmental Charges	218,660	-	-	(218,660)	
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 129,767,067	\$ 3,996,241	\$ 20,719,274	(105,051,552)	

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	35,924,406
DT	Property Taxes, Levied for Debt Service	12,777,723
SF	State Aid - Formula Grants	59,108,704
GC	Grants and Contributions not Restricted	1,000
IE	Investment Earnings	26,692
MI	Miscellaneous Local and Intermediate Revenue	238,809
TR	Total General Revenues	108,077,334
CN	Change in Net Position	3,025,782
NB	Net Position - Beginning	49,697,030
PA	Prior Period Adjustment - Required by GASB 68 & 71	(17,578,760)
NE	Net Position--Ending	\$ 35,144,052

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 37,261,887	\$ 9,597,280	\$ 96,371,465
1220 Property Taxes - Delinquent	2,086,793	685,748	-
1230 Allowance for Uncollectible Taxes (Credit)	(104,340)	(34,287)	-
1240 Receivables from Other Governments	16,887,506	-	-
1260 Due from Other Funds	1,459	-	-
1290 Other Receivables	427	-	-
1300 Inventories	289,122	-	-
1000 Total Assets	<u>\$ 56,422,854</u>	<u>\$ 10,248,741</u>	<u>\$ 96,371,465</u>
LIABILITIES			
2110 Accounts Payable	\$ 604,515	\$ -	\$ 1,083,911
2150 Payroll Deductions and Withholdings Payable	911,659	-	-
2160 Accrued Wages Payable	8,914,218	-	-
2170 Due to Other Funds	-	1,459	-
2200 Accrued Expenditures	200,385	-	-
2300 Unearned Revenues	-	37,775	-
2000 Total Liabilities	<u>10,630,777</u>	<u>39,234</u>	<u>1,083,911</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,982,453	651,461	-
2600 Total Deferred Inflows of Resources	<u>1,982,453</u>	<u>651,461</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	289,122	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	95,287,554
3480 Retirement of Long-Term Debt	-	9,558,046	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	815,000	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	3,116,977	-	-
3600 Unassigned Fund Balance	39,588,525	-	-
3000 Total Fund Balances	<u>43,809,624</u>	<u>9,558,046</u>	<u>95,287,554</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 56,422,854</u>	<u>\$ 10,248,741</u>	<u>\$ 96,371,465</u>

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

Other Funds	Total Governmental Funds
\$ (765,620)	\$ 142,465,012
-	2,772,541
-	(138,627)
2,314,697	19,202,203
-	1,459
8	435
121,451	410,573
<u>\$ 1,670,536</u>	<u>\$ 164,713,596</u>
\$ 58,494	\$ 1,746,920
-	911,659
574,140	9,488,358
-	1,459
-	200,385
36,059	73,834
<u>668,693</u>	<u>12,422,615</u>
-	2,633,914
-	2,633,914
121,451	410,573
472,807	472,807
-	95,287,554
-	9,558,046
405,723	1,220,723
1,862	3,118,839
-	39,588,525
<u>1,001,843</u>	<u>149,657,067</u>
<u>\$ 1,670,536</u>	<u>\$ 164,713,596</u>

Page Intentionally Left Blank

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 JUNE 30, 2015

Total Fund Balances - Governmental Funds	\$ 149,657,067
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and transportation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,451,676
2 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	299,286,127
3 Accumulated depreciation is not reported in the fund financial statements.	(140,156,906)
4 Bonds payable are not reported in the fund financial statements.	(225,991,096)
5 Accreted interest payable on capital appreciation bonds is not reported in the fund financial statements.	(14,639,319)
6 Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	2,633,914
7 Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(1,037,709)
8 Bond premiums are not recognized in the fund financial statements.	(34,081,769)
9 Deferred charges on bond refundings are not recognized in the fund financial statements.	4,728,166
10 Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$15,309,415, Deferred Resource Inflows related to TRS in the amount of \$4,683,196, and Deferred Resource Outflows related to TRS in the amount of \$3,298,922. This results in a decrease in Net Position in the amount of \$16,693,689.	(16,693,689)
19 Net Position of Governmental Activities	\$ 25,156,462

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 36,777,158	\$ 12,820,468	\$ 2,269
5800 State Program Revenues	64,400,414	2,487,110	-
5900 Federal Program Revenues	2,061,144	-	-
5020 Total Revenues	103,238,716	15,307,578	2,269
EXPENDITURES:			
Current:			
0011 Instruction	55,814,165	-	-
0012 Instructional Resources and Media Services	860,650	-	-
0013 Curriculum and Instructional Staff Development	3,175,979	-	-
0021 Instructional Leadership	1,645,232	-	-
0023 School Leadership	6,375,348	-	-
0031 Guidance, Counseling and Evaluation Services	3,276,639	-	-
0032 Social Work Services	43,993	-	-
0033 Health Services	1,109,252	-	-
0034 Student (Pupil) Transportation	3,787,010	-	38,950
0035 Food Services	-	-	-
0036 Extracurricular Activities	2,724,004	-	-
0041 General Administration	3,416,326	-	-
0051 Facilities Maintenance and Operations	11,322,744	-	-
0052 Security and Monitoring Services	1,310,554	-	-
0053 Data Processing Services	3,160,004	-	99,719
0061 Community Services	300,564	-	-
Debt Service:			
0071 Principal on Long Term Debt	-	5,799,140	-
0072 Interest on Long Term Debt	-	9,661,534	-
0073 Bond Issuance Cost and Fees	-	155,284	823,128
Capital Outlay:			
0081 Facilities Acquisition and Construction	488	-	2,648,868
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	57,378	-	-
0099 Other Intergovernmental Charges	218,660	-	-
6030 Total Expenditures	98,598,990	15,615,958	3,610,665
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	4,639,726	(308,380)	(3,608,396)
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	8,835,000	-
7911 Capital Related Debt Issued (Regular Bonds)	-	-	88,170,000
7916 Premium or Discount on Issuance of Bonds	-	1,724,240	10,438,128
8949 Other (Uses)	-	(9,815,608)	-
7080 Total Other Financing Sources (Uses)	-	743,632	98,608,128
1200 Net Change in Fund Balances	4,639,726	435,252	94,999,732
0100 Fund Balance - July 1 (Beginning)	39,169,898	9,122,794	287,822
3000 Fund Balance - June 30 (Ending)	\$ 43,809,624	\$ 9,558,046	\$ 95,287,554

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

	Other Funds	Total Governmental Funds
\$	1,684,471	\$ 51,284,366
	861,939	67,749,463
	11,900,856	13,962,000
	14,447,266	132,995,829
	4,733,765	60,547,930
	34,031	894,681
	713,314	3,889,293
	198,375	1,843,607
	26,232	6,401,580
	1,123,744	4,400,383
	-	43,993
	261	1,109,513
	-	3,825,960
	7,266,764	7,266,764
	278,357	3,002,361
	-	3,416,326
	136,732	11,459,476
	16,313	1,326,867
	-	3,259,723
	34,051	334,615
	-	5,799,140
	-	9,661,534
	-	978,412
	-	2,649,356
	-	57,378
	-	218,660
	14,561,939	132,387,552
	(114,673)	608,277
	-	8,835,000
	-	88,170,000
	-	12,162,368
	-	(9,815,608)
	-	99,351,760
	(114,673)	99,960,037
	1,116,516	49,697,030
\$	1,001,843	\$ 149,657,067

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds	\$ 99,960,037
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net effect of this consolidation is to increase net position.	42,946
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	2,492,059
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(7,573,853)
Current year long-term debt principal payments on bonds payable and payments of accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	9,871,530
Current year interest accretion on capital appreciation bonds is not reflected in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(2,014,318)
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	1,373,980
Revenues from property taxes are not recognized in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.	(202,980)
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	25,927
Current year amortization of the deferred charges on bond refundings is not recognized in the fund financial statements, but is shown as a reduction of the deferred charges in the government-wide financial statements.	(2,249,356)
The current year issuance of refunding bonds and regular bonds is shown as other resources in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	(97,005,000)

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

The premiums on the current year issuance of refunding bonds and regular bonds are recorded as other financing sources in the fund financial statements, but are shown as an increase in long-term debt in the government-wide financial statements.	(12,162,368)
The current year payment to the escrow agent for refunding debt is an other financing use in the fund financial statements, but is reported as a reduction in long-term debt in the government-wide financial statements. The payment of \$9,815,608 include the payments to refund bonds of \$9,600,000 plus accrued interest of \$131,375 and a deferred loss on bond refundings of \$84,233.	9,684,233
In the statement of activities, the loss on the asset disposal is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balances by the cost of assets disposed.	(102,126)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase \$2,067,028. Contributions made before the measurement but during the 2015 FY were also de-expended and recorded as a reduction in the net pension liability of the District. This also caused an increase in the change in net position of \$233,127. These contributions were replaced with the District's pension expense for the measurement year of \$1,415,084, which results in a decrease in the change in net position. The net effect of all of these is to increase the change in net position by \$885,071.	885,071
Change in Net Position of Governmental Activities	<u><u>\$ 3,025,782</u></u>

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 36,198,611	\$ 36,205,464	\$ 36,777,158	\$ 571,694
5800 State Program Revenues	63,054,976	63,054,976	64,400,414	1,345,438
5900 Federal Program Revenues	925,000	925,000	2,061,144	1,136,144
5020 Total Revenues	100,178,587	100,185,440	103,238,716	3,053,276
EXPENDITURES:				
Current:				
0011 Instruction	57,575,462	57,596,730	55,814,165	1,782,565
0012 Instructional Resources and Media Services	948,736	948,621	860,650	87,971
0013 Curriculum and Instructional Staff Development	3,060,688	3,522,283	3,175,979	346,304
0021 Instructional Leadership	1,748,740	1,741,354	1,645,232	96,122
0023 School Leadership	6,385,404	6,430,402	6,375,348	55,054
0031 Guidance, Counseling and Evaluation Services	3,283,186	3,254,692	3,276,639	(21,947)
0032 Social Work Services	44,647	44,647	43,993	654
0033 Health Services	1,183,339	1,183,016	1,109,252	73,764
0034 Student (Pupil) Transportation	3,362,583	3,373,583	3,787,010	(413,427)
0035 Food Services	90,000	90,000	-	90,000
0036 Extracurricular Activities	2,520,075	2,747,213	2,724,004	23,209
0041 General Administration	3,478,968	3,480,868	3,416,326	64,542
0051 Facilities Maintenance and Operations	10,973,000	12,070,923	11,322,744	748,179
0052 Security and Monitoring Services	1,331,912	1,326,859	1,310,554	16,305
0053 Data Processing Services	3,305,330	3,390,730	3,160,004	230,726
0061 Community Services	214,917	214,117	300,564	(86,447)
Debt Service:				
0071 Principal on Long Term Debt	335,000	335,000	-	335,000
0072 Interest on Long Term Debt	9,600	9,600	-	9,600
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	488	(488)
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	100,000	100,000	57,378	42,622
0099 Other Intergovernmental Charges	227,000	227,000	218,660	8,340
6030 Total Expenditures	100,178,587	102,087,638	98,598,990	3,488,648
1200 Net Change in Fund Balances	-	(1,902,198)	4,639,726	6,541,924
0100 Fund Balance - July 1 (Beginning)	39,169,898	39,169,898	39,169,898	-
3000 Fund Balance - June 30 (Ending)	\$ 39,169,898	\$ 37,267,700	\$ 43,809,624	\$ 6,541,924

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,654,432
Other Receivables	4,889
	<hr/>
Total Assets	1,659,321
	<hr/>
LIABILITIES	
Current Liabilities:	
Accrued Wages Payable	499
Accrued Expenses	207,146
	<hr/>
Total Liabilities	207,645
	<hr/>
NET POSITION	
Unrestricted Net Position	1,451,676
	<hr/>
Total Net Position	\$ 1,451,676
	<hr/>

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 753,859
Total Operating Revenues	<u>753,859</u>
OPERATING EXPENSES:	
Payroll Costs	150,787
Professional and Contracted Services	5,000
Other Operating Costs	555,432
Total Operating Expenses	<u>711,219</u>
Operating Income	<u>42,640</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>306</u>
Total Nonoperating Revenues (Expenses)	<u>306</u>
Change in Net Position	42,946
Total Net Position - July 1 (Beginning)	<u>1,408,730</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 1,451,676</u></u>

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from District	\$ 630,767
Internal Activity - Receipts from Other Fund	123,504
Cash Payments to Employees for Services	(150,697)
Cash Payments for Insurance Claims	(460,210)
Cash Payments for Suppliers	(5,258)
Net Cash Provided by Operating Activities	<u>138,106</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<u>306</u>
Net Increase in Cash and Cash Equivalents	138,412
Cash and Cash Equivalents at Beginning of Year	<u>1,516,020</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,654,432</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 42,640
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Other Receivables	(4,477)
Increase (decrease) in Accounts Payable	(258)
Increase (decrease) in Accrued Wages Payable	90
Increase (decrease) in Accrued Expenses	<u>100,111</u>
Net Cash Provided by Operating Activities	<u>\$ 138,106</u>

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 54,267	\$ 127,981
Total Assets	<u>54,267</u>	<u>\$ 127,981</u>
LIABILITIES		
Accounts Payable	1,080	\$ -
Due to Student Groups	-	127,981
Total Liabilities	<u>1,080</u>	<u>\$ 127,981</u>
NET POSITION		
Unrestricted Net Position	<u>53,187</u>	
Total Net Position	<u>\$ 53,187</u>	

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private Purpose Trust Funds
ADDITIONS:	
Local and Intermediate Sources	\$ 29
Total Additions	<u>29</u>
DEDUCTIONS:	
Other Operating Costs	<u>500</u>
Total Deductions	<u>500</u>
Change in Net Position	(471)
 Total Net Position - July 1 (Beginning)	 <u>53,658</u>
 Total Net Position - June 30 (Ending)	 <u><u>\$ 53,187</u></u>

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

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Duncanville Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds. The following is a summary of the more significant accounting policies of the District.

Reporting Entity

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity and the District is not included in any other governmental reporting entity.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Duncanville Independent School District non-fiduciary activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amounts.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the proprietary funds Statement of Net Position. Net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Fund Accounting

The District reports the following major governmental funds:

1. **General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Fund** – The debt service fund is utilized to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.
3. **Capital Projects Fund** – The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of General Obligation Bonds and interest earned on such monies and local sources designated for such purpose.

Additionally, the District reports the following nonmajor fund type(s):

Governmental Funds

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds

Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are for transportation, a print shop, and the District's Worker's Compensation Self-Insurance Fund.

Fiduciary Funds

Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Funds are scholarship funds that are awarded to current and former students for post-secondary education purposes.

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Implementation of New Standards

In the current fiscal year, the District implemented the following new standards:

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 71") amends the transition provisions of GASB 68. GASB 71 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

Cash and Cash Equivalents

For the purposes of the statement of cash flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Investments

In accordance with GASB Statement No. 31, the District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Inventories of Supplies and Materials

Supplies and materials to be utilized in governmental funds are recorded as expenditures under the consumption method. Under the consumption method, cost is recorded as an expenditure in the period supplies and materials are utilized. Supplies and materials purchased for the subsequent year are recorded by specific identification. All inventories are capitalized at cost using the first-in, first-out valuation method.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Property Taxes

Property taxes are levied by October 1, on the assessed value listed as of January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	7-30
Vehicles	5-10
Office equipment	5-20
Computer equipment	5

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when incurred.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- continued

Long-Term Debt- continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources. Net position investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent long-term debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation's adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is available for the general use of the District.

When both restricted and unrestricted net position is available, restricted net position is expended before unrestricted net position if such use is consistent with the restricted purpose.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation until expended or accrued as a liability of the fund, is employed as an integral part of the accounting system. There were no material encumbrances outstanding as of year-end.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

Estimates

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

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2015 will change.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. FUND BALANCES

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories as being nonspendable as these items are not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital projects resources are restricted for future capital outlay. Federal and State grant resources are restricted because their use is restricted pursuant to the grant requirements.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees has committed resources as of June 30, 2015 for the District's retirement incentive plan and for campus activities.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. The General Fund has assigned fund balance equal to the 2015-2016 adopted budget deficit. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance of the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 2. FUND BALANCES- continued

The details of the fund balances are included in the Governmental Funds Balance Sheet and are described below:

General Fund

The General Fund has nonspendable fund balance of \$289,122, consisting of inventories. The Board of Trustees has committed \$815,000 of the General Fund fund balance for the District's retirement incentive plan. The General Fund has \$3,116,977 of assigned fund balance which equals the 2015-2016 adopted budget deficit. The General Fund has unassigned fund balance of \$39,588,525 at June 30, 2015.

Debt Service Fund

The Debt Service Fund has restricted funds of \$9,558,046 at June 30, 2015 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

Capital Projects Fund

The Capital Projects Fund has restricted funds of \$95,287,554 at June 30, 2015 consisting primarily of remaining bond issuance proceeds that are restricted for construction and other capital outlay expenditures.

Other Funds

The National Breakfast and Lunch Program (a special revenue fund) has nonspendable fund balance of \$121,451 consisting of inventories. The fund balance of \$405,723 of the Campus Activity Funds (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The following special revenue fund fund balance is restricted by Federal or State grant restrictions:

National Breakfast and Lunch Program	\$465,948
Advanced Placement Incentives	4,120
State Textbook Fund	2,713
Other State Grants	<u>26</u>
Total	<u>\$472,807</u>

The \$1,862 fund balance of the Education Foundation Grants Fund (a special revenue fund) is assigned to be expended on those grants.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The Board of Trustees adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Food Service Fund (which is included in the Special Revenue Funds). The District is not legally required to adopt a budget for the Title XIV ARRA State Stabilization Fund or the ARRA Education Jobs Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget Statement appears as Exhibit C-5 and the other two reports are reflected as other supplementary information.

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to June 20 the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by the approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. The following amendments were significant.
 - a. Curriculum & Instructional Staff Development budget was increased by \$461,595.
 - b. Facilities Maintenance & Operations budget was increased by \$1,097,923.
4. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency. The budget should not be exceeded in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

NOTE 4. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust, with the District's agent bank, approved pledged securities 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") insurance.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DEPOSITS AND INVESTMENTS- continued

1. Cash Deposits:

At June 30, 2015, the carrying amount of the District's deposits (checking accounts and interest-bearing demand accounts) was \$(212,120) and the bank balance was \$1,067,299. The District's cash deposits at June 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District's deposits were fully collateralized throughout the fiscal year.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

- a. Custodial Credit Risk – Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2015, the District's cash deposits totaled \$1,067,299. This entire amount was either collateralized with securities held by the District's agent or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk as of June 30, 2015.
- b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2015, the District held investments in four public funds investment pools. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 4. DEPOSITS AND INVESTMENTS- continued

- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for Lone Star Investment Pool at year-end was AAAm (Standard & Poor's). The credit quality rating for TexPool Investment Pool at year-end was AAAm (Standard & Poor's). The credit quality rating for LOGIC at year-end was AAAm (Standard & Poor's). The credit quality rating for MBIA Texas CLASS at year-end was AAAm (Standard & Poor's).
- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the District's investment in external investment pools is less than 90 days.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At June 30, 2015, the District was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools and U.S. Government Securities are excluded from the 5 percent disclosure requirement.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. DEPOSITS AND INVESTMENTS- continued

The District's investments at June 30, 2015, are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Lone Star Investment Pool	\$ 18,929,136	\$ 18,929,136
LOGIC Investment Pool	1,127,553	1,127,553
MBIA Texas CLASS Investment Pool	1,619,429	1,619,429
TexPool Investment Pool	<u>122,377,836</u>	<u>122,377,836</u>
	<u>\$144,053,954</u>	<u>\$144,053,954</u>

NOTE 5. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables at June 30, 2015 represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2015.

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Major Governmental Funds:		
General Fund:		
Debt Service Fund	<u>\$ 1,459</u>	<u>\$ -</u>
	<u>1,459</u>	<u>-</u>
Debt Service Fund:		
General Fund	<u>-</u>	<u>1,459</u>
Total Major Governmental Funds	<u>1,459</u>	<u>1,459</u>
Total	<u>\$ 1,459</u>	<u>\$ 1,459</u>

NOTE 6 CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended June 30, 2015, was as follows:

	<u>Balance July 1</u>	<u>Additions/ Completions</u>	<u>Retirement/ Adjustments</u>	<u>Balance June 30</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 5,151,359	\$ -	\$ -	\$ 5,151,359
Construction in Progress	<u>-</u>	<u>1,300,788</u>	<u>-</u>	<u>1,300,788</u>
Total Capital assets not being depreciated	<u>5,151,359</u>	<u>1,300,788</u>	<u>-</u>	<u>6,452,147</u>
Capital assets, being depreciated				
Land Improvements	8,831,764	-	-	8,831,764
Buildings	266,187,743	119,396	-	266,307,139
Furniture and Equipment	<u>17,815,903</u>	<u>1,071,875</u>	<u>(1,192,701)</u>	<u>17,695,077</u>
Total capital assets being depreciated	<u>292,835,410</u>	<u>1,191,271</u>	<u>(1,192,701)</u>	<u>292,833,980</u>
Less accumulated depreciation for:				
Land Improvements	(5,854,058)	(377,022)	-	(6,231,080)
Buildings	(113,022,793)	(5,904,041)	-	(118,926,834)
Furniture and Equipment	<u>(14,796,777)</u>	<u>(1,292,790)</u>	<u>1,090,575</u>	<u>(14,998,992)</u>
Total accumulated depreciation	<u>(133,673,628)</u>	<u>(7,573,853)</u>	<u>1,090,575</u>	<u>(140,156,906)</u>
Total capital assets, being depreciated, net	<u>159,161,782</u>	<u>(6,382,582)</u>	<u>(102,126)</u>	<u>152,677,074</u>
Governmental activities capital assets, net	<u>\$164,313,141</u>	<u>\$ (5,081,794)</u>	<u>\$ (102,126)</u>	<u>\$159,129,221</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 6 CAPITAL ASSET ACTIVITY- continued

Depreciation expense was charged to governmental functions as follows:

Instruction	\$5,362,600
Instruction resources and media services	125,672
Curriculum and staff development	4,511
Instructional leadership	138,071
School leadership	67,039
Guidance, counseling and evaluation services	58,370
Social work services	2,255
Health services	4,811
Student (pupil) transportation	419,986
Food services	360,324
Cocurricular/Extracurricular activities	26,272
General administration	141,356
Plant maintenance and operations	312,134
Security and monitoring services	17,852
Data Processing	517,718
Community Services	<u>14,882</u>
Total depreciation expense	<u>\$7,573,853</u>

NOTE 7. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2015, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Total</u>
General	\$16,786,990	\$ 100,516	\$16,887,506
Special Revenue	26	2,314,671	2,314,697
Debt Service	-	-	-
Total	<u>\$16,787,016</u>	<u>\$2,415,187</u>	<u>\$19,202,203</u>

NOTE 8. UNEARNED REVENUE

Unearned revenue at June 30, 2015 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
State Textbook Fund	\$ -	\$ 643	\$ -	\$ 643
Federal Food Commodities	-	35,416	-	35,416
State Funding	-	-	37,775	37,775
Total	<u>\$ -</u>	<u>\$ 36,059</u>	<u>\$ 37,775</u>	<u>\$ 73,834</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 9. BONDS PAYABLE

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings.

A summary of bonds payable for the year ended June 30, 2015 is as follows:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Amounts Outstanding 7/01/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Amounts Outstanding 6/30/15</u>	<u>Amounts Due Within One Year</u>
Unlimited tax school building and refunding bonds – Series 2001B	3.90-6.10%	\$126,774,891	\$ 3,699,140	\$ -	\$ 3,699,140	\$ -	\$ -
Unlimited tax refunding bonds – Series 2005	3.00-5.00%	47,166,096	12,896,096	-	10,555,000	2,341,096	-
Unlimited tax refunding bonds – Series 2006	4.00-5.00%	71,105,909	69,355,000	-	500,000	68,855,000	2,800,000
Unlimited tax refunding bonds – Series 2011	2.00-3.00%	9,125,000	8,750,000	-	85,000	8,665,000	130,000
Unlimited tax refunding bonds – Series 2012	4.00%	9,225,000	9,225,000	-	-	9,225,000	-
Unlimited tax refunding bonds – Series 2013A	2.00-3.50%	7,985,000	7,530,000	-	370,000	7,160,000	405,000
Unlimited tax refunding bonds – Series 2013B	1.00-4.00%	33,365,000	32,930,000	-	-	32,930,000	-
Unlimited tax refunding bonds – Series 2014	2.00-4.00%	8,835,000	-	8,835,000	190,000	8,645,000	-
Unlimited tax school building bonds – Series 2015	2.00-5.00%	88,170,000	-	<u>88,170,000</u>	<u>-</u>	<u>88,170,000</u>	<u>630,000</u>
Total Bonded Debt Payable			<u>\$144,385,236</u>	<u>\$97,005,000</u>	<u>\$15,399,140</u>	<u>\$225,991,096</u>	<u>\$3,965,000</u>

Debt service requirements are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 3,965,000	\$ 13,904,728	\$ 17,869,728
2017	3,950,000	15,506,150	19,456,150
2018	3,290,000	15,414,800	18,704,800
2019	8,585,000	10,350,200	18,935,200
2020	1,606,096	17,164,004	18,770,100
2021-2025	33,100,000	59,305,031	92,405,031
2026-2030	61,440,000	34,009,819	95,449,819
2031-2035	51,840,000	19,720,513	71,560,513
2036-2040	25,485,000	12,132,750	37,617,750
Thereafter	<u>32,730,000</u>	<u>5,072,749</u>	<u>37,802,749</u>
	<u>\$225,991,096</u>	<u>\$202,580,744</u>	<u>\$428,571,840</u>

The District has four bond series that include Capital Appreciation Bonds. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2016 through 2022. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 9. BONDS PAYABLE- continued

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

NOTE 10. DEBT ISSUANCES AND DEFEASED DEBT

In June 2015, the District issued \$89,170,000 (par value) in Unlimited Tax School Building Bonds to provide funds for authorized construction and other projects. The net proceeds of the issue were \$98,375,278 (\$88,170,000 par amount of the bonds plus \$11,029,780 of premium paid on the bonds less \$824,502 of underwriting fees and other issuance costs). \$97,785,000 of the net proceeds were deposited to the District's Capital Projects Fund, and \$590,278 (representing excess proceeds) was deposited to the District's Debt Service Fund.

In December 2014, the District issued \$8,835,000 (par value) in Unlimited Tax School Refunding Bonds to advance refund \$9,600,000 (par value) of outstanding bonds. The net proceeds of \$9,815,608 (\$8,835,000 par amount of the bonds plus \$1,132,588 of premium paid on the bonds less \$151,981 of underwriting fees, insurance, and other issuance costs) were used to advance refund \$9,600,000 of principal plus interest on the refunded bonds. The refunded bonds were repaid from the irrevocable trust when the bonds reached their call date on February 15, 2015.

The refunding was undertaken to reduce the District's total debt service payments by \$1,972,676 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,501,459.

NOTE 11. DEFERRED CHARGE ON BOND REFUNDINGS

The District's deferred charges on bond refundings are as follows:

Balance – June 30, 2014	\$6,893,289
Current year deferred charge on bond refundings	84,233
Current period amortization	<u>(2,249,356)</u>
Balance – June 30, 2015	<u>\$4,728,166</u>

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 12. CHANGES IN LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Bonds, Notes Payable, and Capital Leases:					
General Obligation Bonds	\$144,385,236	\$ 97,005,000	\$15,399,140	\$225,991,096	\$3,965,000
Accreted Interest	16,697,391	2,014,318	4,072,390	14,639,319	3,010,318
Bond Premium/Discount	<u>23,293,381</u>	<u>12,162,368</u>	<u>1,373,980</u>	<u>34,081,769</u>	<u>1,858,732</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$184,376,008</u>	<u>\$111,181,686</u>	<u>\$20,845,510</u>	<u>\$274,712,184</u>	<u>\$8,834,050</u>

NOTE 13. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2014.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$159,496,075,886
Less: Plan Fiduciary Net Position	<u>(132,779,243,085)</u>
Net Pension Liability	<u>\$ 26,716,832,801</u>
Net Position as percentage of Total Pension Liability	83.25%

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 13. DEFINED BENEFIT PENSION PLAN- continued

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

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%

Duncanville ISD 2014 Employer Contributions	\$ 1,453,074
Duncanville ISD 2014 Member Contributions	\$ 4,629,916
Duncanville ISD 2014 NECE On-Behalf Contributions	\$ 3,513,951

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

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 13. DEFINED BENEFIT PENSION PLAN- continued

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

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method Normal	Individual Entry Age
Amortization Method of	Level Percentage of Payroll,
Open	
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%
*Includes Inflation of 3%	

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13. DEFINED BENEFIT PENSION PLAN- continued

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	0%		1.0%
Total	<u>100%</u>		<u>8.7%</u>

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 13. DEFINED BENEFIT PENSION PLAN- continued

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Duncanville ISD's proportionate share of the net pension liability:	\$27,356,997	\$15,309,415	\$6,300,068

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2015, Duncanville Independent School District reported a liability of \$15,309,415 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Duncanville Independent School District. The amount recognized by Duncanville Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Duncanville Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$15,309,415
State's proportionate share that is associated with the District	<u>37,101,536</u>
Total	<u>\$52,410,951</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .000573142%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended June 30, 2015, Duncanville Independent School District recognized pension expense of \$3,429,968 and revenue of \$3,513,951 for support provided by the State.

At June 30, 2015, Duncanville Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 13. DEFINED BENEFIT PENSION PLAN- continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 236,765	\$ -
Changes in actuarial assumptions	995,129	-
Difference between projected and actual investment earnings	-	4,679,183
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	4,013
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	2,067,028	-
Total	\$3,298,922	\$4,683,196

\$2,067,028 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Pension Expense Amount
2016	\$ (962,652)
2017	(962,652)
2018	(962,652)
2019	(962,652)
2020	207,143
2021	192,163

NOTE 14. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. Duncanville Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees authority to establish and amend the basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 14. SCHOOL DISTRICT RETIREE HEALTH PLAN - continued

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively effective September 1, 2013, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014 and 2013. The State of Texas contributed 0.5% for the period September 1, 2012 through August 31, 2013. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2015, 2014 and the ten months ended August 31, 2013, the State's contributions to TRS-Care were \$699,210, \$560,247, and \$286,077, respectively, the active member contributions were \$489,811, \$393,058, and \$371,762, respectively, and the school district's contribution were \$414,454, \$377,041, and \$330,474, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2015, the contribution made on behalf of the District was \$224,900.

NOTE 15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. There were no significant reductions in coverage in the past fiscal year, and there were not settlements exceeding insurance coverage for each of the past three fiscal years.

The District maintains a self insured worker's compensation plan through membership in a self-insured pool. For this pool, stop-loss coverage was in effect for individual claims exceeding \$450,000 with an aggregate limit of \$2,000,000. The District is partially self-funded to a loss fund maximum of \$404,792. Additionally, the District incurred fixed costs of \$248,172 for its share of claims administration, loss control, record keeping, and cost of excess insurance.

Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year. Self insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to June 30 and subsequently approved by the administrator of the plan are recorded as a liability.

The District accrues a liability for incurred but not reported claims if considered material.

**DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

NOTE 15. RISK MANAGEMENT - continued

	Year Ended <u>June 30 2015</u>	Year Ended <u>June 30, 2014</u>
Claims payable, beginning of year	\$ 107,035	\$ 201,686
Claims incurred and changes in estimates	307,260	208,054
Claims payments	<u>(207,149)</u>	<u>(302,705)</u>
Claims payable, end of year	<u>\$ 207,146</u>	<u>\$ 107,035</u>

NOTE 16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for certain Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in four functional categories in the General Fund and two functional categories in the Debt Service Fund for the year ended June 30, 2015.

NOTE 17. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As such, the prior period adjustment was necessary to record the beginning pension liability of the District. The following illustrates the effect of the prior period adjustment:

Beginning Net Position – As Originally Presented	\$39,709,440
Restatement due to:	
Net pension liability (measurement date as of August 31, 2013)	(18,798,707)
Deferred Outflows:	
District contributions made to TRS during the fiscal year, but subsequent to the measurement date	<u>1,219,947</u>
Beginning Net Position – As Restated	<u>\$22,130,680</u>

REQUIRED SUPPLEMENTARY INFORMATION

EXHIBIT G-1

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.000573142%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 15,309,415
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	37,101,536
Total	<u>\$ 52,410,951</u>
District's Covered-Employee Payroll	\$ 72,292,518
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	21.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note: GASB 68, 81.2.a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2015

EXHIBIT G-2

	<u>2015</u>
Contractually Required Contribution	\$ 2,299,184
Contribution in Relation to the Contractually Required Contribution	(2,299,184)
Contribution Deficiency (Excess)	<u>\$ -0-</u>
District's Covered-Employee Payroll	\$ 75,286,832
Contributions as a Percentage of Covered-Employee Payroll	3.05%

Note: GASB 68, Paragraph 81,2,b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

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

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Changes of benefit terms.

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

Changes of assumptions.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

COMBINING SCHEDULES

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
ASSETS					
1110	Cash and Cash Equivalents	\$ (783,206)	\$ (690,464)	\$ (8,417)	\$ 398,272
1240	Receivables from Other Governments	1,072,375	959,018	18,519	127,595
1290	Other Receivables	8	-	-	-
1300	Inventories	-	-	-	121,451
1000	Total Assets	<u>\$ 289,177</u>	<u>\$ 268,554</u>	<u>\$ 10,102</u>	<u>\$ 647,318</u>
LIABILITIES					
2110	Accounts Payable	\$ 8,638	\$ 3,700	\$ -	\$ 11,704
2160	Accrued Wages Payable	280,539	264,854	10,102	12,799
2300	Unearned Revenues	-	-	-	35,416
2000	Total Liabilities	<u>289,177</u>	<u>268,554</u>	<u>10,102</u>	<u>59,919</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	121,451
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	465,948
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3590	Other Assigned Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,399</u>
4000	Total Liabilities and Fund Balances	<u>\$ 289,177</u>	<u>\$ 268,554</u>	<u>\$ 10,102</u>	<u>\$ 647,318</u>

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds
\$ (34,195)	\$ (53,215)	\$ (42,811)	\$ -	\$ -	\$ 4,120	\$ 3,356	\$ -
35,130	53,215	48,819	-	-	-	-	26
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 935</u>	<u>\$ -</u>	<u>\$ 6,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 3,356</u>	<u>\$ 26</u>
\$ 935	\$ -	\$ 162	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,846	-	-	-	-	-
-	-	-	-	-	-	643	-
<u>935</u>	<u>-</u>	<u>6,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	4,120	2,713	26
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120</u>	<u>2,713</u>	<u>26</u>
<u>\$ 935</u>	<u>\$ -</u>	<u>\$ 6,008</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,120</u>	<u>\$ 3,356</u>	<u>\$ 26</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

Data Control Codes		461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Governmental Funds
	ASSETS			
1110	Cash and Cash Equivalents	\$ 434,889	\$ 6,051	\$ (765,620)
1240	Receivables from Other Governments	-	-	2,314,697
1290	Other Receivables	-	-	8
1300	Inventories	-	-	121,451
1000	Total Assets	<u>\$ 434,889</u>	<u>\$ 6,051</u>	<u>\$ 1,670,536</u>
	LIABILITIES			
2110	Accounts Payable	\$ 29,166	\$ 4,189	\$ 58,494
2160	Accrued Wages Payable	-	-	574,140
2300	Unearned Revenues	-	-	36,059
2000	Total Liabilities	<u>29,166</u>	<u>4,189</u>	<u>668,693</u>
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	-	-	121,451
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	472,807
	Committed Fund Balance:			
3545	Other Committed Fund Balance	405,723	-	405,723
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	-	1,862	1,862
3000	Total Fund Balances	<u>405,723</u>	<u>1,862</u>	<u>1,001,843</u>
4000	Total Liabilities and Fund Balances	<u>\$ 434,889</u>	<u>\$ 6,051</u>	<u>\$ 1,670,536</u>

Page Intentionally Left Blank

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 National Breakfast and Lunch Program
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 1,224,732
5800	State Program Revenues	-	-	-	209,190
5900	Federal Program Revenues	3,117,993	2,348,669	47,822	5,980,542
5020	Total Revenues	3,117,993	2,348,669	47,822	7,414,464
EXPENDITURES:					
Current:					
0011	Instruction	2,666,593	940,896	47,822	-
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	342,852	169,332	-	-
0021	Instructional Leadership	65,605	115,780	-	-
0023	School Leadership	12,944	-	-	-
0031	Guidance, Counseling and Evaluation Services	1,086	1,122,658	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	7,266,764
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	134,367
0052	Security and Monitoring Services	-	-	-	15,887
0061	Community Services	28,913	3	-	-
6030	Total Expenditures	3,117,993	2,348,669	47,822	7,417,018
1200	Net Change in Fund Balance	-	-	-	(2,554)
0100	Fund Balance - July 1 (Beginning)	-	-	-	589,953
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ 587,399

244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Summer School LEP	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Textbook Fund	429 Other State Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,845	\$ -
-	-	-	-	1,920	-	650,777	52
142,213	117,271	140,813	5,533	-	-	-	-
142,213	117,271	140,813	5,533	1,920	-	652,622	52
138,535	-	44,538	4,933	1,920	-	650,777	-
-	-	-	-	-	-	-	26
990	100,281	94,968	600	-	-	-	-
-	16,990	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,688	-	1,307	-	-	-	-	-
142,213	117,271	140,813	5,533	1,920	-	650,777	26
-	-	-	-	-	-	1,845	26
-	-	-	-	-	4,120	868	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,120	\$ 2,713	\$ 26

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		461 Campus Activity Funds	491 Education Foundation Grants	Total Nonmajor Governmental Funds
REVENUES:				
5700	Total Local and Intermediate Sources	\$ 451,131	\$ 6,763	\$ 1,684,471
5800	State Program Revenues	-	-	861,939
5900	Federal Program Revenues	-	-	11,900,856
5020	Total Revenues	451,131	6,763	14,447,266
EXPENDITURES:				
Current:				
0011	Instruction	227,732	10,019	4,733,765
0012	Instructional Resources and Media Services	34,005	-	34,031
0013	Curriculum and Instructional Staff Development	4,291	-	713,314
0021	Instructional Leadership	-	-	198,375
0023	School Leadership	13,288	-	26,232
0031	Guidance, Counseling and Evaluation Services	-	-	1,123,744
0033	Health Services	261	-	261
0035	Food Services	-	-	7,266,764
0036	Extracurricular Activities	277,381	976	278,357
0051	Facilities Maintenance and Operations	2,365	-	136,732
0052	Security and Monitoring Services	426	-	16,313
0061	Community Services	1,140	-	34,051
6030	Total Expenditures	560,889	10,995	14,561,939
1200	Net Change in Fund Balance	(109,758)	(4,232)	(114,673)
0100	Fund Balance - July 1 (Beginning)	515,481	6,094	1,116,516
3000	Fund Balance - June 30 (Ending)	\$ 405,723	\$ 1,862	\$ 1,001,843

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2015

	751 Transpor- tation	753 Workers Comp. Insurance	Total Internal Service Funds
<hr/>			
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 81,748	\$ 1,572,684	\$ 1,654,432
Other Receivables	-	4,889	4,889
	<hr/>	<hr/>	<hr/>
Total Assets	81,748	1,577,573	1,659,321
LIABILITIES			
Current Liabilities:			
Accrued Wages Payable	499	-	499
Accrued Expenses	-	207,146	207,146
	<hr/>	<hr/>	<hr/>
Total Liabilities	499	207,146	207,645
NET POSITION			
Unrestricted Net Position	81,249	1,370,427	1,451,676
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 81,249	\$ 1,370,427	\$ 1,451,676
	<hr/>	<hr/>	<hr/>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	751 Transpor- tation	753 Workers Comp. Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 123,092	\$ 630,767	\$ 753,859
Total Operating Revenues	123,092	630,767	753,859
OPERATING EXPENSES:			
Payroll Costs	71,677	79,110	150,787
Professional and Contracted Services	-	5,000	5,000
Other Operating Costs	-	555,432	555,432
Total Operating Expenses	71,677	639,542	711,219
Operating Income (Loss)	51,415	(8,775)	42,640
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	-	306	306
Total Nonoperating Revenues (Expenses)	-	306	306
Change in Net Position	51,415	(8,469)	42,946
Total Net Position - July 1 (Beginning)	29,834	1,378,896	1,408,730
Total Net Position June 30 (Ending)	\$ 81,249	\$ 1,370,427	\$ 1,451,676

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	751 Transpor- tation	753 Workers Comp. Insurance	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from District	\$ -	\$ 630,767	\$ 630,767
Internal Activity - Receipts from Other Fund	123,504	-	123,504
Cash Payments to Employees for Services	(71,587)	(79,110)	(150,697)
Cash Payments for Insurance Claims	-	(460,210)	(460,210)
Cash Payments for Suppliers	-	(5,258)	(5,258)
Net Cash Provided by Operating Activities	51,917	86,189	138,106
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	-	306	306
Net Increase in Cash and Cash Equivalents	51,917	86,495	138,412
Cash and Cash Equivalents at Beginning of Year	29,831	1,486,189	1,516,020
Cash and Cash Equivalents at End of Year	\$ 81,748	\$ 1,572,684	\$ 1,654,432
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Provided by Operating Activities:</u>			
Operating Income (Loss):	\$ 51,415	\$ (8,775)	\$ 42,640
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Other Receivables	412	(4,889)	(4,477)
Increase (decrease) in Accounts Payable	-	(258)	(258)
Increase (decrease) in Accrued Wages Payable	90	-	90
Increase (decrease) in Accrued Expenses	-	100,111	100,111
Net Cash Provided by Operating Activities	\$ 51,917	\$ 86,189	\$ 138,106

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR END JUNE 30,2015

	Balance July 1 2014			Balance June 30 2015
		Additions	Deductions	
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Total Assets	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Liabilities:				
Due To Student Groups	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Total Liabilities	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Total Assets	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Liabilities:				
Due To Student Groups	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981
Total Liabilities	\$ 124,365	\$ 173,725	\$ 170,109	\$ 127,981

REQUIRED TEA SCHEDULES

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2015

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	Various	Various	\$ 3,009,283,125
2007	1.370000	0.366000	3,222,226,655
2008	1.040000	0.378000	3,458,119,294
2009	1.040000	0.378000	3,532,442,496
2010	1.040000	0.378000	3,350,027,390
2011	1.040000	0.378000	3,238,214,918
2012	1.040000	0.378000	3,197,348,376
2013	1.040000	0.390000	3,222,372,129
2014	1.040000	0.370000	3,323,010,728
2015 (School year under audit)	1.040000	0.370000	3,499,363,902
1000 TOTALS			

(10) Beginning Balance 7/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2015
\$ 663,893	\$ -	\$ 25,638	\$ 5,090	\$ (146,565)	\$ 486,600
110,478	-	6,387	1,706	(2,280)	100,105
105,846	-	6,124	2,226	(1,805)	95,691
133,422	-	10,973	3,988	(2,068)	116,393
188,210	-	17,654	6,416	(38,756)	125,384
203,545	-	25,170	9,148	5,401	174,628
310,069	-	50,845	18,480	9,264	250,008
395,195	-	111,880	41,955	(4,385)	236,975
875,546	-	356,116	126,695	(105,808)	286,927
-	48,739,609	35,135,370	12,500,084	(204,325)	899,830
<u>\$ 2,986,204</u>	<u>\$ 48,739,609</u>	<u>\$ 35,746,157</u>	<u>\$ 12,715,788</u>	<u>\$ (491,327)</u>	<u>\$ 2,772,541</u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 1,168,106	\$ 1,293,106	\$ 1,224,732	\$ (68,374)
5800 State Program Revenues	177,000	177,000	209,190	32,190
5900 Federal Program Revenues	5,928,504	5,997,504	5,980,542	(16,962)
5020 Total Revenues	7,273,610	7,467,610	7,414,464	(53,146)
EXPENDITURES:				
0035 Food Services	7,012,610	7,305,119	7,266,764	38,355
0051 Facilities Maintenance and Operations	236,000	137,491	134,367	3,124
0052 Security and Monitoring Services	25,000	25,000	15,887	9,113
6030 Total Expenditures	7,273,610	7,467,610	7,417,018	50,592
1200 Net Change in Fund Balances	-	-	(2,554)	(2,554)
0100 Fund Balance - July 1 (Beginning)	589,953	589,953	589,953	-
3000 Fund Balance - June 30 (Ending)	\$ 589,953	\$ 589,953	\$ 587,399	\$ (2,554)

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2015

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
		Original	Final		
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 11,612,617	\$ 11,612,617	\$ 12,820,468	\$ 1,207,851
5800	State Program Revenues	2,995,559	2,995,559	2,487,110	(508,449)
5020	Total Revenues	14,608,176	14,608,176	15,307,578	699,402
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	4,654,140	4,654,140	5,799,140	(1,145,000)
0072	Interest on Long Term Debt	9,804,036	9,804,036	9,661,534	142,502
0073	Bond Issuance Cost and Fees	150,000	150,000	155,284	(5,284)
6030	Total Expenditures	14,608,176	14,608,176	15,615,958	(1,007,782)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(308,380)	(308,380)
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	-	8,835,000	8,835,000
7916	Premium or Discount on Issuance of Bonds	-	-	1,724,240	1,724,240
8949	Other (Uses)	-	-	(9,815,608)	(9,815,608)
7080	Total Other Financing Sources (Uses)	-	-	743,632	743,632
1200	Net Change in Fund Balances	-	-	435,252	435,252
0100	Fund Balance - July 1 (Beginning)	9,122,794	9,122,794	9,122,794	-
3000	Fund Balance - June 30 (Ending)	\$ 9,122,794	\$ 9,122,794	\$ 9,558,046	\$ 435,252

STATISTICAL SECTION

This part of the Duncanville Independent School District's comprehensive annual financial report present detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help understand how the government's financial performance and well-being have changed over time.....	91
Revenue Capacity	
These schedules contain information to help the reader access the government's most significant local revenue source, the property tax.....	106
Debt Capacity	
These schedules present information to help the reader access the affordability of the government's current levels of outstanding debt and government's ability to issue additional debt in the future.....	112
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.....	119
Operating Information	
These schedule contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.....	122

FINANCIAL TRENDS

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting, Unaudited)

	2006	2007	2008
Governmental Activities			
Net Investment in Capital Assets	\$ (10,409,432)	\$ (13,018,343)	\$ (6,435,542)
Restricted for			
Federal and State Programs	\$ -	\$ -	\$ -
Food Service	\$ -	\$ -	\$ 469,271
Debt Service	\$ 2,619,310	\$ 3,319,201	\$ 4,497,666
Unrestricted	\$ 10,005,532	\$ 13,160,504	\$ 6,815,953
Total Primary Government Net Position	\$ 2,215,410	\$ 3,461,362	\$ 5,347,348

Source: Duncanville ISD's Financial Audit, Exhibit A-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 1

2009	2010	2011	2012	2013	2014	2015
\$ (5,678,967)	\$ (1,507,272)	\$ 226,763	\$ (201,638)	\$ (220,823)	\$ 3,815,635	\$ (927,924)
\$ -	\$ -	\$ 676,049	\$ 145,905	\$ 689,710	\$ 594,941	\$ 594,258
\$ 755,737	\$ 817,311	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,594,799	\$ 3,578,399	\$ 3,011,414	\$ 4,086,128	\$ 7,438,630	\$ 8,748,917	\$ 9,171,798
\$ 11,785,583	\$ 14,086,137	\$ 17,577,298	\$ 17,286,780	\$ 21,969,549	\$ 26,549,947	\$ 16,318,330
\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175	\$ 29,877,066	\$ 39,709,440	\$ 25,156,462

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES, PROGRAM REVENUES, AND CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting, Unaudited)

	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction	\$ 54,183,675	\$ 53,732,109	\$ 55,306,325	\$ 54,939,554
Instructional Resources and Media Services	\$ 1,751,180	\$ 1,629,981	\$ 1,729,364	\$ 1,712,661
Curriculum and Staff Development	\$ 987,325	\$ 1,338,054	\$ 1,428,995	\$ 1,108,461
Instructional Leadership	\$ 1,895,334	\$ 1,695,487	\$ 1,592,425	\$ 1,583,310
School Leadership	\$ 5,283,671	\$ 5,516,302	\$ 5,692,790	\$ 5,589,501
Guidance, Counseling and Evaluation Services	\$ 4,117,833	\$ 4,135,105	\$ 4,256,834	\$ 4,312,605
Social Work Services	\$ 47,884	\$ 43,470	\$ 43,984	\$ 49,480
Health Services	\$ 977,236	\$ 933,312	\$ 995,790	\$ 1,008,103
Student (Pupil) Transportation	\$ 3,227,910	\$ 2,940,952	\$ 3,002,489	\$ 2,768,674
Food Services	\$ 6,019,365	\$ 5,783,361	\$ 5,304,789	\$ 6,098,221
Cocurricular/Extracurricular Activities	\$ 2,165,414	\$ 2,337,282	\$ 2,713,846	\$ 2,732,975
General Administration	\$ 2,918,155	\$ 2,790,804	\$ 2,560,543	\$ 2,399,481
Facilities Maintenance and Operations	\$ 11,439,340	\$ 10,583,230	\$ 10,913,535	\$ 10,479,529
Security and Monitoring Services	\$ 1,100,317	\$ 1,167,767	\$ 1,077,174	\$ 896,035
Data Processing Services	\$ 1,375,133	\$ 1,235,464	\$ 1,303,677	\$ 1,745,988
Community Services	\$ 302,335	\$ 350,779	\$ 406,653	\$ 400,728
Debt Service - Interest on Long Term Debt	\$ 8,475,987	\$ 10,516,972	\$ 11,052,583	\$ 10,708,674
Debt Service - Bond Issuance Cost & Fees	\$ 198,977	\$ 190,654	\$ 176,205	\$ 180,154
Facilities Acquisition and Construction	\$ 1,603,326	\$ 175,333	\$ 25,028	\$ 10,050
Payments related to Shared Services Arrangements	\$ 100	\$ 700	\$ 3,000	\$ 3,600
Payments to Juvenile Justice Alternative Ed. Prg.	\$ 122,598	\$ 166,972	\$ 134,311	\$ 107,915
Other Intergovernmental Charges	\$ -	\$ -	\$ -	\$ 222,688
Total Primary Government Expenses	\$ 108,193,095	\$ 107,264,090	\$ 109,720,340	\$ 109,058,387
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	\$ 246,519	\$ 156,549	\$ 175,368	\$ 183,345
Food Services	\$ 1,954,275	\$ 1,453,690	\$ 1,398,946	\$ 1,365,436
Cocurricular/Extracurricular Activities	\$ 198,517	\$ 194,269	\$ 208,889	\$ 191,253
Facilities Maintenance and Operations	\$ 113,613	\$ 152,220	\$ 173,359	\$ 107,643
Other	\$ -	\$ -	\$ -	\$ -
Operating Grants and Contributions	\$ 18,901,683	\$ 14,623,441	\$ 16,678,585	\$ 16,235,603
Total Primary Government Program Revenues	\$ 21,414,607	\$ 16,580,169	\$ 18,635,147	\$ 18,083,280
Net (Expense) Revenue				
Total Primary Government	\$ (86,778,488)	\$ (90,683,921)	\$ (91,085,193)	\$ (90,975,107)

Source: Duncanville ISD's Financial Audit, Exhibit B-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 2

2010	2011	2012	2013	2014	2015
\$ 61,137,934	\$ 60,615,066	\$ 60,326,725	\$ 57,408,241	\$ 63,316,082	\$ 65,346,809
\$ 1,730,071	\$ 1,698,191	\$ 1,554,623	\$ 1,273,818	\$ 985,942	\$ 1,014,799
\$ 1,730,449	\$ 3,025,883	\$ 3,583,144	\$ 2,581,574	\$ 3,755,404	\$ 3,859,002
\$ 1,884,776	\$ 1,817,117	\$ 1,892,062	\$ 1,756,426	\$ 2,283,469	\$ 1,963,999
\$ 5,969,904	\$ 6,162,064	\$ 5,918,084	\$ 5,250,425	\$ 6,169,919	\$ 6,417,454
\$ 4,229,542	\$ 4,270,680	\$ 4,229,002	\$ 3,668,734	\$ 4,165,357	\$ 4,404,532
\$ 44,004	\$ 48,245	\$ 34,576	\$ 36,317	\$ 42,845	\$ 46,054
\$ 1,076,871	\$ 1,130,645	\$ 1,039,331	\$ 1,061,518	\$ 1,082,444	\$ 1,105,745
\$ 2,879,302	\$ 3,051,753	\$ 3,397,401	\$ 2,934,140	\$ 3,235,654	\$ 3,918,072
\$ 6,928,672	\$ 6,909,395	\$ 7,681,674	\$ 6,731,002	\$ 7,777,268	\$ 7,560,833
\$ 2,517,317	\$ 2,689,211	\$ 2,643,108	\$ 2,740,301	\$ 2,812,124	\$ 3,012,097
\$ 2,634,350	\$ 2,724,120	\$ 2,975,747	\$ 2,411,842	\$ 3,070,088	\$ 3,535,368
\$ 11,992,617	\$ 11,708,254	\$ 12,146,625	\$ 9,577,211	\$ 11,384,624	\$ 11,312,346
\$ 1,032,893	\$ 1,014,305	\$ 1,240,156	\$ 1,082,114	\$ 1,088,207	\$ 1,330,896
\$ 1,919,151	\$ 1,932,502	\$ 2,435,260	\$ 1,860,202	\$ 2,303,696	\$ 3,186,471
\$ 285,287	\$ 270,189	\$ 435,145	\$ 350,162	\$ 414,328	\$ 348,410
\$ 10,439,529	\$ 10,167,214	\$ 9,784,285	\$ 7,293,685	\$ 8,406,530	\$ 8,584,286
\$ 172,343	\$ 168,822	\$ 183,512	\$ 503,852	\$ 19,135	\$ 978,412
\$ -	\$ 11,223	\$ -	\$ -	\$ 97,812	\$ 1,565,444
\$ 3,850	\$ 4,025	\$ 4,250	\$ -	\$ 216,068	
\$ 160,239	\$ 270,199	\$ 87,012	\$ 49,020		\$ 57,378
\$ 226,221	\$ 218,841	\$ 208,775	\$ 182,148		\$ 218,660
\$ 118,995,322	\$ 119,907,944	\$ 121,800,497	\$ 108,752,732	\$ 122,626,996	\$ 129,767,067
\$ 150,618	\$ 139,708	\$ 286,832	\$ 293,305	\$ 143,174	\$ 2,231,087
\$ 1,307,830	\$ 1,275,465	\$ 1,365,743	\$ 1,264,941	\$ 1,392,804	\$ 1,224,683
\$ 155,195	\$ 236,470	\$ 494,445	\$ 550,280	\$ 647,941	\$ 349,708
\$ 107,693	\$ 119,590	\$ 395,259	\$ 145,266	\$ 131,783	\$ 137,352
\$ -	\$ -	\$ 95,471	\$ 40,123		\$ 53,411
\$ 29,133,149	\$ 31,337,634	\$ 23,695,681	\$ 19,496,243	\$ 23,133,249	\$ 20,719,274
\$ 30,854,485	\$ 33,108,867	\$ 26,333,431	\$ 21,790,158	\$ 25,448,951	\$ 24,715,515
\$ (88,140,837)	\$ (86,799,077)	\$ (95,467,066)	\$ (86,962,574)	\$ (97,178,045)	\$ (105,051,552)

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting, Unaudited)

	2006	2007	2008
Net (Expense)/Revenue			
Total Primary Government Net Expense	\$ (86,778,488)	\$ (90,683,921)	\$ (91,085,193)
General Revenue and Other Changes in Net Assets			
Governmental Activities:			
Taxes			
Property Taxes, Levied for General Purposes	45,107,372	44,656,493	36,117,675
Property Taxes, Levied for Debt Service	10,998,571	11,923,966	13,102,742
State Aid - Unrestricted Formula Grants	26,824,392	32,669,861	42,914,590
Grants and Contributions not Restricted	234,616	71,782	569,550
Investment Earnings	1,753,512	1,886,109	1,152,862
Miscellaneous Local and Intermediate Revenue	549,940	721,662	1,327,942
Total General Revenues - Primary Government	\$ 85,468,403	\$ 91,929,873	\$ 95,185,361
Changes in Net Assets			
Net Position - Beginning	3,525,495	2,215,410	3,461,362
Prior Period Adjustments	-	-	(2,214,182)
Total Change in Net Position - Primary Government	(1,310,085)	1,245,952	4,100,168
Net Position - Ending	\$ 2,215,410	\$ 3,461,362	\$ 5,347,348

Source: Duncanville ISD's Financial Audit, Exhibit B-1

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, Items Previously Reported as Assets and Liabilities.

SCHEDULE 3

2009	2010	2011	2012	2013	2014	2015
\$ (90,975,107)	\$ (88,140,837)	\$ (86,799,077)	\$ (95,467,066)	\$ (86,962,574)	\$ (97,178,045)	\$ (105,051,552)
36,059,147	33,908,268	33,047,959	32,940,257	\$ 33,130,535	\$ 34,389,518	\$ 35,924,406
13,113,400	12,409,086	12,046,313	11,979,373	\$ 12,425,522	\$ 12,211,177	\$ 12,777,723
45,654,223	46,071,203	44,903,675	49,753,085	\$ 51,964,070	\$ 60,099,570	\$ 59,108,704
878,335	38,768	61,269	3,280	\$ 21,581	\$ 49,830	\$ 1,000
373,260	82,283	38,948	55,781	\$ 48,057	\$ 20,971	\$ 26,692
1,006,546	1,148,652	1,217,862	560,941	\$ 92,829	\$ 239,353	\$ 238,809
\$ 97,084,911	\$ 93,658,260	\$ 91,316,026	\$ 95,292,717	\$ 97,682,594	\$ 107,010,419	\$ 108,077,334
5,347,348	11,457,152	16,974,575	21,491,524	\$ 19,157,046	\$ 29,877,066	\$ 49,697,030
-	-	-	-			\$ (17,578,760)
6,109,804	5,517,423	4,516,949	(174,349)	10,720,020	9,832,374	3,025,782
\$ 11,457,152	\$ 16,974,575	\$ 21,491,524	\$ 21,317,175	\$ 29,877,066	\$ 39,709,440	\$ 35,144,052

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

	2006	2007	2008	2009
General Fund				
Reserved	\$ 586,551	\$ 1,563,859	\$ 497,918	\$ 658,162
Unreserved Designated	\$ 815,000	\$ 815,000	\$ 815,000	\$ 815,000
Unreserved and Undesignated	\$ 4,718,414	\$ 5,948,939	\$ 11,290,428	\$ 18,437,503
Total General Fund	\$ 6,119,965	\$ 8,327,798	\$ 12,603,346	\$ 19,910,665
All Other Governmental Funds				
Reserved, Reported In				
Special Revenue Fund	\$ -	\$ -	\$ 469,271	\$ 755,737
Debt Service Fund	\$ 2,327,846	\$ 2,786,680	\$ 4,022,498	\$ 4,064,320
Capital Projects Fund	\$ 344,053	\$ 627,113	\$ 5,903,535	\$ 4,448,230
Unreserved Designated, Reported In				
Capital Projects Fund	\$ 9,381,606	\$ 6,767,733	\$ -	\$ -
Unreserved and Undesignated, Reported In				
Special Revenue Fund	\$ 386,876	\$ 405,448	\$ 487,332	\$ 774,638
Total All Other Governmental Funds	\$ 12,440,381	\$ 10,586,974	\$ 10,882,636	\$ 10,042,925
Total All Government Funds	\$ 18,560,346	\$ 18,914,772	\$ 23,485,982	\$ 29,953,590

General Fund
Nonspendable
Committed
Assigned
Unassigned
Total General Fund

All Other Governmental Funds
Nonspendable
Restricted for:
 Federal or State Funds
 Capital Acquisition and Contractual Obligations
 Retirement of Long-Term Debt
Committed
Assigned
Total All Other Governmental Funds

Total All Government Funds

Source: Duncanville ISD's Financial Audit, Exhibits C-1, C-3

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 4

2010
\$ 1,048,763
\$ 815,000
<u>\$ 22,349,461</u>
<u>\$ 24,213,224</u>

\$ 833,267
 \$ 3,058,821
 \$ 3,592,501

\$ -

\$ 484,314

\$ 7,968,903

\$ 32,182,127

2011	2012	2013	2014	2015
\$ 342,187	\$ 416,045	\$ 417,037	\$ 383,474	\$ 289,122
\$ 815,000	\$ 815,000	\$ 815,000	\$ 815,000	\$ 815,000
\$ 7,322,781		\$ 2,730,915	\$ -	\$ 3,116,977
\$ 21,128,139	\$ 28,674,070	\$ 31,452,215	\$ 37,971,424	\$ 39,588,525
<u>\$ 29,608,107</u>	<u>\$ 29,905,115</u>	<u>\$ 35,415,167</u>	<u>\$ 39,169,898</u>	<u>\$ 43,809,624</u>
\$ 69,467	\$ 141,785	\$ 95,669	\$ 82,900	\$ 121,451
\$ 606,582	\$ 4,120	\$ 594,041	\$ 512,041	\$ 472,807
\$ 2,750,290	\$ 1,416,561	\$ 1,203,028	\$ 287,822	\$ 95,287,554
\$ 2,611,137	\$ 3,700,501	\$ 7,686,645	\$ 9,122,794	\$ 9,558,046
\$ 459,585	\$ 542,177	\$ 490,049	\$ 515,481	\$ 405,723
\$ 10,544	\$ 77	\$ 1,251	\$ 6,094	\$ 1,862
<u>\$ 6,507,605</u>	<u>\$ 5,805,221</u>	<u>\$ 10,070,683</u>	<u>\$ 10,527,132</u>	<u>\$ 105,847,443</u>
<u><u>\$ 36,115,712</u></u>	<u><u>\$ 35,710,336</u></u>	<u><u>\$ 45,485,850</u></u>	<u><u>\$ 49,697,030</u></u>	<u><u>\$ 149,657,067</u></u>

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Local Sources:				
Local Maintenance and Debt Service Tax	\$ 56,197,164	\$ 56,068,319	\$ 49,614,634	\$ 49,078,801
Tuition/Fees From Patrons	145,250	156,549	175,368	183,345
Other Revenue From Local Services	2,696,578	2,618,303	2,570,485	1,884,755
Co-curricular Revenues	2,401,867	1,861,429	2,193,926	2,037,719
Total Local Sources	61,440,859	60,704,600	54,554,414	53,184,620
State Sources:				
Per Capita and Foundation	\$ 27,301,170	\$ 33,015,242	\$ 43,288,172	\$ 46,209,961
Other State Program Revenues	8,195,247	7,144,024	7,685,484	6,774,210
Total State Programs	35,496,417	40,159,266	50,973,656	52,984,171
Federal Programs:				
State Distributed Revenues from Federal Source:	\$ 10,036,956	\$ 7,134,037	\$ 8,619,519	\$ 8,905,655
Total Federal Programs:	10,036,956	7,134,037	8,619,519	8,905,655
Total Revenues	\$ 106,974,232	\$ 107,997,903	\$ 114,147,588	\$ 115,074,446

Source: Duncanville ISD records, Duncanville ISD's Financial Audit, Exhibits C-3

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 5

2010	2011	2012	2013	2014	2015
\$ 46,709,469	\$ 45,762,920	\$ 45,105,586	\$ 45,419,888	\$ 46,574,358	\$ 48,905,109
150,618	139,708	141,253	130,801	\$ 143,175	\$ 116,482
1,016,714	992,677	1,088,309	461,252	\$ 510,714	\$ 467,374
1,823,708	1,956,927	1,904,772	1,864,328	\$ 1,971,967	\$ 1,795,401
49,700,510	48,852,232	48,239,920	47,876,269	49,200,214	51,284,366
\$ 46,597,327	\$ 45,585,945	\$ 50,493,207	\$ 52,711,645	\$ 61,126,496	\$ 59,868,547
7,551,111	8,396,331	9,695,582	6,667,040	\$ 8,591,510	\$ 7,880,916
54,148,437	53,982,276	60,188,789	59,378,685	69,718,006	67,749,463
\$ 21,055,912	\$ 22,259,033	\$ 13,383,395	\$ 12,081,629	\$ 13,514,813	\$ 13,962,000
21,055,912	22,259,033	13,383,395	12,081,629	13,514,813	13,962,000
\$ 124,904,859	\$ 125,093,541	\$ 121,812,104	\$ 119,336,583	\$ 132,433,033	\$ 132,995,829

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

Expenditures by Function	2006	2007	2008
Current:			
Instruction	\$50,603,055	\$48,957,332	\$50,539,163
Instructional Resources & Media Services	1,607,723	1,458,988	1,562,762
Curriculum & Instructional Staff Development	987,325	1,338,040	1,428,981
Instructional Leadership	1,869,706	1,674,660	1,571,598
School Leadership	5,232,415	5,450,561	5,627,394
Guidance, Counseling, & Evaluation Services	4,079,766	4,081,735	4,196,816
Social Work Services	47,884	43,470	43,984
Health Services	973,259	929,318	991,796
Student (Pupil) Transportation	4,456,979	3,005,621	2,798,572
Food Services	5,766,474	5,517,812	5,047,957
Cocurricular/Extracurricular Activities	2,126,081	2,332,110	2,697,386
General Administration	2,857,928	2,730,286	2,542,832
Plant Maintenance and Operations	11,400,049	10,784,786	11,008,098
Security and Monitoring Services	1,057,050	1,092,192	1,037,214
Data Processing Services	1,588,135	1,141,205	1,232,021
Community Services	302,335	350,779	406,653
Debt Service:			
Debt Service - Principal on long-term debt	8,165,052	6,680,455	7,685,247
Debt Service - Interest on long-term debt	7,420,720	8,555,030	7,956,364
Debt Service - Bond Issuance Cost and Fees	1,467,881	34,328	19,879
Capital Outlay:			
Facilities Acquisition and Construction	10,116,702	3,134,813	1,451,902
Intergovernmental:			
Payments to Fiscal Agent/Member Districts of SSA	100	700	3,000
Payments to Juvenile Justice Alternative Ed. Prg.	122,598	166,972	134,311
Other Intergovernmental Charges	0	0	0
Total Expenditures	\$122,249,217	\$109,461,193	\$109,983,930
Debt Service as a Percentage of Non-Capital Expenditures	13.90%	14.33%	14.41%

Source: Duncanville ISD's Financial Audit, Exhibit C-3

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.
- ⁴ Debt Service as a Percentage of Non-Capital Expenditures does not include Bond Issuance Cost/Fees

SCHEDULE 6

2009	2010	2011	2012	2013	2014	2015
\$50,012,231	\$57,576,997	\$55,769,281	\$54,409,199	\$51,880,815	\$ 57,820,291	\$ 60,547,930
1,554,453	1,646,761	1,547,994	1,398,268	1,121,596	\$ 885,052	\$ 894,681
1,108,447	1,730,435	3,025,869	3,583,144	2,577,459	\$ 3,750,893	\$ 3,889,293
1,562,483	1,863,949	1,796,768	1,854,738	1,627,268	\$ 2,145,398	\$ 1,843,607
5,523,071	5,900,192	6,093,574	5,848,900	5,183,354	\$ 6,102,897	\$ 6,401,580
4,251,553	4,166,174	4,213,139	4,170,934	3,610,529	\$ 4,107,003	\$ 4,400,383
49,480	44,004	48,245	34,576	34,260	\$ 40,590	\$ 43,993
1,004,109	1,072,387	1,125,834	1,034,352	1,056,707	\$ 1,077,633	\$ 1,109,513
2,201,271	2,305,087	2,569,476	2,893,358	2,481,830	\$ 3,542,571	\$ 3,825,960
5,867,895	6,670,742	6,853,601	7,565,482	6,409,552	\$ 7,574,128	\$ 7,266,764
2,730,701	2,618,644	2,634,545	2,594,665	2,684,165	\$ 2,787,516	\$ 3,002,361
2,384,530	2,613,400	2,704,747	2,939,688	2,277,405	\$ 2,930,120	\$ 3,416,326
10,590,049	15,034,380	13,007,002	13,840,820	9,670,850	\$ 16,459,367	\$ 11,459,476
881,973	1,032,323	1,013,735	1,260,381	1,099,465	\$ 1,072,441	\$ 1,326,867
2,162,934	1,693,049	1,901,359	2,264,313	1,722,942	\$ 2,311,712	\$ 3,259,723
385,846	270,405	255,307	420,263	335,280	\$ 399,446	\$ 334,615
8,509,932	7,458,989	7,747,639	3,090,752	2,694,248	\$ 2,656,755	\$ 5,799,140
7,324,059	8,572,077	8,335,057	11,685,344	9,267,189	\$ 11,828,866	\$ 9,661,534
23,828	16,017	12,496	312,864	503,852	\$ 19,135	\$ 978,412
143,790	0	11,223	1,205,323	3,598,630	\$ 396,159	\$ 2,649,356
3,600	3,850	4,025	4,250	0	\$ -	\$ -
107,915	160,239	270,199	87,012	49,020	\$ 97,812	\$ 57,378
222,688	226,221	218,841	208,775	182,148	\$ 216,068	\$ 218,660
<u>\$108,606,838</u>	<u>\$122,676,322</u>	<u>\$121,159,956</u>	<u>\$122,707,401</u>	<u>\$110,068,564</u>	<u>\$128,221,853</u>	<u>\$132,387,552</u>
14.60%	13.07%	13.28%	12.16%	11.23%	11.98%	12.66%

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting, Unaudited)

	2006	2007	2008	2009
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (15,274,985)	\$ (1,463,290)	\$ 4,163,659	\$ 6,467,608
Other Finance Sources (Uses)				
Refunding Bonds Issued	\$ 118,272,005	\$ -	\$ -	\$ -
Capital Related Debt Issued (Regular Bonds)	\$ -	\$ -	\$ -	\$ -
Transfers In	\$ 633,722	\$ 820,378	\$ 67,654	\$ -
Transfers Out	\$ (633,722)	\$ (820,378)	\$ (516)	\$ -
Premium or Discount on Issuance of Bonds	\$ 19,684,041	\$ -	\$ -	\$ -
Prepaid Interest	\$ 538,284	\$ -	\$ -	\$ -
Capital Leases	\$ 1,508,512	\$ 617,716	\$ 340,413	\$ -
Non-Current Loans	\$ -	\$ 1,200,000	\$ -	\$ -
Other (Uses)	\$ (136,542,459)	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	\$ 3,460,383	\$ 1,817,716	\$ 407,551	\$ -
Net Change in Fund Balances	\$ (11,814,602)	\$ 354,426	\$ 4,571,210	\$ 6,467,608
Beginning Fund Balance	\$ 30,374,948	\$ 18,560,346	\$ 18,914,772	\$ 23,485,982
Ending Fund Balance	\$ 18,560,346	\$ 18,914,772	\$ 23,485,982	\$ 29,953,590

Source: Duncanville ISD's Financial Audit, Exhibit C-3

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

SCHEDULE 7

2010	2011	2012	2013	2014	2015
\$ 2,228,537	\$ 3,933,585	\$ (895,297)	\$ 9,268,019	\$ 4,211,180	\$ 608,277
\$ -	\$ -	\$ 18,350,000	\$ 41,350,000	\$ -	\$ 8,835,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,170,000
\$ 70,441	\$ -	\$ 200,000	\$ -	\$ -	\$ -
\$ (70,441)	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ 1,542,892	\$ 4,534,684	\$ -	\$ 12,162,368
\$ -	\$ -	\$ 33,149	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ (19,636,120)	\$ (45,377,189)	\$ -	\$ (9,815,608)
\$ -	\$ -	\$ 489,921	\$ 507,495	\$ -	\$ 99,351,760
\$ 2,228,537	\$ 3,933,585	\$ (405,376)	\$ 9,775,514	\$ 4,211,180	\$ 99,960,037
\$ 29,953,590	\$ 32,182,127	\$ 36,115,712	\$ 35,710,336	\$ 45,485,850	\$ 49,697,030
\$ 32,182,127	\$ 36,115,712	\$ 35,710,336	\$ 45,485,850	\$ 49,697,030	\$ 149,657,067

REVENUE CAPACITY

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS(Unaudited)
 (AMOUNTS IN THOUSANDS, EXCEPT TAX RATE INFORMATION)

Fiscal Year	Actual Value			Less: Exemptions	Total Taxable Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Personal Property			
2006	2,211,142,420	1,052,214,880	567,403,900	542,000,496	3,288,760,704	1.7360
2007	2,342,044,730	1,144,026,620	596,490,610	561,592,771	3,520,969,189	1.4180
2008	2,357,988,950	1,241,381,770	604,210,110	691,140,617	3,512,440,213	1.4180
2009	2,199,529,290	1,236,225,370	623,610,960	727,998,984	3,331,366,636	1.4180
2010	2,155,860,410	1,212,628,850	567,684,700	709,917,959	3,226,256,001	1.4180
2011	2,136,506,820	1,211,834,170	590,730,190	747,812,958	3,191,258,222	1.4180
2012	2,086,820,320	1,224,056,590	692,974,790	774,647,730	3,229,203,970	1.4300
2013	2,085,530,740	1,266,401,890	771,421,910	792,723,646	3,330,630,894	1.4100
2014	2,183,237,240	1,351,609,740	810,120,580	846,801,936	3,498,165,624	1.4100
2015	2,307,010,420	1,410,105,710	853,636,480	883,500,123	3,687,252,487	1.4100

SOURCE: Dallas Central Appraisal District and Dallas County Tax Office

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(per \$100 ASSESSED VALUATION)
LAST TEN FISCAL YEARS
(Unaudited)

	2006	2007	2008	2009	2010
Duncanville ISD:					
Maintenance and Operations	1.5000	1.3700	1.0400	1.0400	1.0400
Interest and Sinking	0.3660	0.3660	0.3780	0.3780	0.3780
Total	1.8660	1.7360	1.4180	1.4180	1.4180
City of Cedar Hill	0.6414	0.6414	0.6414	0.6414	0.6414
City of Dallas	0.7417	0.7292	0.7479	0.7479	0.7479
Dallas County	0.2139	0.2139	0.2281	0.2281	0.2281
Dallas Co. Community College	0.0816	0.0810	0.0804	0.0894	0.0949
Dallas Co. Hospital	0.2540	0.2540	0.2540	0.2540	0.2740
City of Desoto	0.6850	0.6980	0.5700	0.5700	0.7000
City of Duncanville	0.7180	0.6960	0.6960	0.6960	0.6960

SOURCE: Dallas Central Appraisal District, Dallas County Tax Office, and Duncanville ISD records

SCHEDULE 9

2011	2012	2013	2014	2015
1.0400	1.0400	1.0400	1.0400	1.0400
0.3780	0.3780	0.3900	0.3700	0.4895
1.4180	1.4180	1.4300	1.4100	1.5295
0.6700	0.6859	0.6988	0.6988	0.6988
0.7970	0.7970	0.7970	0.7970	0.7970
0.2431	0.2531	0.2431	0.2431	0.2431
0.0992	0.1018	0.1247	0.1248	0.1237
0.2710	0.2710	0.2760	0.2860	0.2860
0.7351	0.7574	0.7574	0.7574	0.7499
0.7377	0.7377	0.7584	0.7584	0.7584

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years and Cumulative Adjustments	Total Collections and Cumulative Adjustments to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 54,458,311	\$ 54,274,450	99.66%	\$ 50,804	\$ 54,325,254	99.76%
2006	\$ 54,495,210	\$ 54,097,735	99.27%	\$ 258,444	\$ 54,356,179	99.74%
2007	\$ 47,701,526	\$ 47,470,138	99.51%	\$ 91,947	\$ 47,562,085	99.71%
2008	\$ 48,855,851	\$ 47,460,621	97.14%	\$ 1,158,415	\$ 48,619,036	99.52%
2009	\$ 46,583,082	\$ 45,117,189	96.85%	\$ 1,195,390	\$ 46,312,579	99.42%
2010	\$ 45,079,088	\$ 44,172,447	97.99%	\$ 495,226	\$ 44,667,673	99.09%
2011	\$ 44,625,453	\$ 43,910,289	98.40%	\$ (33,848)	\$ 43,876,441	98.32%
2012	\$ 45,443,101	\$ 44,784,074	98.55%	\$ (238,712)	\$ 44,545,362	98.02%
2013	\$ 46,409,966	\$ 45,421,948	97.87%	\$ 112,472	\$ 45,534,420	98.11%
2014	\$ 48,739,609	\$ 47,635,454	97.73%	\$ 204,325	\$ 47,839,779	98.15%

Source: Duncanville ISD's Financial Audit, Exhibit J-1, and Dallas County Tax Office

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

Principal Employer	Rank	2015		Rank	2006		
			Percentage of			Percentage of	
		2014-2015 Taxable	Total Taxable		2005-2006 Taxable	Total Taxable	
		Assessed Value	Assessed Value		Assessed Value	Assessed Value	
White Wave Food Inc.	1	\$	97,392,703				
Dart Container Corporation	2	\$	53,142,427				
Oncor Electric Delivery	3		38,031,220				
Masco Building Cabinet Group	4		31,803,645				
Old Dominion Freight	5		18,287,810				
Costco Wholesale Corporation	6		18,147,500				
WRH Mt Vernon Inc.	7		18,113,590				
Cummins Southern Plains	8		17,899,190				
C H Guenther & Son Inc	9		17,479,476				
Istar Financial	10		16,400,000				
Texwood Industries				1	\$	39,745,580	2.36%
C H Guenther & Son Inc				2	\$	21,416,920	1.27%
Southwestern Bell/Cingular				3	\$	14,041,510	0.83%
Frankel Family Trust				4	\$	12,936,840	0.77%
Texas Utilities Elec Co.				5	\$	10,527,250	0.63%
WRH Mt Vernon Inc.				6	\$	8,435,000	0.50%
Apple Reit Limited PS				7	\$	8,111,600	0.48%
Deford Lumber LTD				8	\$	7,695,220	0.46%
TT Duncanville LTD				9	\$	6,374,880	0.38%
Cedar Ridge Apts LTD				10	\$	4,988,710	0.30%
Total		\$	326,697,561		\$	134,273,510	7.98%

Total 2014 taxable assessed value equals: \$ 3,502,552,802

Total 2006 taxable assessed value equals: \$ 1,682,391,506

SOURCE: Dallas County Tax Office and Duncanville ISD records

DEBT CAPACITY

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt		Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	
		Applicable to Limit	Legal Debt Margin		
2006	\$ 300,928,313	\$ 185,873,807	\$ 115,054,506		62%
2007	\$ 322,222,666	\$ 178,971,737	\$ 143,250,929		56%
2008	\$ 345,811,929	\$ 170,664,054	\$ 175,147,875		49%
2009	\$ 353,244,250	\$ 170,878,403	\$ 182,365,847		48%
2010	\$ 335,002,739	\$ 156,958,764	\$ 178,043,975		47%
2011	\$ 323,821,492	\$ 150,200,860	\$ 173,620,632		46%
2012	\$ 319,734,838	\$ 146,170,150	\$ 173,564,688		46%
2013	\$ 322,237,213	\$ 139,355,455	\$ 182,881,758		43%
2014	\$ 332,301,073	\$ 135,262,442	\$ 197,038,631		41%
2015	\$ 349,936,390	\$ 216,433,050	\$ 133,503,340		62%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$ 3,499,363,902
Debt Limit Percentage	10%
Legal Debt Limit	<u>\$ 349,936,390</u>
 Total Bonded Debt	 \$ 225,991,096
Less - Reserve for Retirement of Bonded Debt	<u>\$ 9,558,046</u>
Net Bonded Debt Applicable to Debt Limit	<u>\$ 216,433,050</u>
 Legal Debt Margin	 <u><u>\$ 133,503,340</u></u>

Source: Duncanville ISD records

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2133, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	General				Total Primary Government	Percentage of Disposable		Per	
	Obligation Debt	Other Obligations	Capital Leases	Notes Payables		Personal Income	Per Capita	Student Enrolled	
2006	\$ 188,201,653	\$ 25,085,681	\$ 1,374,718	\$ -	\$ 214,662,052	20.32%	\$ 6,146	\$ 19,308	
2007	\$ 181,758,417	\$ 27,138,610	\$ 1,887,156	\$ 1,088,986	\$ 211,873,169	19.22%	\$ 6,024	\$ 18,533	
2008	\$ 174,686,552	\$ 32,405,739	\$ 1,716,327	\$ 986,849	\$ 209,795,467	19.28%	\$ 5,815	\$ 18,227	
2009	\$ 166,814,083	\$ 35,796,444	\$ 1,185,273	\$ 880,440	\$ 204,676,240	19.19%	\$ 5,659	\$ 17,657	
2010	\$ 160,017,585	\$ 37,688,134	\$ 633,640	\$ 769,581	\$ 199,108,940	18.58%	\$ 5,468	\$ 16,842	
2011	\$ 152,811,997	\$ 39,540,190	\$ 207,083	\$ 654,087	\$ 193,213,357	20.44%	\$ 5,010	\$ 16,120	
2012	\$ 149,870,651	\$ 38,126,082	\$ -	\$ 533,765	\$ 188,530,498	19.91%	\$ 4,894	\$ 15,635	
2013	\$ 147,042,100	\$ 44,398,303	\$ -	\$ -	\$ 191,440,403	19.77%	\$ 4,958	\$ 15,538	
2014	\$ 144,385,236	\$ 39,990,772	\$ -	\$ -	\$ 184,376,008	18.66%	\$ 4,786	\$ 14,814	
2015	\$ 225,991,096	\$ 43,992,922	\$ -	\$ -	\$ 269,984,018	27.73%	\$ 6,817	\$ 20,856	

Note: See Schedule 16 and 21 for population and enrollment data used
to calculate per capita and per student enrolled information; n/a = not available.

Source: Duncanville ISD records

Notes:

- ¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.
- ² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."
- ³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.



Duncanville
Independent School District
2015

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
RATIO OF NET BONDED DEBT TO TAXABLE ASSESSED VALUATION AND
NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Estimated Population	Total Taxable Assessed Value	Gross Bonded Debt	Reserve for Retirement of Bonded Debt
2006	37,800	\$ 3,009,283,125	\$ 188,201,653	\$ 2,327,846
2007	38,251	\$ 3,222,226,655	\$ 181,758,417	\$ 2,786,680
2008	38,430	\$ 3,458,119,294	\$ 174,686,552	\$ 4,022,498
2009	38,542	\$ 3,532,442,496	\$ 166,814,083	\$ 4,064,320
2010	38,562	\$ 3,350,027,390	\$ 160,017,585	\$ 3,058,821
2011	38,524	\$ 3,238,214,918	\$ 152,811,997	\$ 2,611,137
2012	39,360	\$ 3,197,348,376	\$ 149,870,651	\$ 3,700,501
2013	38,628	\$ 3,222,372,129	\$ 147,042,100	\$ 7,686,645
2014	39,605	\$ 3,323,010,728	\$ 144,385,236	\$ 9,122,794
2015	39,221	\$ 3,499,363,902	\$ 269,984,018	\$ 9,558,046

Source: Duncanville ISD records; population from Schedule 16.

Notes:

¹ Fiscal period 2013 represents a ten month transitional year for the period of September 1 through June 30. Years preceding 2013 are September 1 through August 31.

² Effective for the fiscal year ended June 30, 2013, the district implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. With the implementation of this standard, balances previously reported as "net assets" are now reported as "net position."

³ Fiscal years prior to 2013 included in this schedule are shown as adjusted for changes required by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Ratio of Net				
Net	Bonded Debt to	Net Bonded Debt	Taxable Assessed	
Bonded Debt	Taxable Assessed Value	Per Capita	Value per Capita	
\$ 185,873,807	6.18%	\$ 4,917	\$	79,611
\$ 178,971,737	5.55%	\$ 4,679	\$	84,239
\$ 170,664,054	4.94%	\$ 4,441	\$	89,985
\$ 162,749,763	4.61%	\$ 4,223	\$	91,652
\$ 156,958,764	4.69%	\$ 4,070	\$	86,874
\$ 150,200,860	4.64%	\$ 3,899	\$	84,057
\$ 146,170,150	4.57%	\$ 3,714	\$	81,233
\$ 139,355,455	4.32%	\$ 3,608	\$	83,421
\$ 135,262,442	4.07%	\$ 3,415	\$	83,904
\$ 260,425,972	7.44%	\$ 6,640	\$	89,222

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2015
(Unaudited)

Governmental Unit	Gross Debt		Percent		Amount Overlapping
	Outstanding	As of	Overlapping		
City of Cedar Hill	\$ 84,450,000	9/30/2015	3.45%	\$	2,913,525
City of Dallas	\$ 1,700,336,063	9/30/2015	1.59%	\$	27,035,343
Dallas County	\$ 84,725,000	9/30/2015	2.00%	\$	1,694,500
Dallas County Schools	\$ 60,215,000	9/30/2015	2.00%	\$	1,204,300
Dallas Co. Comm. College District	\$ 321,510,000	9/30/2015	2.00%	\$	6,430,200
Dallas Co. Hospital District	\$ 728,005,000	9/30/2015	2.00%	\$	14,560,100
City of DeSoto	\$ 77,760,000	9/30/2015	8.70%	\$	6,765,120
City of Duncanville	\$ 9,130,000	9/30/2015	97.71%	\$	8,920,923
Sub-total overlapping bonded debt				\$	69,524,011
Duncanville Independent School District	\$ 269,984,018	6/30/2015	100.00%	\$	269,984,018
Total Direct and Overlapping Debt				\$	339,508,029
Total Assessed 2015 Taxable Valuation				\$	3,499,363,902
Total Population					39,221
Ratio of Total Direct and Overlapping Net Debt to 2015 Taxable Assessed Valuation					9.70%
Per Capita Total Direct and Overlapping Debt				\$	8,656

Source: All information provided by Texas Municipal Reports except for information regarding District debt, total assessed taxable valuation, and population which were provided by Duncanville ISD.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of these overlapping governments that is borne by the residents and businesses of the district.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

DEMOGRAPHIC AND ECONOMIC INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
(Unaudited)

Calendar Year	Estimated Population	Disposable Personal Income	Per Capita Personal Income	Unemployment Rate
2006	37,800	\$ 1,056,434,400	\$ 27,948	5.66%
2007	38,251	\$ 1,102,546,824	\$ 28,824	4.58%
2008	38,430	\$ 1,088,222,310	\$ 28,317	4.30%
2009	38,542	\$ 1,066,765,476	\$ 27,678	7.90%
2010	38,562	\$ 1,071,483,732	\$ 27,786	9.45%
2011	38,524	\$ 945,070,768	\$ 24,532	9.60%
2012	39,360	\$ 946,726,080	\$ 24,053	6.80%
2013	38,628	\$ 968,288,076	\$ 25,067	7.20%
2014	39,605	\$ 988,342,775	\$ 24,955	5.90%
2015	39,221	\$ 973,543,662	\$ 24,822	4.80%

Source: City of Duncanville, Bureau of Economic Analysis, and Texas State Data Center

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2015			2006		
<u>Principal Employer</u>	Rank	Number of Employees	Workforce Percentage	Rank	Number of Employees	Workforce Percentage
Duncanville Independent School District	1	1,759	9.01%	2	1,600	9.64%
Quality Cabinets & Doors (Texwood)	2	706	3.62%	1	2,400	14.46%
City of Duncanville	3	290	1.48%	4	242	1.46%
Pioneer Frozen Foods	4	175	0.90%	5	161	0.97%
Costco	5	145	0.74%	3	250	1.51%
DeFords	6	130	0.67%	7	147	0.89%
Pappadeaux	7	130	0.67%	6	152	0.92%
Brittle-Brittle	8	75	0.38%	10	65	0.39%
Personalized Communications	9	70	0.36%		0	0.00%
Best Western	10	50	0.26%		0	0.00%
Duncanville Ford				9	70	0.42%
The Romney Group				8	80	0.48%

Total employed 2015 Workforce: 19,529

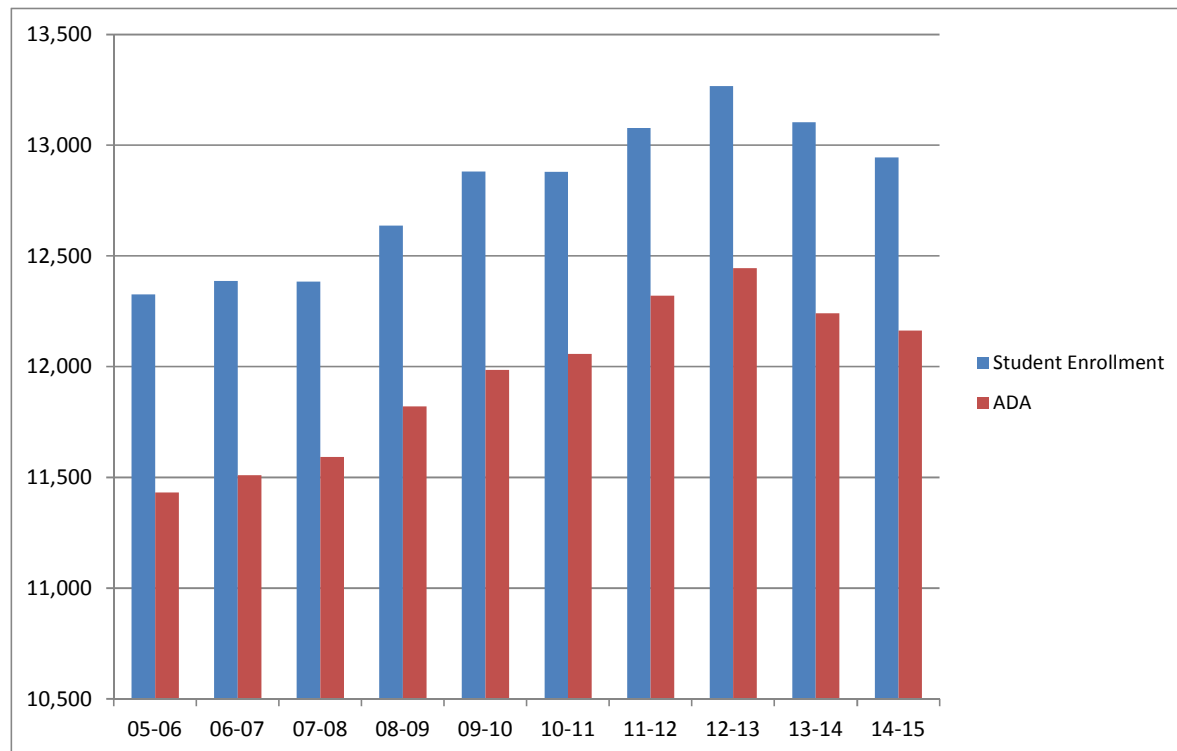
Total employed 2006 Workforce: 16,595

Source: Duncanville Community Economic Development Corporation

OPERATING INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
TOTAL ENROLLMENT AND AVERAGE DAILY ATTENDANCE DATA CHART
LAST TEN FISCAL YEARS
(Unaudited)

	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Student Enrollment	12,327	12,387	12,385	12,637	12,882	12,880	13,079	13,267	13,104	12,945
ADA	11,432.15	11,509.59	11,592.45	11,821.53	11,986.13	12,058.32	12,320.70	12,445.81	12,241.28	12,162.78



SCHEDULE 19

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Teachers										
Elementary Classroom Teachers	408	364	378	409	406	396	409	408	410	421
Secondary Classroom Teachers	373	399	379	349	357	358	354	355	388	382
Other Teachers	2	2	2							
Total Teachers	783	765	759	758	763	754	763	763	798	803
Professional Support										
Guidance Counselors	35	35	33	34	34	34	32	32	32	33
Therapists	13	15	11	11	14	12	12	12	11	10
Psychologists/Diagnosticians	12	14	15	15	16	15	16	16	14	15
Other Campus Professional	5	5	7	7	23	20	6	3	1	1
Other Non-Instructional	20	20	23	29	30	38	36	36	38	45
Other Support Staff						3		3	2	2
Athletic Trainer	4	4	4	3	2	2	3	3	3	3
Librarians	17	17	15	17	18	18	17	17	16	16
Nurses/Physicians	13	13	13	13	13	13	14	14	13	13
Total Professional Support	119	123	121	129	150	155	136	136	130	138
Administrative Staff										
Admin/Instructional Officers	14	11	12			4	14	14	16	14
Principals	17	17	18	18	18	19	17	17	17	18
Assistant Principals	32	28	29	28	30	29	31	31	33	32
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant Superintendent	5	4	3	3	3	3	3	3	3	3
Managers				1	1	1	1	1	1	1
Directors	4	2	2	6	5	2	5	5	7	7
Total Administrative Staff	73	63	65	57	58	59	72	72	78	76
Support Staff										
Educational Aides	163	156	160	139	133	123	133	133	135	139
Auxiliary Staff	455	491	477	495	495	536	555	555	548	540
Total Support and Auxiliary Staff	618	647	637	634	628	659	688	688	683	679
Total	1,593	1,598	1,582	1,578	1,599	1,627	1,659	1,659	1,689	1,696

Source: Texas Education Agency (Standard Reports) and AEIS reports

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
 TEACHER BASE SALARIES
 LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Minimum Salary		Maximum Salary		District Average Salary	Region Average Salary	State Average Salary
2006	\$	38,000	\$	49,410	\$ 47,017	\$ 46,225	\$ 41,744
2007	\$	40,500	\$	51,910	\$ 47,819	\$ 47,733	\$ 44,897
2008	\$	41,000	\$	52,907	\$ 48,500	\$ 44,969	\$ 46,179
2009	\$	44,000	\$	53,392	\$ 48,550	\$ 46,416	\$ 47,159
2010	\$	44,000	\$	53,862	\$ 49,956	\$ 46,500	\$ 48,263
2011	\$	45,000	\$	54,382	\$ 51,825	\$ 46,612	\$ 48,638
2012	\$	45,000	\$	54,382	\$ 48,250	\$ 46,327	\$ 48,375
2013	\$	47,000	\$	56,047	\$ 48,892	\$ 47,614	\$ 48,638
2014	\$	48,500	\$	58,547	\$ 51,625	\$ 50,675	\$ 49,692
2015	\$	49,000	\$	59,047	\$ 53,151	\$ 53,151	\$ 51,041

Source: Duncanville ISD records and TASB reports

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal	Total	Average	Direct	Cost Per	Percent Change
<u>Year</u>	<u>Enrollment</u>	<u>Daily</u> <u>Attendance</u>	<u>Operating</u> <u>Expenditures (1)</u>	<u>Pupil</u>	<u>From Prior Year</u>
2006	12,327	11,432	\$ 94,956,164	\$ 8,306	9.31%
2007	12,387	11,510	\$ 90,888,895	\$ 7,897	-4.93%
2008	12,385	11,592	\$ 92,733,227	\$ 8,000	1.31%
2009	12,637	11,822	\$ 92,271,026	\$ 7,805	-2.43%
2010	12,882	11,986	\$ 106,238,929	\$ 8,864	13.56%
2011	12,880	12,058	\$ 104,560,476	\$ 8,671	-2.17%
2012	13,079	12,321	\$ 106,113,081	\$ 8,612	-0.68%
2013	13,267	12,446	\$ 93,773,477	\$ 7,534	-12.52%
2014	13,104	12,241	\$ 113,007,058	\$ 9,232	22.53%
2015	12,945	12,163	\$ 113,023,072	\$ 9,293	0.66%

Notes:

- (1) Total Governmental Fund expenditures less capital, debt service,
and intergovernmental expenditures
- (2) Total Government-Wide expenses less capital, debt service,
and intergovernmental expenditures
- (3) 2013 Fiscal Year changed to June 30 from prior year end of August 31
resulting in a 10-month audit year

Source: Duncanville ISD records

SCHEDULE 21

Direct Operating Expenses (2)	Cost Per Pupil	Percent Change From Prior Year	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced- Price Meals
\$ 97,792,107	\$ 8,554	7.36%	783	14.6	54%
\$ 96,213,459	\$ 8,359	-2.28%	765	15.0	59%
\$ 98,329,213	\$ 8,483	1.48%	759	15.3	64%
\$ 97,825,306	\$ 8,275	-2.45%	758	15.6	68%
\$ 107,993,140	\$ 9,010	8.88%	763	15.7	70%
\$ 109,067,620	\$ 9,045	0.39%	754	16.0	73%
\$ 111,532,663	\$ 9,052	0.08%	763	16.1	75%
\$ 100,724,027	\$ 8,093 (3)	-10.60%	763	16.3	76%
\$ 113,887,451	\$ 9,304	14.96%	798	15.3	75%
\$ 118,362,887	\$ 9,732	4.60%	803	15.1	75%

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - CAMPUS
LAST TEN FISCAL YEARS

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary										
# of Locations	12	12	12	12	12	12	12	12	12	12
Square Footage	707,449	708,949	710,449	710,449	710,449	710,449	710,449	710,449	710,449	710,449
Capacity	6,847	6,891	6,935	6,935	6,935	6,935	6,935	6,935	6,935	6,935
Enrollment	6,448	6,583	6,656	6,865	6,957	6,951	6,992	7,150	7,150	7,150
Middle Schools										
# of Locations	3	3	3	3	3	3	3	3	3	3
Square Footage	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437	437,437
Capacity	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Enrollment	2,052	1,969	2,008	2,016	2,007	2,074	2,083	2,000	2,000	2,000
High School										
# of Locations	1	1	1	1	1	1	1	1	1	1
Square Footage	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434	926,434
Capacity	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Enrollment	3,736	3,756	3,696	3,673	3,844	3,765	3,884	3,950	3,950	3,950
Alternative Education										
PACE										
Square Footage	13,170	13,170	13,170	13,170	13,170	13,170	13,170	22,153	22,153	22,153
Capacity	330	330	330	330	330	330	330	615	615	615
Enrollment	92	82	99	94	87	99	116	87	87	87
Summit/JJAEP										
Square Footage	21,750	21,750	45,815	45,815	45,815	45,815	45,815	45,815	27,419	27,419
Capacity	105	105	220	220	220	220	220	220	220	220
Enrollment	9	15	8	12	8	13	4	96	96	96
Athletic Facilities										
Football fields	2	2	2	2	2	2	2	2	2	2
Running Tracks	4	4	4	4	4	4	4	4	4	4
Baseball/Softball	2	2	2	2	2	2	2	2	2	2
Natatorium	1	1	1	1	1	1	1	1	1	1
Playgrounds	9	9	9	9	9	9	9	9	9	9

Source: Duncanville ISD records

Note: Pace moved to Duncanville Education Center 2012/2013 school year. Old Pace used as storage 2012/2013.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION - OTHER BUILDINGS
LAST TEN FISCAL YEARS
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration	8,100	8,100	8,100	8,100	8,100	8,100	8,100			
Education Plaza								27,031	27,031	27,031
Technology	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	18,396	18,396
Maintenance Facility	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942	12,942
Transportation Facility	8,000	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Warehouse/Purchasing	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682	29,682
Central Kitchen	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Ag Barn	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207	34,207
Storage Buildings								21,270	21,270	21,270

Source: Duncanville ISD records

Note: Administration and Education Center moved to Education Plaza. Administration Building used as storage starting in 2013.

Note: Technology moved into new IDEA Hub during 2013-2014, and lease expired with City of Duncanville on 6-30-14 on the vacated technology building.



Duncanville Independent
School District
802 S. Main Street
Duncanville, Texas 75137
972.708.2000

1. **Acton Elementary**
972.708.2400 Fax 972.708.2424
9240 County View Dallas 75249
2. **Alexander Elementary**
972.708.2500 Fax 972.708.2525
510 Sawwood Duncanville 75137
3. **Bibb Elementary**
972.708.6600 Fax 972.708.6666
6700 Wondl Dallas 75236
4. **Central Elementary**
972.708.2600 Fax 972.708.2626
302 E. Freeman Duncanville 75116
5. **Fairmeadows Elementary**
972.708.2700 Fax 972.708.2727
101 E. Fairmeadows Duncanville 75116
5. **Hastings Elementary**
972.708.2800 Fax 972.708.2828
602 W. Center Duncanville 75116
7. **Hyman Elementary**
972.708.6700 Fax 972.708.6767
8441 Fox Creek Trail Dallas 75249
8. **Merrifield Elementary**
972.708.2900 Fax 972.708.2929
102 E. Vineyard Duncanville 75137
9. **Smith Elementary**
972.708.3000 Fax 972.708.3030
1010 Big Stone Gap Duncanville 75137
10. **Brandenburg Intermediate**
972.708.3100 Fax 972.708.3131
1903 Blueridge Duncanville 75137
11. **Daniel Intermediate**
972.708.3200 Fax 972.708.3232
1007 Springwood Duncanville 75137
12. **Hardin Intermediate**
972.708.3300 Fax 972.708.3333
426 E. Freeman Duncanville 75116
13. **Byrd Middle School**
972.708.3400 Fax 972.708.3434
1040 W. Wheatland Duncanville 75116
14. **Reed Middle School**
972.708.3500 Fax 972.708.3535
530 E. Freeman Duncanville 75116
15. **Kennemer Middle School**
972.708.3600 Fax 972.708.3636
7101 W. Wheatland Dallas 75249
16. **Duncanville High School**
972.708.3700 Fax 972.708.3737
900 W. Camp Wisdom Duncanville 75116
17. **PACE Learning Center**
972.708.2470 Fax 972.708.2474
815 Fairlawn Duncanville 75116
18. **Summit Center**
972.708.2570 Fax 972.708.2585
900 S. Cedar Ridge #300A Duncanville 75137
- ★ 19. **Duncanville ISD Administration**
972.708.2000 Fax 972.708.2020
802 S. Main Street Duncanville 75137
20. **Duncanville Education Center (DEC)**
972.708.2000 Fax 972.708.2095
502 E. Freeman Duncanville 75116
21. **Duncanville ISD Technology Center**
972.708.2300 Fax 972.708.2323
103 E. Wheatland Duncanville 75116
22. **Operations Compound**
Purchasing/Warehouse
307 Crankshaft Duncanville 75116
Purchasing 972.708.2270 Fax 972.708.2176
Warehouse 972.708.2290 Fax 972.708.2279
Maintenance/Custodial
972.708.2260 Fax 972.708.2269
315 Crankshaft Duncanville 75116
Transportation
972.708.2280 Fax 972.708.2289
407 Crankshaft Duncanville 75116
23. **Nutrition Services**
972.708.2328 Fax 972.708.2690
6915 Cedar Ridge Dallas 75236
24. **Panther Stadium**
Athletic Department
972.708.2150 Fax 972.708.2199
900 W. Camp Wisdom Rd. Duncanville 75116
25. **Old Panther Field**
402 E. Freeman Duncanville 75116

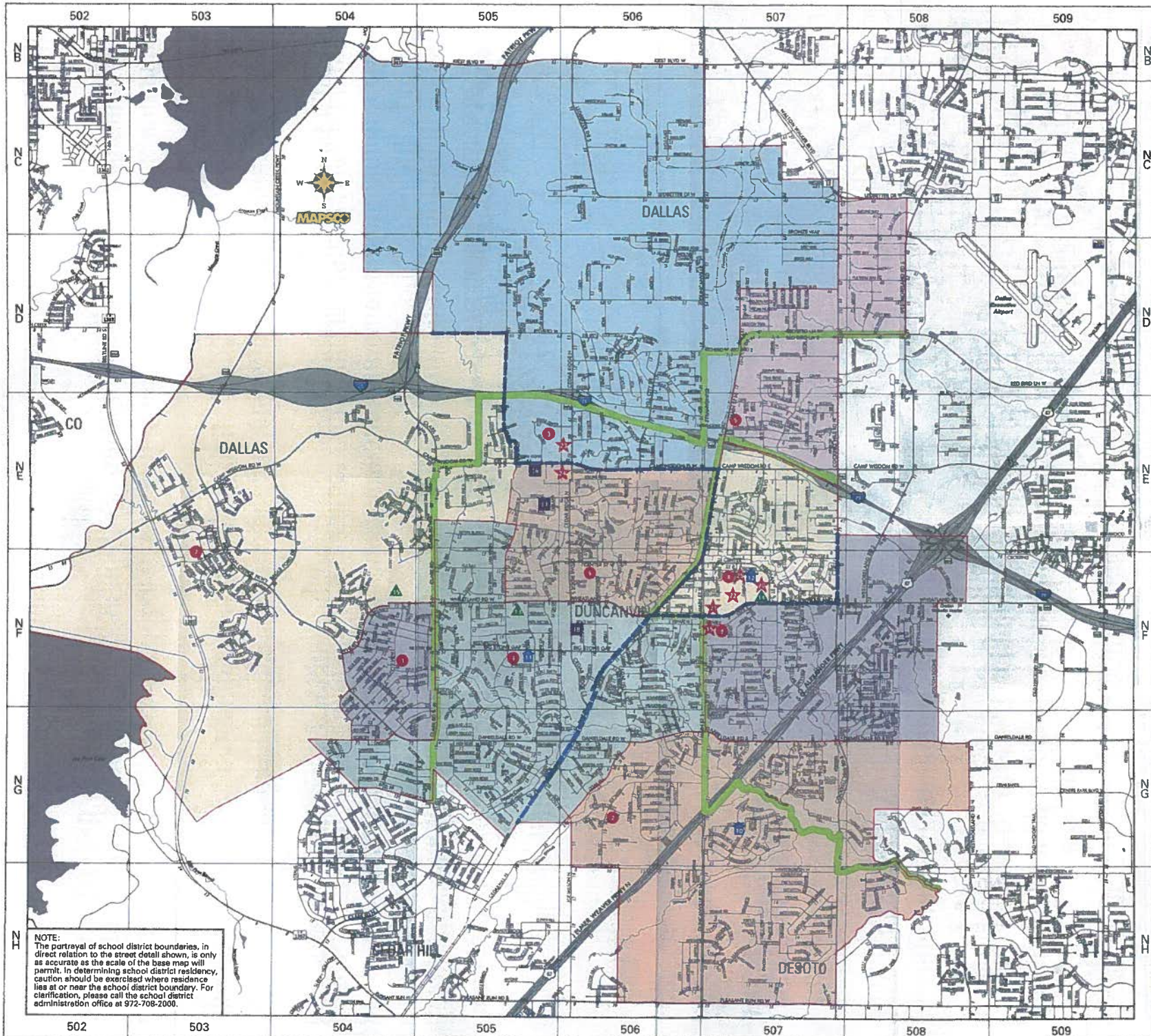
LEGEND

- Elementary Schools
- Intermediate Schools
- ▲ Middle Schools
- Grades 9-12 and Alternative Campuses
- ★ Other Facilities

Scale: 1" = 2393'



COPYRIGHT 2005 by MAPSCO, INC. ALL RIGHTS RESERVED



NOTE:
The portrayal of school district boundaries, in direct relation to the street detail shown, is only as accurate as the scale of the base map will permit. In determining school district residency, caution should be exercised where residence lies at or near the school district boundary. For clarification, please call the school district administration office at 972-708-2000.



Duncanville
Independent School District
2015

FEDERAL AWARDS SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Duncanville Independent School District
Duncanville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Duncanville Independent School District's basic financial statements, and have issued our report dated December 2, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. See finding 2015-001 in the accompanying schedule of findings and questioned costs.

Compliance and Other Matters

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

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying corrective action plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 2, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
Duncanville Independent School District
Duncanville, Texas

Report on Compliance for Each Major Federal Program

We have audited Duncanville Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Duncanville Independent School District's major federal programs for the year ended June 30, 2015. Duncanville Independent School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Duncanville Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Duncanville Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Duncanville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Duncanville Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Duncanville Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Duncanville Independent School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

December 2, 2015

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDING AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: Yes
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unmodified.
6. Did the audit disclose findings which are required to be reported under Section .510(a)2-7 of OMB Circular A-133: No
7. Major programs include:

CFDA 84.010A ESEA, Title I, Part A – Improving Basic Programs

CFDA 84.365A Title III, Part A – English Language Acquisition
8. Dollar threshold used to distinguish between Type A and Type B programs: \$362,153.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

Finding 2015-001 – Lack of Internal Control over Financial Reporting

Criteria: The District is responsible for establishing and maintaining effective internal controls over financial reporting to provide reasonable assurance that its financial statements are fairly presented in conformity with U.S. generally accepted accounting principles with no material misstatements. A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a possibility that a material misstatement of the District's financial statements will not be prevented or detected on a timely basis.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDING AND QUESTIONED COSTS-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

II. Findings Related to the Financial Statements – continued

Condition: During our audit of the fiscal year ended June 30, 2015, we found that the District failed to prepare bank reconciliations on a timely basis, failed to keep the interfund receivable and payable accounts in balance, and failed to review and reconcile other general ledger accounts on a monthly basis.

Questioned Costs: The problems with bank reconciliations and reconciliations of general ledger accounts were addressed during the audit and corrected, resulting in no questioned costs.

Cause: During the year, bank statement reconciliations were not prepared and reviewed on a timely basis, and adjusting entries related to the bank reconciliations were not made on a timely basis.

Effect: When bank statements are not reconciled on a timely basis and other general ledger accounts are not reconciled timely, the financial statements and underlying accounting records are at risk of material errors, resulting in erroneous financial statement information being reported to the Board of Trustees. Significant adjustments were required during the audit to correct errors in the financial statements.

Recommendation: The District is already behind on bank reconciliations for the subsequent fiscal year. The District should prepare bank reconciliations and make appropriate adjusting entries to the accounting records for all bank accounts for all months that are behind, and then commit to preparing bank reconciliations and reviewing the general ledger on a monthly basis.

III. Findings and Questioned Costs Related to Federal Awards

None

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
JUNE 30, 2015

Finding 2014-001: Pledged collateral was less than the amount required to fully collateralize District deposits.

Status: District deposits were fully collateralized by the District's depository bank throughout fiscal year 2015

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
JUNE 30, 2015

CORRECTIVE ACTION PLAN

Finding 2015-001 – Lack of Internal Control over Financial Reporting

Many of the problems related to this finding resulted from significant turnover of personnel in the Finance Department. This resulted in several vacancies in key positions for significant periods. The District is currently trying to hire a new Director of Accounting. The District also converted to new financial software effective September 1, 2015. The District believes that the new software, plus hiring of new personnel will allow the District to correct all of the internal control deficiencies.

Contact Person: Ronald Kuehler, Chief Financial and Operations Officer

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101057907	\$ 241,643
ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101057907	2,942,373
Total CFDA Number 84.010A			3,184,016
*IDEA - Part B, Formula	84.027	146600010579076600	43,033
*IDEA - Part B, Formula	84.027	156600010579076600	2,353,307
Total CFDA Number 84.027			2,396,340
*IDEA - Part B, Preschool	84.173	146610010579076610	1,302
*IDEA - Part B, Preschool	84.173	156610010579076610	47,420
Total CFDA Number 84.173			48,722
Total Special Education Cluster (IDEA)			2,445,062
Career and Technical - Basic Grant	84.048	14420006057907	57
Career and Technical - Basic Grant	84.048	15420006057907	142,156
Total CFDA Number 84.048			142,213
Title III, Part A - English Language Acquisition	84.365A	14671001057907	1,056
Title III, Part A - English Language Acquisition	84.365A	15671001057907	142,625
Total CFDA Number 84.365A			143,681
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501057907	119,663
Summer School LEP	84.369A	69551502	5,533
Total Passed Through State Department of Education			\$ 6,040,168
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 6,040,168
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	529-07-0157-00167	\$ 51,041
Total Passed Through Texas Dept of Human Services			\$ 51,041
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 51,041
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	41501401	\$ 1,192,131
*National School Lunch Program - Cash Assistance	10.555	71501401	4,293,871
*National School Lunch Prog. - Non-Cash Assistance	10.555	71501401	494,540
Total CFDA Number 10.555			4,788,411
Total Child Nutrition Cluster			5,980,542
Total Passed Through the State Department of Agriculture			\$ 5,980,542
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 5,980,542
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 12,071,751

*Clustered Programs

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

1. The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current position.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

3. The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies.
4. The District also received \$1,890,249 of School Health and Related Services (SHARS) payments. These payments are not considered Federal awards for purposes of the Schedule of Expenditures of Federal Awards and were recorded as Federal revenues in the General Fund.

