

**DUBLIN**  
**INDEPENDENT SCHOOL DISTRICT**  
**ERATH COUNTY, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2018**

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31, 2018**

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**CERTIFICATE OF BOARD**

**Dublin  
Independent School District**

Name of School District

**Erath**

County

**072902**

County – District Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended **August 31, 2018**, at a meeting of the Board of Trustees of such school district on the **10th** day of **January, 2019**.

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

\_\_\_\_\_  
Signature of Board Secretary

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is(are):  
(attach list as necessary)

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# James E. Rodgers and Company, P.C.

Certified Public Accountants

20 Southwest Third Street • PO Box 669 • Hamlin, Texas 79520 • Tel: 325-576-2356 • Fax: 325-576-3525

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Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 10, 2019

## Unmodified Report on Financial Statements Issued in Accordance with Government Auditing Standards and a Single Audit Accompanied by Required Supplementary Information, Supplementary Information, and Other Information

### Independent Auditor's Report

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District (the District) as of and for the year ended August 31, 2018, 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 Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District, as of August 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in notes to the financial statements, in 2018, the District adopted new accounting guidance prescribed by GASB 75 for its other post-employment benefit plan (OPEB), a multiple-employer, cost-sharing, health insurance plan for retirees that has a special funding situation. Because GASB 75 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. Exhibit A-1 discloses the District's OPEB liability and some deferred resource outflows and deferred resource inflows related to the District's OPEB plan. Exhibit B-1 discloses the adjustment to the District's Beginning Net Position. Our opinion is not modified with respect to the matter.

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dublin Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements, and the Texas Education Agency required information in conformity with laws and regulations of the State of Texas in Exhibits J-1 through J-3, 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Texas Education Agency required information in conformity with laws and regulations of the state of Texas in Exhibits J-1 through J-3, 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

# James E. Rodgers and Company, P.C.

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statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2019, on our consideration of the Dublin Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Dublin Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



James E. Rodgers and Company, P.C.

# Dublin

## Independent School District

420 North Post Oak / P.O. Box 169  
Dublin, Texas 76446



Dr. Rodney Schneider, Superintendent  
Mrs. Melisa Summers, Assistant Superintendent

**“Preparing Today’s Students for Tomorrow’s World”**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

In this section of the Annual Financial and Compliance Report, we, the administration of **Dublin Independent School District**, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2018. Please read it in conjunction with the independent auditor's report and the District's Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

The District's summary financial information for the current fiscal year is as follows:

#### Highlights of Current Fiscal Year Finances

District's Total Net Position at the End of the Year	\$	5,984,652
Total District Revenues for the Current Fiscal Year		12,676,577
Total District Expenses for the Current Fiscal Year		11,331,388
Fund Balance in the General Fund at the End of Year		2,636,186

#### Changes in the District's Finances from the Previous Fiscal Year

	Increase (Decrease)	
	\$	%
<b><u>Change in Net Position:</u></b>		
Change in the District's Total Net Position	\$ (6,144,216)	-50.66%
<b><u>Revenue Changes:</u></b>		
Change in the District's Total Revenues	\$ (902,367)	-6.65%
Change in the District's Property Tax Revenues	710,753	19.51%
Change in the District's State Aid Formula Grants	373,029	5.35%
Change in Operating Grants and Contributions	(178,502)	-7.69%
<b><u>Expense Changes:</u></b>		
Change in the District's Total Expenses	\$ (2,827,917)	-19.97%
<b><u>Other Information:</u></b>		
Change in the District's General Fund Balance	\$ (746,536)	-22.07%
Excess (Deficit) of Actual Revenue over Budgeted Revenue	262,716	2.79%



## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to that of a private sector business.

The *statement of net position* presents information for all the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported a *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax and earned but unused sick and vacation leave.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees & charges (*governmental activities*). The governmental activities of the District include the education of District students and the programs necessary to support such education.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower 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 near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The District maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund since it is a major fund as defined by governmental accounting standards. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Child Nutrition and Debt Service Funds and are included in the other supplementary information section of this report.

**Proprietary funds.** The District maintains proprietary funds. An *internal service fund* is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses this

internal service fund to account for its workers compensation self-insurance program. Internal service funds are generally considered a *governmental activity* and are included in the government-wide financial statements.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District’s own programs. The District maintains student activity accounts as fiduciary funds.

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

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection and grant expenditures is also presented along with required supplementary information related to the District’s contributions to a cost-sharing pension plan with the Teacher Retirement System of Texas.

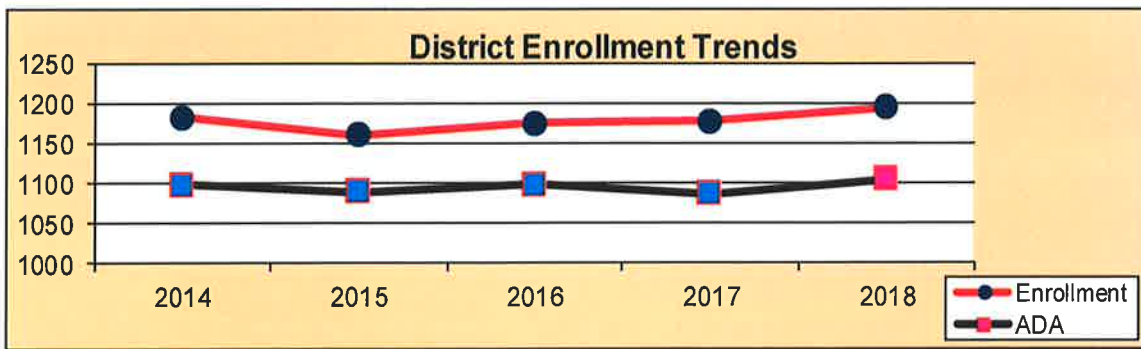
**DISTRICT FINANCES and FUNDING**

District activities are primarily funded from local property tax revenues and education funding from the State of Texas. State funding for public education in Texas is based upon the District’s average daily attendance, thus the District’s revenue is highly dependent on enrollment and attendance. The District receives additional weighted funding for students enrolled in career and technology coursework, gifted and talented, special education, bilingual, and compensatory education programs. The demographics of the District and the types of coursework students pursue are constantly changing and thus affecting funding.

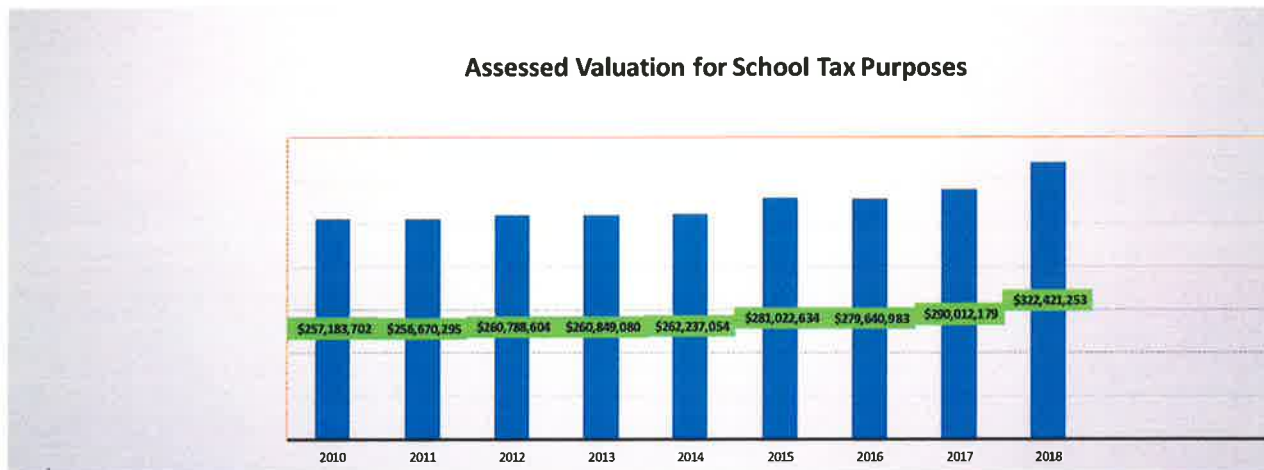
The following chart details the enrollment trends of the District.

**ENROLLMENT TRENDS**

Year	Enrollment	ADA
2014	1182	1098
2015	1160	1089
2016	1174	1098
2017	1177	1086
2018	1193	1105



A history of the District's assessed valuation for school tax purposes is as follows:



Both student enrollment and the local property tax base are important attributes affecting District finances.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table indicates the net position of the District at the end of the current and prior fiscal years.

<b>Table I DUBLIN INDEPENDENT SCHOOL DISTRICT Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
Current and other assets	\$ 5,345,570	\$ 3,723,106	\$ -	\$ 3,244	\$ 5,345,570	\$ 3,726,350
Capital assets	16,640,957	18,354,199	-	-	16,640,957	18,354,199
Deferred Outflow of Resources	1,293,162	1,179,217	-	-	1,293,162	1,179,217
<b>Total assets and deferred outflows</b>	<b>\$ 23,279,689</b>	<b>\$ 23,256,522</b>	<b>\$ -</b>	<b>\$ 3,244</b>	<b>\$ 23,279,689</b>	<b>\$ 23,259,766</b>
Long-term liabilities	\$ 8,058,357	\$ 8,057,943	\$ -	\$ -	\$ 8,058,357	\$ 8,057,943
Other liabilities	496,040	745,645	-	3,244	496,040	748,889
Net pension liability	2,448,577	2,163,646	-	-	2,448,577	2,163,646
Net OPEB liability	-	4,211,859	-	-	-	4,211,859
Deferred Inflow of Resources	147,847	2,092,777	-	-	147,847	2,092,777
<b>Total liabilities and deferred inflows</b>	<b>\$ 11,150,821</b>	<b>\$ 17,271,870</b>	<b>\$ -</b>	<b>\$ 3,244</b>	<b>\$ 11,150,821</b>	<b>\$ 17,275,114</b>
Net Position:						
Net Investment in capital assets	\$ 8,933,404	\$ 10,614,449	\$ -	\$ -	\$ 8,933,404	\$ 10,614,449
Restricted	1,230,400	98,473	-	-	1,230,400	98,473
Unrestricted	1,965,064	(4,728,270)	-	-	1,965,064	(4,728,270)
<b>Total net position</b>	<b>\$ 12,128,868</b>	<b>\$ 5,984,652</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,128,868</b>	<b>\$ 5,984,652</b>

The following table indicates the changes in net position of the District during current and prior fiscal years.

<b>Table II</b>						
<b>DUBLIN INDEPENDENT SCHOOL DISTRICT</b>						
<b>Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
<b>Program Revenues:</b>						
Charges for Services	\$ 171,443	\$ 176,415	\$ 111,700	\$ 91,351	\$ 283,143	\$ 267,766
Operating grants & contributions	2,321,896	2,143,394	-	-	2,321,896	2,143,394
Effect of GASB 75 Negative Accrual	-	(1,924,717)	-	-	-	(1,924,717)
<b>General Revenues:</b>						
Maintenance & operations taxes	3,429,897	3,821,856	-	-	3,429,897	3,821,856
Debt service taxes	213,679	532,473	-	-	213,679	532,473
State aid - formula grants	6,969,721	7,342,750	-	-	6,969,721	7,342,750
Grants not restricted to specific functions	227,311	291,520	-	-	227,311	291,520
Investment earnings	7,110	44,582	-	-	7,110	44,582
Miscellaneous	126,187	156,953	-	-	126,187	156,953
<b>Total Revenues</b>	<b>\$ 13,467,244</b>	<b>\$ 12,585,226</b>	<b>\$ 111,700</b>	<b>\$ 91,351</b>	<b>\$ 13,578,944</b>	<b>\$ 12,676,577</b>
<b>Expenses</b>						
Instruction, curriculum & media services	\$ 7,956,348	\$ 6,071,463	\$ 272,087	\$ 159,341	\$ 8,228,435	\$ 6,230,804
Instructional & school leadership	766,266	537,236	42,021	34,091	808,287	571,327
Student support services	932,706	585,675	-	-	932,706	585,675
Food services	707,623	563,940	24,005	21,708	731,628	585,648
Extracurricular activities	799,850	690,273	-	-	799,850	690,273
General administration & data processing	915,343	800,352	-	-	915,343	800,352
Plant maintenance & security	1,462,756	1,492,421	-	-	1,462,756	1,492,421
Interest/fees on long term debt	194,415	212,108	-	-	194,415	212,108
Other business activities & intergovernmental	85,885	162,780	-	-	85,885	162,780
<b>Total Expenses</b>	<b>\$ 13,821,192</b>	<b>\$ 11,116,248</b>	<b>\$ 338,113</b>	<b>\$ 215,140</b>	<b>\$ 14,159,305</b>	<b>\$ 11,331,388</b>
<b>Increase in net position before other items</b>	<b>\$ (353,948)</b>	<b>\$ 1,468,978</b>	<b>\$ (226,413)</b>	<b>\$ (123,789)</b>	<b>\$ (580,361)</b>	<b>\$ 1,345,189</b>
Transfers	(226,413)	(123,789)	226,413	123,789	-	-
Refund to TEA	(112,334)	(103,936)	-	-	(112,334)	(103,936)
Prior period adjustment - TRS-Care OPEB Plan	-	(7,385,469)	-	-	-	(7,385,469)
Net position at 9/1	12,821,563	12,128,868	-	-	12,821,563	12,128,868
<b>Total Ending Net Position</b>	<b>\$ 12,128,868</b>	<b>\$ 5,984,652</b>	<b>0</b>	<b>0</b>	<b>\$ 12,128,868</b>	<b>\$ 5,984,652</b>

Analysis of Change in Net Position for Combined Governmental and Business-Type Activities:

Excess of Revenues Over Expenditures for Governmental Funds	\$ (1,898,459)
Change in Net Position of the Internal Service Fund for Governmental Activities	283
Current Year Purchases of Capital Assets	3,144,175
Current Year Debt Principal Payments	913,000
Depreciation	(1,430,933)
Other Modified to Full Accrual Revenue Adjustments	(914,197)
Net adjustment to pension expense per GASB 68	(97,983)
Net adjustments for OPEB plan required by GASB 75	1,525,367
<b>Change in Net Position of Combined Governmental and Business-Type Activities</b>	<b>\$ 1,241,253</b>

## THE DISTRICT'S FUNDS

A financial summary of the District's funds for the current year is as follows:

Governmental Fund Financial Statements						
	General	Capital	Special	Debt		
	Fund	Projects	Revenue	Service		Total
	Fund	Fund	Funds	Fund		
Revenues	\$ 12,155,215	\$ -	\$ 1,890,707	\$ 641,175		\$ 14,687,097
Expenditures	(11,452,191)	(2,837,337)	(1,914,395)	(1,153,908)		(17,357,831)
Other Financing Sources	-	1,668,588	31,989	521,258		2,221,835
Other Financing Uses	(1,449,560)	-	-	-		(1,449,560)
Net Change in Fund Balance	\$ (746,536)	\$ (1,168,749)	\$ 8,301	\$ 8,525		\$ (1,898,459)
Beginning Fund Balance	3,382,722	1,168,749	53,948	7,704		4,613,123
<b>Ending Fund Balance</b>						
<b>All Governmental Funds</b>	\$ 2,636,186	\$ -	\$ 62,249	\$ 16,229		\$ 2,714,664

The District modified its budget several times during the year resulting in a net increase in budgeted expenditures between the original and final budget in the District's General Fund. There were significant amendments made for the General Fund for instructional costs and facilities acquisition and construction costs. A detailed presentation of original and final budgeted amounts, and the actual results for the General Fund can be found in Exhibit G-1 of the financial statements.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of the current fiscal year, the District had invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This year's major additions and the net change in total capital assets are as follows:

Elementary Renovations	\$ 506,822
Football/Baseball Field Upgrades	287,747
Locker Room/Band Hall Upgrades	276,784
Running Track	2,266,867
Fiber Optic Cable	154,941
Technology/Security Upgrades	527,591
Athletic Equipment	20,000
Teacher Technology Upgrades	89,760
Classroom Boards - Touch Screens	9,995
Ag Equipment	10,000
Lawn Mowers	12,642
John Deere Mower - 2653A	9,500
<b>TOTAL</b>	<b>\$ 4,172,649</b>
Total Additions	\$ 4,172,649
Total Deletions	1,028,474
<b>Net Change</b>	<b>\$ 3,144,175</b>

The District's next year's budget calls for \$100,000 in capital outlay.

## Debt

The District's long-term debt at the end of the current fiscal year is as follows:

	Interest Rate on Issue	Amounts Original Issue	Interest Current Year	Outstanding End of Current Fiscal Year	Next Year's Total Principal and Interest Requirement
Series 2015 Tax Refunding Bonds	2.0-3.5%	5,390,000	166,150	4,845,000	634,525
Series 2017 Tax Maintenance Note	2.39%	2,201,000	57,426	2,082,000	176,760
Series 2017 Time Warrants	1.69%	1,000,000	15,632	671,000	344,340
<b>Totals End of Year</b>		<b>\$ 8,591,000</b>	<b>\$239,208</b>	<b>\$ 7,598,000</b>	<b>\$ 1,155,625</b>

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

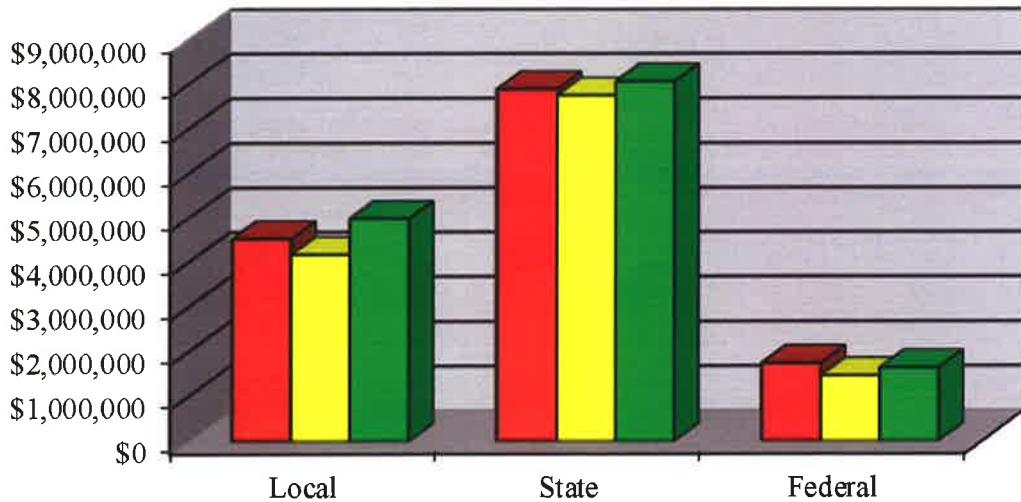
The District's elected and appointed officials considered many factors when setting the next fiscal year budget and tax rates. Those factors included consideration of the expected student population, property valuation for property tax purposes, and staff needed to fulfill educational requirements. Those attributes were implicit in formulating estimates in adopting the General Fund budget for next year. A summary of the subsequent fiscal year budget for funds that are legally required to be budgeted under the Texas Education Code is as follows:

Fiscal Year 2018 - 2019 Adopted Budget				
	General Fund	Child Nutrition Fund	Debt Service Fund	TOTALS
Revenues	\$ 12,362,791	\$ 698,597	\$ 637,525	\$ 13,698,913
Expenditures	(11,884,256)	(723,597)	-	(12,607,853)
Other Financing Sources	-	25,000	-	25,000
Other Financing Uses	(641,104)	-	(637,525)	(1,278,629)
Net Change in Fund Balance	\$ (162,569)	\$ -	\$ -	\$ (162,569)
Beginning of Year Fund Balance	2,636,186	-	16,229	2,652,415
Projected End of Year Fund Balance	\$ 2,473,617	\$ -	\$ 16,229	\$ 2,489,846

The following graph indicates the District's revenues by source for the last three years.

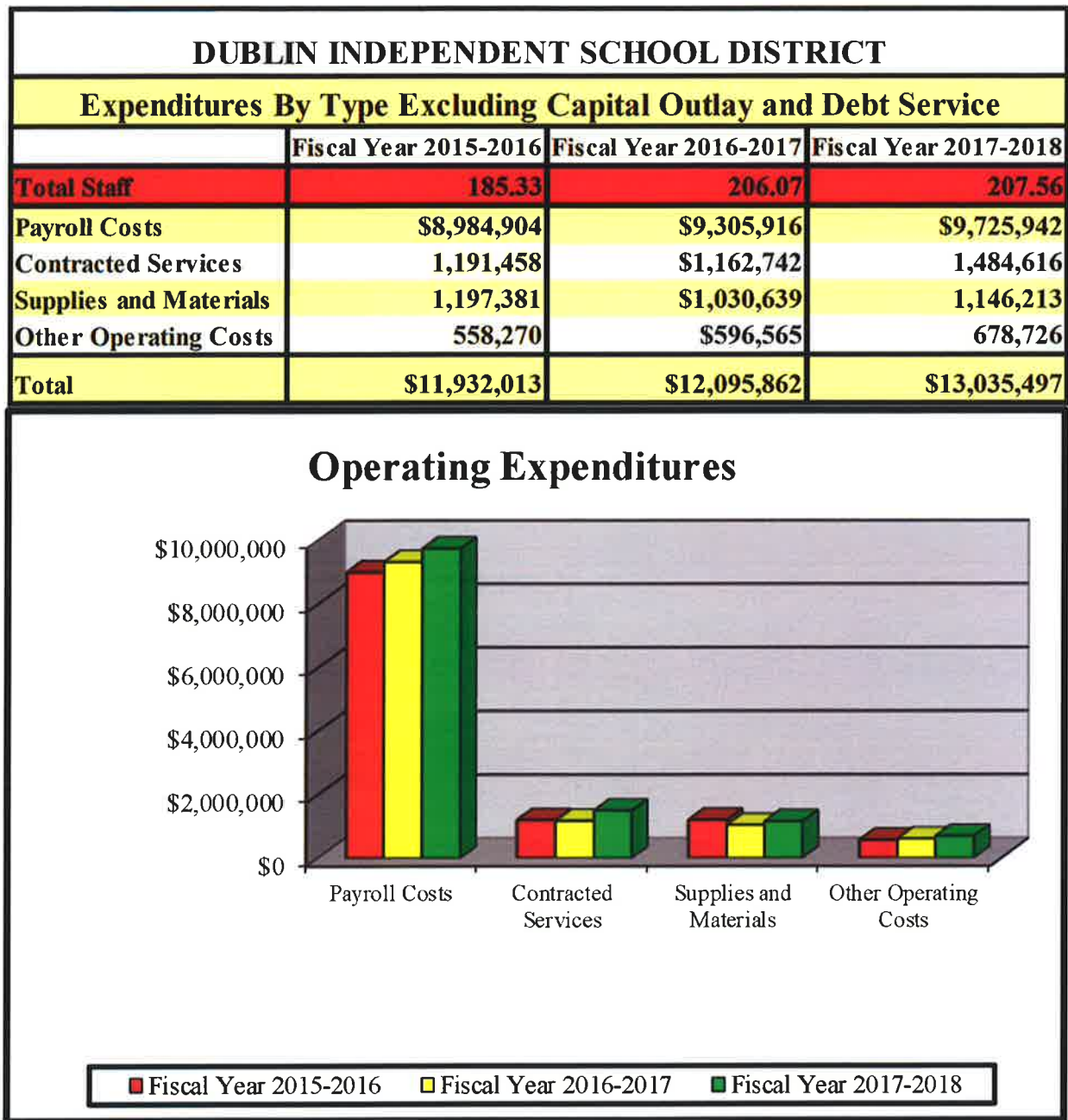
<b>DUBLIN INDEPENDENT SCHOOL DISTRICT</b>			
<b>REVENUES BY SOURCE</b>			
	<b>Fiscal Year 2015-2016</b>	<b>Fiscal Year 2016-2017</b>	<b>Fiscal Year 2017-2018</b>
<b>ADA</b>	<b>1097,509</b>	<b>1086,259</b>	<b>1104,853</b>
<b>Local</b>	<b>\$4,535,713</b>	<b>\$4,174,714</b>	<b>\$4,990,548</b>
<b>State</b>	<b>7,886,447</b>	<b>7,744,105</b>	<b>8,056,822</b>
<b>Federal</b>	<b>1,742,429</b>	<b>1,462,848</b>	<b>1,639,727</b>
<b>Total</b>	<b>\$14,164,589</b>	<b>\$13,381,667</b>	<b>\$14,687,097</b>

## Revenues by Source



■ Fiscal Year 2015-2016   
 ■ Fiscal Year 2016-2017   
 ■ Fiscal Year 2017-2018

The following graph indicates the District's operating expenditures by object for the last three years.



**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 show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at **Dublin Independent School District, 420 N. Post Oak, Dublin, Texas 76446; 254-445-3341.**



**BASIC FINANCIAL STATEMENTS**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2018

EXHIBIT A-1

Data Control Codes	Primary Government			
	1	2	3	
	Governmental Activities	Business Type Activities	Total	
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 2,696,718	\$ 3,244	\$ 2,699,962
1220	Property Taxes - Delinquent	243,093	-	243,093
1230	Allowance for Uncollectible Taxes	(60,774)	-	(60,774)
1240	Due from Other Governments	833,369	-	833,369
1290	Other Receivables, Net	8,012	-	8,012
1410	Prepayments	2,688	-	2,688
	Capital Assets:			
1510	Land	250,760	-	250,760
1520	Buildings, Net	15,963,003	-	15,963,003
1530	Furniture and Equipment, Net	2,140,436	-	2,140,436
1000	Total Assets	<u>22,077,305</u>	<u>3,244</u>	<u>22,080,549</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1701	Deferred Charge for Refunding	309,277	-	309,277
1705	Deferred Outflow Related to TRS Pension	756,354	-	756,354
1706	Deferred Outflow Related to TRS OPEB	113,586	-	113,586
1700	Total Deferred Outflows of Resources	<u>1,179,217</u>	<u>-</u>	<u>1,179,217</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	195,887	3,244	199,131
2160	Accrued Wages Payable	491,913	-	491,913
2200	Accrued Expenses	39,958	-	39,958
	Noncurrent Liabilities:			
2501	Due Within One Year	948,916	-	948,916
2502	Due in More Than One Year	7,109,027	-	7,109,027
2540	Net Pension Liability (District's Share)	2,163,646	-	2,163,646
2545	Net OPEB Liability (District's Share)	4,211,859	-	4,211,859
2000	Total Liabilities	<u>15,161,206</u>	<u>3,244</u>	<u>15,164,450</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2602	Deferred Resource Inflow - State Grants	17,887	-	17,887
2605	Deferred Resource Inflow Related to TRS Pension	330,948	-	330,948
2606	Deferred Resource Inflow Related to TRS OPEB	1,761,829	-	1,761,829
2600	Total Deferred Inflows of Resources	<u>2,110,664</u>	<u>-</u>	<u>2,110,664</u>
<b>NET POSITION</b>				
3200	Net Investment in Capital Assets	10,614,449	-	10,614,449
	Restricted:			
3820	Restricted for Federal and State Programs	62,249	-	62,249
3850	Restricted for Debt Service	36,224	-	36,224
3900	Unrestricted	(4,728,270)	-	(4,728,270)
3000	Total Net Position	<u>\$ 5,984,652</u>	<u>\$ -</u>	<u>\$ 5,984,652</u>

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
11 Instruction	\$ 5,848,915	\$ -	\$ (29,332)
12 Instructional Resources and Media Services	79,362	-	(21,826)
13 Curriculum and Instructional Staff Development	143,186	-	(9,065)
21 Instructional Leadership	73,401	-	91,513
23 School Leadership	463,835	-	(125,386)
31 Guidance, Counseling and Evaluation Services	170,843	-	101,209
33 Health Services	83,091	-	(28,067)
34 Student (Pupil) Transportation	331,741	-	(25,398)
35 Food Services	563,940	117,413	509,038
36 Extracurricular Activities	690,273	40,067	(66,566)
41 General Administration	543,650	-	(12,205)
51 Facilities Maintenance and Operations	1,310,017	18,935	(90,780)
52 Security and Monitoring Services	182,404	-	(1,740)
53 Data Processing Services	256,702	-	(72,718)
72 Debt Service - Interest on Long-Term Debt	186,158	-	-
73 Debt Service - Bond Issuance Cost and Fees	25,950	-	-
93 Payments Related to Shared Services Arrangements	162,780	-	-
[TG] Total Governmental Activities:	11,116,248	176,415	218,677
<b>BUSINESS-TYPE ACTIVITIES:</b>			
01 Learning Academy	215,140	91,351	-
[TB] Total Business-Type Activities:	215,140	91,351	-
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 11,331,388	\$ 267,766	\$ 218,677

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
GC	Grants and Contributions not Restricted
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
S2	Refund Special Education Funds to TEA
FR	Transfers In (Out)
TR	Total General Revenues, Special Items, & Transfers
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment-GASB 75 OPEB Reporting
NE	Net Position--Ending

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

Net (Expense) Revenue and Changes in Net Position		
6	7	8
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (5,878,247)	\$ -	\$ (5,878,247)
(101,188)	-	(101,188)
(152,251)	-	(152,251)
18,112	-	18,112
(589,221)	-	(589,221)
(69,634)	-	(69,634)
(111,158)	-	(111,158)
(357,139)	-	(357,139)
62,511	-	62,511
(716,772)	-	(716,772)
(555,855)	-	(555,855)
(1,381,862)	-	(1,381,862)
(184,144)	-	(184,144)
(329,420)	-	(329,420)
(186,158)	-	(186,158)
(25,950)	-	(25,950)
(162,780)	-	(162,780)
<u>(10,721,156)</u>	<u>-</u>	<u>(10,721,156)</u>
-	(123,789)	(123,789)
-	(123,789)	(123,789)
<u>(10,721,156)</u>	<u>(123,789)</u>	<u>(10,844,945)</u>
3,821,856	-	3,821,856
532,473	-	532,473
7,342,750	-	7,342,750
291,520	-	291,520
44,582	-	44,582
156,953	-	156,953
(103,936)	-	(103,936)
(123,789)	123,789	-
<u>11,962,409</u>	<u>123,789</u>	<u>12,086,198</u>
1,241,253	-	1,241,253
12,128,868	-	12,128,868
(7,385,469)	-	(7,385,469)
<u>\$ 5,984,652</u>	<u>\$ -</u>	<u>\$ 5,984,652</u>

DUBLIN INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2018

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 2,486,233	\$ -	\$ 104,851	\$ 2,591,084
1220 Property Taxes - Delinquent	206,882	-	36,211	243,093
1230 Allowance for Uncollectible Taxes	(51,721)	-	(9,053)	(60,774)
1240 Due from Other Governments	702,730	-	130,639	833,369
1260 Due from Other Funds	43,675	-	-	43,675
1290 Other Receivables	6,712	-	1,300	8,012
1410 Prepayments	2,688	-	-	2,688
1000 Total Assets	<u>\$ 3,397,199</u>	<u>\$ -</u>	<u>\$ 263,948</u>	<u>\$ 3,661,147</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ 168,525	\$ -	\$ 27,362	\$ 195,887
2160 Accrued Wages Payable	427,898	-	64,015	491,913
2170 Due to Other Funds	-	-	43,675	43,675
2200 Accrued Expenditures	9,428	-	5,373	14,801
2000 Total Liabilities	<u>605,851</u>	<u>-</u>	<u>140,425</u>	<u>746,276</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	155,162	-	27,158	182,320
2602 Deferred Inflow of Resources - State Grants	-	-	17,887	17,887
2600 Total Deferred Inflows of Resources	<u>155,162</u>	<u>-</u>	<u>45,045</u>	<u>200,207</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	62,249	62,249
3480 Retirement of Long-Term Debt	-	-	16,229	16,229
Committed Fund Balance:				
3510 Facilities Improvements	500,000	-	-	500,000
3530 Capital Equipment	500,000	-	-	500,000
3545 Fiscal Exigency	500,000	-	-	500,000
3600 Unassigned Fund Balance	1,136,186	-	-	1,136,186
3000 Total Fund Balances	<u>2,636,186</u>	<u>-</u>	<u>78,478</u>	<u>2,714,664</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,397,199</u>	<u>\$ -</u>	<u>\$ 263,948</u>	<u>\$ 3,661,147</u>

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2018

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	2,714,664
<b>1</b> The District uses internal service funds to charge the costs of certain activities, such as self-insurance for workers compensation insurance, 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. The net effect of this consolidation is to increase net position.		80,477
<b>2</b> Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets less the accumulated depreciation increases net assets. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		8,926,241
<b>3</b> Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the current fiscal year capital outlays and debt principal payments is to decrease net position.		4,057,175
<b>4</b> Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68, a deferred resource inflow related to TRS and a deferred resource outflow related to TRS. This resulted in a decrease in net position.		(1,738,240)
<b>5</b> The District implemented GASB 75 reporting requirements for the OPEB plan through TRS-Care. Since this is the first year of implementation, a prior period adjustment had to be reported. The District's share of the TRS-Care plan resulted in a net OPEB liability, a deferred outflow related to TRS OPEB, and a deferred inflow related to TRS OPEB. This resulted in a difference between the ending fund balance and the ending net position.		(5,860,102)
<b>6</b> The current year depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,430,933)
<b>7</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		(764,630)
<b>19 Net Position of Governmental Activities</b>	<b>\$</b>	<b>5,984,652</b>

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	10 General Fund	60 Capital Projects	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 4,051,209	\$ -	\$ 939,339	\$ 4,990,548
5800 State Program Revenues	7,923,488	-	133,334	8,056,822
5900 Federal Program Revenues	180,518	-	1,459,209	1,639,727
5020 Total Revenues	<u>12,155,215</u>	<u>-</u>	<u>2,531,882</u>	<u>14,687,097</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	6,100,649	-	902,815	7,003,464
0012 Instructional Resources and Media Services	120,207	-	-	120,207
0013 Curriculum and Instructional Staff Development	183,024	-	12,565	195,589
0021 Instructional Leadership	9,723	-	117,541	127,264
0023 School Leadership	740,690	-	-	740,690
0031 Guidance, Counseling and Evaluation Services	151,648	-	130,712	282,360
0033 Health Services	135,431	-	-	135,431
0034 Student (Pupil) Transportation	268,440	-	-	268,440
0035 Food Services	22,385	-	718,362	740,747
0036 Extracurricular Activities	763,943	-	-	763,943
0041 General Administration	595,384	-	15,350	610,734
0051 Facilities Maintenance and Operations	1,464,219	-	17,050	1,481,269
0052 Security and Monitoring Services	185,002	-	-	185,002
0053 Data Processing Services	369,475	-	-	369,475
<b>Debt Service:</b>				
0071 Principal on Long-Term Debt	-	-	913,000	913,000
0072 Interest on Long-Term Debt	-	-	239,208	239,208
0073 Bond Issuance Cost and Fees	24,250	-	1,700	25,950
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	154,941	2,837,337	-	2,992,278
<b>Intergovernmental:</b>				
0093 Payments to Fiscal Agent/Member Districts of SSA	162,780	-	-	162,780
6030 Total Expenditures	<u>11,452,191</u>	<u>2,837,337</u>	<u>3,068,303</u>	<u>17,357,831</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>703,024</u>	<u>(2,837,337)</u>	<u>(536,421)</u>	<u>(2,670,734)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	1,000,000	-	1,000,000
7915 Transfers In	-	668,588	553,247	1,221,835
8911 Transfers Out (Use)	(1,345,624)	-	-	(1,345,624)
8949 Other (Uses)	(103,936)	-	-	(103,936)
7080 Total Other Financing Sources (Uses)	<u>(1,449,560)</u>	<u>1,668,588</u>	<u>553,247</u>	<u>772,275</u>
1200 Net Change in Fund Balances	(746,536)	(1,168,749)	16,826	(1,898,459)
0100 Fund Balance - September 1 (Beginning)	<u>3,382,722</u>	<u>1,168,749</u>	<u>61,652</u>	<u>4,613,123</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 2,636,186</u>	<u>\$ -</u>	<u>\$ 78,478</u>	<u>\$ 2,714,664</u>

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

DUBLIN 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 AUGUST 31, 2018

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	(1,898,459)
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance for workers compensation insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase the change in net position.</p>		
		283
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the current year capital outlays and debt principal payments is to increase the change in net position.</p>		
		4,057,175
<p>Depreciation is not recognized as an expense 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 the change in net position.</p>		
		(1,430,933)
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease the change net position.</p>		
		(914,197)
<p>Current year changes due to GASB 68 pension reporting increased revenues, but also increased expenditures. The net effect on the change in the ending net position was a decrease in the change in net position.</p>		
		(97,983)
<p>GASB 75 requires that certain OPEB plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease the change in net position. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position. The net result is an increase in the change in net position.</p>		
		1,525,367
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b>1,241,253</b>

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



DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2018

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,244	\$ 105,634
Total Assets	3,244	105,634
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	3,244	-
Accrued Expenses	-	25,157
Total Liabilities	3,244	25,157
<b>NET POSITION</b>		
Unrestricted Net Position	-	80,477
Total Net Position	\$ -	\$ 80,477

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<b>OPERATING REVENUES:</b>		
Local and Intermediate Sources	\$ 76,870	\$ 37,387
State Program Revenues	14,481	-
Total Operating Revenues	<u>91,351</u>	<u>37,387</u>
<b>OPERATING EXPENSES:</b>		
Payroll Costs	179,359	-
Professional and Contracted Services	-	15,955
Supplies and Materials	31,006	-
Other Operating Costs	4,775	21,880
Total Operating Expenses	<u>215,140</u>	<u>37,835</u>
Operating Income (Loss)	<u>(123,789)</u>	<u>(448)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Earnings from Temporary Deposits & Investments	-	731
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>731</u>
Income Before Transfers	(123,789)	283
Transfer In	123,789	-
Change in Net Position	-	283
Total Net Position - September 1 (Beginning)	<u>-</u>	<u>80,194</u>
Total Net Position - August 31 (Ending)	<u>\$ -</u>	<u>\$ 80,477</u>

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2018

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
<b><u>Cash Flows from Operating Activities:</u></b>		
Cash Received from User Charges	\$ 91,352	\$ -
Cash Received from Assessments - Other Funds	-	37,387
Cash Payments to Employees for Services	(179,360)	-
Cash Payments for Insurance Claims	-	(11,957)
Cash Payments for Suppliers	(28,357)	-
Cash Payments for Premiums & Fees	-	(25,454)
Cash Payments for Other Costs	(4,180)	-
Net Cash Used for Operating Activities	<u>(120,545)</u>	<u>(24)</u>
<b><u>Cash Flows from Capital &amp; Related Financing Activities:</u></b>		
Capital Contributed by Other Funds	<u>123,789</u>	<u>-</u>
<b><u>Cash Flows from Investing Activities:</u></b>		
Interest and Dividends on Investments	<u>-</u>	<u>731</u>
Net Increase in Cash and Cash Equivalents	3,244	707
Cash and Cash Equivalents at Beginning of Year	-	104,927
Cash and Cash Equivalents at End of Year	<u>\$ 3,244</u>	<u>\$ 105,634</u>
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>		
<b><u>Used for Operating Activities:</u></b>		
Operating Income (Loss):	\$ (123,789)	\$ (448)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Increase (decrease) in Accounts Payable	3,244	(354)
Increase (decrease) in Accrued Claims Liability	-	778
Net Cash Used for Operating Activities	<u>\$ (120,545)</u>	<u>\$ (24)</u>
<b><u>Reconciliation of Total Cash and Cash Equivalents:</u></b>		
Cash and Cash Equivalents on Balance Sheet	\$ 3,244	\$ 105,634
Pooled Cash and Cash Equivalents on Balance Sheet	<u>-</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 3,244</u>	<u>\$ 105,634</u>

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2018

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	Agency Fund
<hr/>	
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 111,911
<b>Total Assets</b>	<u><u>\$ 111,911</u></u>
 <b>LIABILITIES</b>	
Due to Student Groups	\$ 111,911
<b>Total Liabilities</b>	<u><u>\$ 111,911</u></u>

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

**DUBLIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2018**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Dublin 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 accepted in the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District also 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.

**A. REPORTING ENTITY**

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. For financial reporting purposes, the accompanying financial statements include all of the operations over which the District is financially accountable. The District applies current GASB criteria to potential component units and other related entities in evaluating the potential inclusion in the reporting entity. The criteria for inclusion in the reporting entity involves whether the District or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the District such that exclusion of such information would cause the District's financial statements to be incomplete. For the current fiscal year, the reporting entity of the District does not include any component units.

**B. 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 **Dublin 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 Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

Inter-fund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All inter-fund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Inter-fund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as inter-fund transfers. Inter-fund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

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 District considers some governmental and enterprise funds major and report their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

### **C. 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 use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year-end.

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, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. 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 amount.

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. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net position, and unrestricted net position.

#### **D. FUND ACCOUNTING**

The District reports the following major governmental funds:

**General Fund** – The general fund is the District's primary operating fund. This fund accounts for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** – The District did maintain a major capital projects governmental fund during the current year.

The District does not maintain or report any major enterprise funds at present.

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

##### **Governmental Funds:**

**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.

**Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund when applicable.

**Capital Projects Funds** – Proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund when applicable.

##### **Proprietary Funds:**

**Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund when applicable.

**Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis (such as workers’ compensation) are accounted for in an internal service fund when applicable.

**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. When applicable, the District maintains a private purpose trust fund to provide scholarships for students that have graduated from the District.

**Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds including funds used to account for student activities.

Transactions between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to / from other funds”. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in any business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in / out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows for proprietary funds, the District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased.
2. The District reports inventories of supplies using the first-in, first-out inventory cost method. The supplies include consumable maintenance, instructional, office, athletic, and transportation items. Under the purchase method, supplies are recorded as expenditures when they are purchased. Inventories of food commodities are recorded at market values supplied by the Department of Agriculture. Although commodities are received at no cost, their fair market value is supplied by the Department of Agriculture and recorded as revenue and expenditures when received. No material inventories including food commodities were recorded as an asset and a corresponding expenditure reduction at year-end.
3. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenditures in the year the long term obligation is issued.



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

4. It is the District's policy to permit some employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
5. Capital assets, which include land, buildings, furniture and equipment and infrastructure assets 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 assets 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:

ASSETS	YEARS
Buildings	40
Building Improvements	30
Vehicles	10
Office Equipment	10
Computer Equipment	10

6. Since Internal Service Funds in the District support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
7. Restricted assets, if applicable, of the District are limited to cash and certificates of deposit which have been gifted to the District with the stipulation that only the earnings are available for current and future scholarship recipients.
8. The District participates in a self-funded workers' compensation program that executes an inter-local agreement that defines the responsibilities of the parties. The program provides statutory workers' compensation benefits to its members and their injured employees.

9. **Net Position and Fund Balances:**

**Government-wide and Proprietary Fund Net Position:**

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets—consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted net position—consist of assets that are restricted by the District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted—all other net position is reported in this category.

**Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable—Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted—Amounts that can be spent only for specific purposes because of the District's state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed—Amounts that can be used only for specific purposes determined by a formal action by Board of Trustees' ordinance.
- Assigned—Amounts that are designated by the Superintendent for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by the Board of Trustees.
- Unassigned—All amounts not included in other spendable classifications.

10. Use of Restricted Resources:

When an expenditure/expense is incurred that can be paid using either restricted or unrestricted resources (net position), the District's policy is to first apply the expenditure/expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

11. The District applies Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Market Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.
12. Investment income reported in one fund has not been assigned directly to another fund by the District.
13. The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (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.
14. Deferred Outflows of Resources: The District reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. Deferred outflows of resources related to pension and other post-employment benefits reporting is presented in the government wide statements.

15. **Deferred Inflow of Resources:** The District's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). The District will not recognize the related revenues until a future event occurs. The District has deferred inflows of resources which occur because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, both deferred property taxes and grants are reported in the governmental funds balance sheet. A deferred inflow related to pension and other post-employment benefits reporting is also presented in the government wide statements.
16. **Pensions:** The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
17. **Other Post-Employment Benefits:** The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resource measurement focus and full accrual basis of accounting. This includes for purposes of measuring the new OPEB liability, deferred outflows of resources and deferred inflows or resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

### A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<b>Capital Assets - Beginning of Year</b>	<b>Historical Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>	<b>Change in Net Position</b>
Land	\$ 250,760	\$ -	\$ 250,760	
Construction in Progress	1,028,474	-	1,028,474	
Buildings and Improvements	33,245,724	(19,710,048)	13,535,676	
Furniture and Equipment	4,489,838	(2,663,791)	1,826,047	
<b>Change in Net Position</b>	<b>\$ 39,014,796</b>	<b>\$ (22,373,839)</b>		<b>\$ 16,640,957</b>
			<b>Net Book Value</b>	
<b>Other Assets - Beginning of Year</b>				
Deferred Charge on Refunding			\$ 343,641	
<b>Change in Net Position</b>				<b>343,641</b>
			<b>Amount Payable</b>	
<b>Long-Term Liabilities - Beginning of Year</b>				
Bonds Payable			\$ 5,310,000	
Notes Payable			2,201,000	
Add Unamortized Bond Premium / Discount			540,194	
Deferred Inflow			-	
Accrued / Accreted Interest - Bonds, Notes, and Capital Leases			7,163	
<b>Change in Net Position</b>				<b>8,058,357</b>
<b>Net Adjustment to Net Position</b>				<b>\$ 8,926,241</b>

**B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Exhibit C-4 provides reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position shown in Exhibit C-2 and Exhibit C-4. The details of this adjustment are as follows:

	Amount	Adjustments To Changes in Net Position	Adjustments to Net Position
<b>Current Year Capital Outlay</b>			
Buildings & Improvements	\$ 3,493,161		
Furniture & Equipment	679,488		
Construction in Progress	<u>(1,028,474)</u>		
<b>Total Capital Outlay</b>	<u>\$ 3,144,175</u>	\$ 3,144,175	\$ 3,144,175
<b>Debt Principal Payments</b>			
Bond Principal	<u>\$ 913,000</u>		
<b>Total Principal Payments</b>	<u>\$ 913,000</u>	913,000	913,000
<b>Total Adjustment to Net Position</b>		<u>\$ 4,057,175</u>	<u>\$ 4,057,175</u>

Another element of the reconciliation on Exhibits C-2 and C-4 are described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details of this adjustment are as follows:

	Amount	Adjustments to Change in Net Position	Adjustments to Net Position
<b>Adjustments to Revenue, Unearned Revenue, Beginning Net Position:</b>			
Begin year unearned property tax revenue	\$ 149,567	\$ -	\$ 149,567
Property tax adjustments to convert from the modified accrual basis to the full accrual basis of accounting	32,753	32,753	32,753
Other Revenue/Expense Adjustments	-	-	-
<b>Reclassify Proceeds of Bonds, Loans &amp; Capital Leases:</b>			
Proceeds of 2017 Time Warrants	(1,000,000)	(1,000,000)	(1,000,000)
<b>Reclassify Certain Expenditures to Full Accrual From Modified Accrual:</b>			
Adjust Interest Expense on Long-term Debt	(1,753)	(1,753)	(1,753)
Current Year Amortization of Bond Premiums	89,167	89,167	89,167
Amortization of Deferred Charge on Refunding	(34,364)	(34,364)	(34,364)
<b>Totals</b>		<u>\$ (914,197)</u>	<u>\$ (764,630)</u>

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund, and the Food Service Fund (which is included in the Special Revenue Funds). 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 report appears in Exhibit G-1 and the other two reports are in the J Exhibits as reported in the required TEA Exhibits.

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

Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

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.

Prior to September 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 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. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. Significant amendments were made for function 81 capital expenditures.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as adopted and amended by the Board of Trustees. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

	<b>End of Year Fund Balance</b>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ -
Non-appropriated Budget Funds	<u>62,249</u>
<b>All Special Revenue Funds</b>	<b>\$ 62,249</b>

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The District did not have an excess of expenditures over appropriations for any functions that were material to the financial statements in legally required budgeted funds for the current year.

**C. DEFICIT FUND EQUITY**

The District did not incur a deficit fund balance in any fund during the current fiscal year.

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The carrying amount of the District’s cash and temporary investments at the end of the fiscal year follows:

<b>CASH AND INVESTMENTS - BY ACCOUNT TYPE</b>	<b>End of Fiscal Year</b>
Cash in Bank - Including Money Market Accounts	\$ 2,811,873
Certificates of Deposit	-
Investment Pool Funds	-
<b>Total Cash and Investments</b>	<b>\$ 2,811,873</b>

<b>CASH AND INVESTMENTS - BY FUND</b>	<b>End of Fiscal Year</b>
Cash and Investments - General Fund	\$ 2,486,233
Cash and Investments - Other Major Governmental Funds	-
Cash and Investments - Non-Major Governmental	104,851
Cash and Investments - Enterprise	3,244
Cash and Investments - Internal Service	105,634
Cash and Investments - Agency	111,911
Cash and Investments - Other	-
<b>Total Cash and Investments</b>	<b>\$ 2,811,873</b>

**District Policies and Legal and Contractual Provisions Governing Deposits**

**Custodial Credit Risk for Deposits:** State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The District's cash deposits at year end and at the date of the highest cash balance were entirely covered by FDIC insurance and/or pledged collateral or bond held by the District's agent bank in the District's name, and therefore, the District was not exposed to custodial credit risk during the current year.

**Foreign Currency Risk:** Not applicable to the District’s cash accounts.

As of the end of the current fiscal year, the following are the District's cash and cash equivalents with respective maturities and credit rating:

<b>Type of Deposit for Cash and Cash Equivalents</b>	<b>Fair Value</b>	<b>%</b>	<b>Maturity in less than 1 year</b>	<b>Maturity in 1 - 10 years</b>	<b>Credit Rating</b>
Demand deposit accounts (FDIC Insured)	\$ 2,811,873	100.00%	\$ 2,811,873	\$ -	n/a
<b>Total Cash and Cash Equivalents</b>	<b>\$ 2,811,873</b>	<b>100.00%</b>	<b>\$ 2,811,873</b>	<b>\$ -</b>	

## Investments

### District Policies and Legal and Contractual Provisions Governing Investments

#### Compliance with the Public Funds Investment Act

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 a governmental entity 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 entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an "A"; (4) No load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than "AA-" or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity 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.

Additional policies and contractual provisions governing investments for the District are specified below:

Credit Risk: To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to certificates of deposit and money market accounts.

Custodial Credit Risk for Investments: To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk: The District's investments are excluded from the 5% disclosure requirement.

Interest Rate Risk: The District's investments are excluded from the interest rate risk disclosure.

Foreign Currency Risk for Investments: Not applicable to the District's investments.

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. the hierarchy is based on the valuation inputs used to



measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of the end of the current fiscal year, the District had no investments subject to the fair value measurement. The District also has no investments measured at the Net Asset Value (NAV) per Share (or its equivalent).

**B. PROPERTY TAXES**

Property taxes are levied by October 1 on the assessed value listed as of the prior 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.

**C. DELINQUENT TAXES RECEIVABLE**

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.

**D. INTERFUND BALANCES AND TRANSFERS**

The District had the following interfund balances for the current year:

FUND	Due From Other Funds	Due To Other Funds
<b>General Fund</b>		
Major Governmental Funds	\$ -	\$ -
Non-major Governmental Funds	43,675	-
Total General Fund	<u>\$ 43,675</u>	<u>\$ -</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ -	\$ 43,675
Other Major Governmental Funds	-	-
Total Non-major Governmental Funds	<u>\$ -</u>	<u>\$ 43,675</u>
<b>Total Interfund Receivables / Payables</b>	<u><b>\$ 43,675</b></u>	<u><b>\$ 43,675</b></u>

The purpose of the interfund receivables and payables are as follows:

- The \$43,675 receivable / payable between the General Fund and non-major governmental funds represents short-term advances of funds pending cost reimbursements to be received from other governmental agencies. These advances resulted from pooled cash accounts.

Inter-fund transfers for the current year consisted of the following individual amounts:

FUND	Transfers In	Transfers Out
<b>General Fund</b>		
Non-major Governmental Funds	\$ -	\$ 1,345,624
All Others	-	-
Total General Fund	<u>\$ -</u>	<u>\$ 1,345,624</u>
<b>Major Governmental Funds</b>		
General Fund	\$ 668,588	\$ -
Total Major Governmental Funds	<u>\$ 668,588</u>	<u>\$ -</u>
<b>Non-major Governmental Funds</b>		
General Fund	\$ 553,247	\$ -
Total Non-major Governmental Funds	<u>\$ 553,247</u>	<u>\$ -</u>
<b>All Other Funds</b>		
General Fund	\$ 123,789	\$ -
Total All Other Funds	<u>\$ 123,789</u>	<u>\$ -</u>
<b>Total Interfund Transfers</b>	<u><b>\$ 1,345,624</b></u>	<u><b>\$ 1,345,624</b></u>

Transfers of \$123,789 were made to the Learning Academy enterprise fund during the year to fund operating expenses. A transfer of \$521,258 was made to the Debt Service Fund to provide additional funds for debt service requirements. A transfer of \$668,588 was made to the Capital Projects Fund to cover costs to complete construction projects. Transfers totaling \$31,989 were made to the Food Service Fund for operating costs throughout the year.

#### E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at year end were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
<b>Governmental Activities:</b>					
General Fund	\$ 206,882	\$ 702,730	\$ 43,675	\$ 9,400	\$ 962,687
Other Major Governmental Funds	-	-	-	-	-
Non-major Governmental Funds	36,211	130,639	-	1,300	168,150
Internal Service Funds	-	-	-	-	-
<b>Total Governmental Activities</b>	<u>\$ 243,093</u>	<u>\$ 833,369</u>	<u>\$ 43,675</u>	<u>\$ 10,700</u>	<u>1,130,837</u>
Amounts not scheduled for collection during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Business-type Activities:</b>					
Major Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Non-major Enterprise Funds	-	-	-	-	-
<b>Total Business-type Activities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Payables at year end, were as follows:**

	Accounts Payable	Accrued Wages Payable	Accrued Benefits Payable	Due To Other Funds	Accrued Expenditures /Expenses	Other	Total Payables
<b>Governmental Activities:</b>							
General Fund	\$168,525	\$427,898	\$ -	\$ -	\$ 9,428	\$ -	\$ 605,851
Other Major Governmental Funds	-	-	-	-	-	-	-
Non-major Governmental Funds	27,362	64,015	-	43,675	5,373	17,887	158,312
Internal Service Funds	-	-	-	-	-	25,157	25,157
<b>Total Governmental Type Activities</b>	<b>\$195,887</b>	<b>\$491,913</b>	<b>\$ -</b>	<b>\$ 43,675</b>	<b>\$ 14,801</b>	<b>\$ 43,044</b>	<b>\$ 789,320</b>
Amounts not scheduled for payment during subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Business-Type Activities:</b>							
Major Enterprise Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-major Enterprise Fund	3,244	-	-	-	-	-	3,244
<b>Total Business-Type Activities</b>	<b>\$ 3,244</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,244</b>

**F. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the current year was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements / Adjustments	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 250,760	\$ -	\$ -	\$ 250,760
Construction In Progress	1,028,474	-	(1,028,474)	-
<u>Capital Assets Being Depreciated:</u>				
Buildings and Improvements	33,245,724	3,493,161	-	36,738,885
Furniture and Equipment	4,489,838	679,488	-	5,169,326
<b>Totals at Historic Cost</b>	<b>\$ 39,014,796</b>	<b>\$ 4,172,649</b>	<b>\$ (1,028,474)</b>	<b>\$ 42,158,971</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	\$ 19,710,048	\$ 1,065,834	\$ -	\$ 20,775,882
Furniture and Equipment	2,663,791	365,099	-	3,028,890
<b>Total Accumulated Depreciation</b>	<b>\$ 22,373,839</b>	<b>\$ 1,430,933</b>	<b>\$ -</b>	<b>\$ 23,804,772</b>
<b>Governmental Activities Capital Assets-Net</b>	<b>\$ 16,640,957</b>	<b>\$ 2,741,716</b>	<b>\$ (1,028,474)</b>	<b>\$ 18,354,199</b>

**Depreciation expense was charged to governmental functions as follows:**

Instruction	\$ 1,123,201
Instructional Resources	1,009
Student (Pupil) Transportation	109,933
Food Services	6,211
Extracurricular Activities	100,329
General Administration	7,885
Plant Maintenance and Operations	58,728
Security and Monitoring Services	1,500
Data Processing Services	22,137
In addition, depreciation on capital assets held by the District's Internal Service Fund(s) is charged to the various functions based on their usage of the assets	-
<b>Total Depreciation Expense</b>	<b>\$ 1,430,933</b>

The District has no capital assets that are not being depreciated as of the current fiscal year end except for land as previously listed.

**G. SHORT-TERM DEBT PAYABLE**

The District accounts for short-term debts for maintenance purposes through the General Fund. Short-term debts include notes made in accordance with the provisions of the Texas Education Code Section 45.108. The proceeds from loans are shown in the governmental fund financial statements as Other Resources and principal payments are shown as Other Uses. The District had no short-term debt obligations at any time during the current fiscal year.

**H. BONDS AND LONG-TERM NOTES PAYABLE**

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. A summary of changes in general long-term debt for the current year end is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amounts		Retired / Amortized	Payable Amounts Outstanding End of Year
				Outstanding Begin Year	Issued		
Series 2015 Tax Refunding Bonds	2.0% - 3.5%	\$ 5,390,000	\$ 166,150	\$ 5,310,000	\$ -	\$ 465,000	\$ 4,845,000
Series 2017 Maintenance Tax Note	2.39%	2,201,000	57,426	2,201,000	-	119,000	2,082,000
Series 2017 Time Warrants	1.69%	1,000,000	15,632	-	1,000,000	329,000	671,000
<b>Subtotal</b>		<b>\$ 8,591,000</b>	<b>\$ 239,208</b>	<b>\$ 7,511,000</b>	<b>\$ 1,000,000</b>	<b>\$ 913,000</b>	<b>\$ 7,598,000</b>
Unamortized Bond Premiums	n/a			540,194	-	89,167	451,027
<b>TOTAL</b>			<b>\$ 239,208</b>	<b>\$ 8,051,194</b>	<b>\$ 1,000,000</b>	<b>\$ 1,002,167</b>	<b>\$ 8,049,027</b>

There are a number of limitations and restrictions contained in the general obligation bond indentures. District administration believes that the District is in compliance with all significant limitations and restrictions at year end.

**I. COMMITMENTS UNDER OPERATING LEASES**

Commitments under operating (non-capitalized) lease agreements for facilities and equipment provide for minimum future rental payments at year end as follows (the imputed interest on the leases range from 4.50% to 5.25%:

<b>Year Ending August 31</b>	
2019	\$ 76,259
2020	77,690
2021	70,538
2022	36,238
2023	11,738
2024-2028	-
<b>Total Minimum Future Rentals</b>	<b>\$ 272,463</b>
<b>Rental Expenditures in Current Fiscal Year</b>	<b>\$ 99,442</b>

**J. DEBT SERVICE REQUIREMENTS – BONDS, CAPITAL LEASES, & OTHER LONG-TERM DEBT**

Debt service requirements for bonds are as follows:

<b>General Obligations - Bonds and Notes Payable</b>			
<b>Year Ended August 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2019	\$ 940,000	\$ 215,625	\$ 1,966,910
2020	958,000	194,962	1,962,211
2021	638,000	171,442	1,618,884
2022	656,000	153,114	1,618,228
2023	674,000	134,263	4,843,975
2024-2028	3,064,000	340,166	
2029-2033	668,000	40,391	1,593,500
<b>Totals</b>	<b>\$ 7,598,000</b>	<b>\$ 1,249,963</b>	<b>\$ 8,847,963</b>

**Capital Leases and Other Long-Term Debt**

The District was not obligated for capital leases as of or during the current year.

**K. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS**

Upon retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in “lump sum” cash payment to such employee or his/her estate. Individuals employed after October 1, 1985, are not eligible to receive the lump sum payments.

## **L. DEFINED BENEFIT PENSION PLAN**

### **a. Plan Description**

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

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

### **b. Pension Plan Fiduciary Net Position**

Detail 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.

### **c. 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 in (A) above.

### **d. 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 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

	Contribution Rates	
	2017	2018
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Current fiscal year employer contributions		\$ 216,505
Current fiscal year member contributions		589,529
2017 measurement year NECE on-behalf contributions		406,030
<u>Payments made by the State On-Behalf of the District for Medicare, Part D:</u>		
Fiscal year 2016 Medicare, Part D On-Behalf		\$ 27,840
Fiscal year 2017 Medicare, Part D On-Behalf		23,215
Fiscal year 2018 Medicare, Part D On-Behalf		24,122

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical 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 sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal

Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**e. Actuarial Assumptions**

The total pension liability in the measurement date (August 31, 2017) actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected investment rate of return	8.00%
Inflation	2.50%
Salary Increases including inflation	3.5 % to 9.5%
Payroll Growth Rate	2.50%
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

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

**f. 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, 2017 are summarized below:



Teacher Retirement System of Texas  
 Asset Allocation and Long-Term Expected Real Rate of Return  
 As of August 31, 2017

	Target Allocation % (1)	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns (2)
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S.Developed	13.0%	5.1%	0.8%
Emergin Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Hedge Funds (Stable Value)	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy & Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
<b>Total</b>	<b>100.0%</b>		<b>8.7%</b>

(1) Target allocations are based on the FY2014 policy model. Infrastructure was moved from Real Assets to Energy and natural Resources in FY2017, but the reallocation does not affect the long-term expected geometric real rate of return or expected contribution to long-term portfolio returns. (2) The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

**g. 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 measurement date Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$ 3,647,480	\$ 2,163,646	\$ 928,114

**h. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At August 31, 2018, the Dublin Independent School District reported the liability for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support

provided to the Dublin Independent School District. The amount recognized by the Dublin 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 the Dublin Independent School District were as follows:

District's proportionate share of the collective net pension liability	\$ 2,163,646
State's proportionate share that is associated with the District	3,969,576
Total	<u>\$ 6,133,222</u>

The net pension liability was measured as of August 31, 2017 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, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net pension liability and the percentage increase (decrease) from its proportion measured as of August 31, 2016 are shown in the required supplementary information in Exhibit G-2.

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

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

For the year ended August 31, 2018, the Dublin Independent School district recognized the following:

Year Ended August 31, 2018 pension expense	\$ 617,271
Revenue for support provided by the State	<u>\$ 302,783</u>

At August 31, 2018, the Dublin 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experiences	\$ 31,655	\$ 116,683
Changes in actuarial assumptions	98,558	56,422
Differences between projected and actual investment earnings	-	157,681
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	409,636	162
Total as of August 31, 2017 measurement date	\$ 539,849	\$ 330,948
Contributions paid to TRS subsequent to the measurement date	216,505	
Total as of fiscal year-end	<u>\$ 756,354</u>	<u>\$ 330,948</u>

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

Fiscal year ended August 31,	Pension Expense Amount
2019	\$ 25,405
2020	163,516
2021	14,793
2022	(25,111)
2023	21,269
Thereafter	9,029

#### M. HEALTH CARE COVERAGE

The District provided health insurance coverage for employees under the provisions of the Teacher Retirement System of Texas (TRS) active care health insurance plan during the current year. The District paid monthly premiums for covered employee to the plan. Employees, at their option, authorized payroll withholdings to pay premiums in excess of the amount funded by the District as set by District policy. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement.

#### N. CHANGES IN LONG-TERM LIABILITIES

Long-term debt activity as shown in the Statement of Net Position at year end was as follows:

<b>Long-Term Liabilities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Bonds and Notes Payable:					
General Obligation Bonds	\$ 5,310,000	\$ -	\$ 465,000	\$ 4,845,000	\$ 480,000
Capital Acquisition Note	2,201,000	-	119,000	2,082,000	127,000
Time Warrants	-	1,000,000	329,000	671,000	333,000
Unamortized Prem/Disc - Bonds	540,194	-	89,167	451,027	-
<b>Total Bonds and Notes Payable</b>	<b>\$ 8,051,194</b>	<b>\$ 1,000,000</b>	<b>\$ 1,002,167</b>	<b>\$ 8,049,027</b>	<b>\$ 940,000</b>
Other Liabilities:					
Capital Leases	\$ -	\$ -	-	\$ -	\$ -
Net Pension Liability (District Share)	2,448,577	(63,156)	221,775	2,163,646	-
Net OPEB Liability (District's Share)	7,435,824	(3,173,610)	50,355	4,211,859	-
Accrued Interest - 2015 Refunding Bonds	7,163	165,225	166,150	6,238	6,238
Accrued Interest - 2017 Maintenance Note	-	59,607	57,426	2,181	2,181
Accrued Interest - 2017 Time Warrants	-	16,130	15,632	497	497
<b>Total Other Liabilities</b>	<b>\$ 9,891,564</b>	<b>\$(2,995,805)</b>	<b>\$ 511,338</b>	<b>\$ 6,384,421</b>	<b>\$ 8,916</b>
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$17,942,758</b>	<b>\$(1,995,805)</b>	<b>\$ 1,513,505</b>	<b>\$ 14,433,448</b>	<b>\$ 948,916</b>

**O. DEFERRED INFLOW OF RESOURCES – GOVERNMENTAL FUND STATEMENTS**

Unavailable revenue / deferred inflow of resources at year-end consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Net Unearned Tax Revenue	\$ 155,162	\$ -	\$ 27,158	\$ 182,320
Other	-	17,887	-	17,887
<b>Total Deferred Inflows</b>	<b>\$ 155,162</b>	<b>\$ 17,887</b>	<b>\$ 27,158</b>	<b>\$ 200,207</b>

**P. 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 at year end are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as “Due from State Agencies” except for some federal programs which are received directly from the federal government for grants.

FUND	Due from State - Foundation Revenue	Due from State - State and Federal Grants	Due from Others	TOTAL
General	\$ 665,962	\$ 36,768	\$ -	\$ 702,730
Special Revenue	130,639	-	-	130,639
<b>Totals</b>	<b>\$ 796,601</b>	<b>\$ 36,768</b>	<b>\$ -</b>	<b>\$ 833,369</b>

**Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Property Taxes	\$ 3,731,517	\$ -	\$ 518,944	\$ 4,250,461
Property Tax Penalty & Interest	63,496	-	7,620	71,116
Investment Income	40,242	-	3,609	43,851
Rents	18,935	-	-	18,935
Food Sales	-	117,413	-	117,413
Extracurricular Student Activities	40,067	-	-	40,067
SSA Revenues from Member Districts	-	291,753	-	291,753
Other Revenues	156,952	-	-	156,952
<b>Totals</b>	<b>\$ 4,051,209</b>	<b>\$409,166</b>	<b>\$ 530,173</b>	<b>\$ 4,990,548</b>

**R. LITIGATION**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is aware of the potential pending exposure to claims related to these areas; however, legal counsel and the District do not expect any financial exposure to assets of the District.

**S. SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

The District as of the end of the fiscal year has not incurred or made any additional commitments in connection with construction or other areas of significance. However, as of the end of the current fiscal year, the District has pending legal action against an insurance company for failure to pay insurance claims on damaged property.

**T. JOINT VENTURE-SHARED SERVICE ARRANGEMENTS**

The District is a member of various shared services arrangements (SSA’s) that are accounted for using Model 3 in the Texas Education Agency (TEA) accounting guide for school districts. The SSA’s provides services for member districts. Other districts or Dublin ISD serve as the fiscal agent for the SSA’s. In addition to the District, other member districts participate in the shared services arrangements also. The fiscal agent for each SSA provides SSA services. The member districts provide the funds to the fiscal agent. According to guidance provided in the TEA’s Resource Guide, the fiscal agent for each SSA has accounted for the fiscal agent’s activities of the SSA in special revenue funds. The Shared Services Arrangements listed below have been accounted for using Model 3 in the SSA section of the Resource Guide. The District has accounted for the payments to the fiscal agent in the General Fund No. 199 as intergovernmental expenditures (function 93). A chart detailing the District’s participation in those shared services arrangement is as follows:

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	Fiscal Agent	District	Program Expenditures Current Year
				Special Revenue Fund	Special Revenue Fund	
Greater Erath County Special Education SSA	Special Education	Dublin ISD	Special Education	437	N.A.	\$ 162,780
<b>TOTAL FUNCTION 93 EXPENDITURES</b>						<b>\$ 162,780</b>

The District also participates in shared service arrangements with other school districts for various educational activities. In addition to the District, other member districts participate in the educational cooperatives and the fiscal agent provides SSA services. The funding for each activity is received by the fiscal agent from the grantor agency. The fiscal agent then provides the funds to the member districts. According to guidance provided in TEA's Resource Guide, the Fiscal Agent has accounted for the fiscal agent's activities of the SSA in a Special Revenue Fund. The Shared Services Arrangements has been accounted for using Model 1 in the SSA section of the TEA Resource Guide. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the district have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. Presented below are the shared service arrangements in which the District participates and the extent of funding received and expended under each program.

Shared Services Arrangement	Type of Services	Fiscal Agent	Funding Source	District	Program
				Special Revenue Fund	Expenditures Current Year
Greater Erath County Special Education	Special Education	Dublin ISD	IDEA, Part B - Discretionary	226	\$ -

## U. SUBSEQUENT EVENTS

In preparing the basic financial statements, District administration has evaluated events and transactions for potential recognition or disclosure through **January 10, 2019**, the date this Annual Financial Report was available to be issued.

## V. RELATED ORGANIZATIONS

The District at present does not maintain an educational foundation and it does not receive material support from related entities as defined under current governmental accounting standards. These entities are usually established as not-for-profit entities to provide assistance and support for teachers and students to develop special programs and projects and other school district support activities. Booster clubs and parent teacher organizations that support the District are considered immaterial to the financial statements.

## W. RELATED PARTY TRANSACTIONS

The District did not incur any material reportable related party transactions or balances as of and during the current year.

## X. FUND BALANCE / NET POSITION ADJUSTMENTS

The District did not make fund balance adjustments but did make a net position adjustment during the current fiscal year. The District adopted GASB Statement No. 75 for Accounting and Financial Reporting for the Post-employment Benefits Other than pensions. With GASB 75, the District must assume their proportionate share of the Net OPEB liability of the Teacher Retirement System of Texas. Adoption of GASB 75 required a prior period adjustment to report the effect of GASB 75 retroactively.

<b>Governmental Fund Balance</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>Increase (Decrease) Beginning of Year Fund Balance:</b>				
Prior Period Adjustment	\$ -	\$ -	\$ -	\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Government Wide Net Position</b>				
<b>Increase (Decrease) Begin Year Net Position:</b>				
Prior Period Adjustment - GASB 75 OPEB Reporting			\$ (7,385,469)	
<b>Totals</b>			<b>\$ (7,385,469)</b>	

## Y. RISK FINANCING AND OTHER COVERAGE

### Workers' Compensation Program

The District has a self-insurance plan for workers' compensation benefits as authorized by Section 504.011 of the Labor Code. The District participates in this plan (School Comp. self-funded workers' compensation program) along with other participating entities. The District contributes annual amounts determined by School Comp. As claims arise, they are submitted to and paid by School Comp. on behalf of the District under terms of a contractual agreement. According to state statute, the District is protected against unanticipated catastrophic claims and aggregate loss by coverage carried through a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Coverage was in effect for specific occurrences exceeding \$300,000 and aggregate retention at \$5,000,000.

The costs associated with this self-insurance plan are reported as Interfund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. The liabilities of the plan include incurred but not reported claims. These liabilities reported in the funds at year end and are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their present value using an expected future investment yield assumption.

Estimates of claims payable and of claims incurred, but not reported at August 31 are reflected as accounts and claims payable of the Fund. The plan is funded to discharge liabilities of the Fund as they become due. Changes in the balances of claims liabilities during the past two years are as follows:

	<b>Prior Fiscal Year</b>	<b>Current Fiscal Year</b>
Unpaid claims, beginning of year	\$ 30,923	\$ 24,379
Incurred claims (including IBNR'S)	6,776	12,735
Claim Payments / Change in Estimate of IBNR	(13,320)	(11,957)
<b>Unpaid claims, end of year (including IBNR'S)</b>	<b>\$ 24,379</b>	<b>\$ 25,157</b>

#### **AA. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

##### **Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

##### **OPEB Plan Fiduciary Net Position**

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and require 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 the TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)-542-6592.

Components of the net OPEB liability of the TRS-Care plan as of the measurement date (August 31, 2017) are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$43,885,784,621
Less: plan fiduciary net position	399,535,986
Net OPEB liability	<u>\$43,486,248,635</u>
Net position as a percentage of total OPEB liability	0.91%

### **Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee. Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependent enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates			
Effective Sept. 1, 2016 - Dec. 31, 2017			
	TRS Care-1 Basic Plan	TRS Care-2 Optional Plan	TRS Care-3 Optional Plan
Retiree*	\$0	\$70	\$100
Retiree and Spouse	20	175	255
Retiree* and Children	41	132	182
Retiree and Family	61	237	337
Surviving Children Only	28	62	82

\*or surviving spouse

### **Contribution**

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to charge based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates. Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.



	<u>Contribution Rates</u>	
	<u>2017</u>	<u>2018</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.00%	1.25%
Employers	0.55%	0.75%
Federal/Private Funding Remitted by Employers	1.00%	1.25%
Current fiscal year employer contributions		\$ 112,928
Current fiscal year member contributions		\$ 49,765
2017 measurement year NECE on-behalf contributions		\$ 68,766

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017. House Bill 21 was passed in special session and provided a supplemental appropriation in the amount of \$212 million in fiscal year 2018.

The District's proportionate share of the \$212,000,000 received during the district's 2018 fiscal year is reported in the fund level financial statements as an on-behalf contribution as required by GASB 85 and GASB 24.

**Actuarial Assumptions**

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality, and most of the economic assumptions are identical to those which were adopted by the Board in 2015 and are based on the 2014 actuarial experience study of TRS.

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2015 TRS of Healthy Pensioner Mortality Tables.

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation:

<b><u>Actuarial Methods and Assumptions:</u></b>	
Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability Incidence	
<b><u>Additional Actuarial Methods and Assumptions:</u></b>	
Valuation Date	August 31, 2017
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.50%
Discount Rate	* 3.42%
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Payroll Growth Rate	2.50%
Projected Salary Increases	** 3.50% to 9.50%
Healthcare Trend Rates	*** 4.50% to 12.00%
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad-hoc Post Employment Benefit Changes	None

\* Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as report in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

\*\* Includes inflation at 2.50%

\*\*\* Initial trend rates are 7.00% for non-Medicare retirees; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

### **Discount Rate**

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. The Discount Rate can be found in the 2017 TRS CAFR on page 83. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at a statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.

**Sensitivity of the Net OPEB Liability:**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.42%)	Discount Rate (3.42%)	1% Increase in Discount Rate (4.42%)
Proportionate share of the net OPEB liability	\$ 4,971,039	\$ 4,211,859	\$ 3,601,649

**Healthcare Cost Trend Rates Sensitivity Analysis**

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 3,506,793	\$ 4,211,859	\$ 5,136,994

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB's**

At August 31, 2018, the District reported a liability of \$4,211,859 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with Dublin Independent School District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 4,211,859
State's proportionate share that is associated with the District	<u>5,751,835</u>
Total	<u>\$ 9,963,694</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was 0.0096854956% which was the same proportion measured as of August 31, 2016. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2016. The Notes to the Financial Statements for August 31, 2016 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

### **Changes Since the Prior Actuarial Valuation**

The following were changes to the actuarial assumptions or the other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- Significant plan changes were adopted during the fiscal year ending August 31, 2018. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
- The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was including as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
- The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

In this valuation the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25-basis point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increase or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

For the year ended August 31, 2018, the District recognized OPEB expense of \$(3,337,156) and revenue of \$(1,924,717) for support proved by the State.

At August 31, 2018, Dublin Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ -	\$ 87,926
Changes in actuarial assumptions	-	1,673,903
Differences between projected and actual investment earnings	640	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	18	-
Contributions paid to TRS subsequent to the measurement date	112,928	
<b>Total as of fiscal year-end</b>	<b>\$ 113,586</b>	<b>\$ 1,761,829</b>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows:

Fiscal year ended August 31,	OPEB Expense Amount
2019	\$ (232,388)
2020	(232,388)
2021	(232,388)
2022	(232,388)
2023	(232,548)
Thereafter	(599,071)

**AA. NEGATIVE OPERATING GRANTS AND CONTRIBUTIONS - STATEMENT OF ACTIVITIES**

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS-care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

During the year under audit, the NECE expense was negative due to changes in benefits within the TRS-care plan. The accrual for the proportionate share of that expense was a negative on-behalf revenue and negative on-behalf expense. This resulted in negative revenue for operating grants and contributions on the Statement of Activities. According to guidance provided directly from GASB, this is the correct reporting.

Following are the effects on the Statement of Activities as a result of the negative on-behalf accruals recorded:

<b>Function</b>	<b>Functional Activity</b>	<b>Operating Grants &amp; Contributions - Statement of Activities</b>	<b>GASB 75 Negative Government-Wide On-Behalf Accrual Adjustment</b>	<b>Operating Grants &amp; Contributions - Statement of Activities (excluding the effects of GASB 75 negative on-behalf accrual)</b>
11	Instruction	\$ (29,332)	\$ (1,164,339)	\$ 1,135,007
12	Instructional Resources and Media Services	(21,826)	(27,023)	5,197
13	Curriculum Development and Instructional Staff Developmen	(9,065)	(26,779)	17,714
21	Instructional Leadership	91,513	(32,224)	123,737
23	School Leadership	(125,386)	(155,235)	29,849
31	Guidance, Counseling and Evaluation Services	101,209	(36,526)	137,735
33	Health Services	(28,067)	(34,748)	6,681
34	Student (Pupil) Transportation	(25,398)	(31,445)	6,047
35	Food Services	509,038	(74,188)	583,226
36	Extracurricular Activities	(66,566)	(82,412)	15,846
41	General Administration	(12,205)	(34,115)	21,910
51	Facilities Maintenance and Operations	(90,780)	(133,500)	42,720
52	Security and Monitoring Services	(1,740)	(2,154)	414
53	Data Processing Services	(72,718)	(90,029)	17,311
	<b>Totals</b>	<b>\$ 218,677</b>	<b>\$ (1,924,717)</b>	<b>\$ 2,143,394</b>

**REQUIRED SUPPLEMENTARY INFORMATION**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 3,972,121	\$ 3,972,121	\$ 4,051,209	\$ 79,088
5800	State Program Revenues	7,649,378	7,739,378	7,923,488	184,110
5900	Federal Program Revenues	165,000	181,000	180,518	(482)
5020	Total Revenues	11,786,499	11,892,499	12,155,215	262,716
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	5,974,605	6,204,605	6,100,649	103,956
0012	Instructional Resources and Media Services	123,178	123,178	120,207	2,971
0013	Curriculum and Instructional Staff Development	204,926	204,926	183,024	21,902
0021	Instructional Leadership	-	9,723	9,723	-
0023	School Leadership	748,633	748,633	740,690	7,943
0031	Guidance, Counseling and Evaluation Services	192,312	192,312	151,648	40,664
0033	Health Services	159,858	159,858	135,431	24,427
0034	Student (Pupil) Transportation	313,373	313,373	268,440	44,933
0035	Food Services	-	22,385	22,385	-
0036	Extracurricular Activities	819,823	819,823	763,943	55,880
0041	General Administration	559,038	634,038	595,384	38,654
0051	Facilities Maintenance and Operations	1,445,728	1,520,728	1,464,219	56,509
0052	Security and Monitoring Services	109,000	195,600	185,002	10,598
0053	Data Processing Services	373,109	383,109	369,475	13,634
Debt Service:					
0073	Bond Issuance Cost and Fees	-	24,250	24,250	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	155,000	154,941	59
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	105,000	162,781	162,780	1
6030	Total Expenditures	11,128,583	11,874,322	11,452,191	422,131
1100	Excess of Revenues Over Expenditures	657,916	18,177	703,024	684,847
<b>OTHER FINANCING SOURCES (USES):</b>					
8911	Transfers Out (Use)	(657,916)	(1,374,382)	(1,345,624)	28,758
8949	Other (Uses)	-	(103,936)	(103,936)	-
7080	Total Other Financing Sources (Uses)	(657,916)	(1,478,318)	(1,449,560)	28,758
1200	Net Change in Fund Balances	-	(1,460,141)	(746,536)	713,605
0100	Fund Balance - September 1 (Beginning)	3,382,722	3,382,722	3,382,722	-
3000	Fund Balance - August 31 (Ending)	\$ 3,382,722	\$ 1,922,581	\$ 2,636,186	\$ 713,605



DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR THE YEAR ENDED AUGUST 31, 2018

	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
District's Proportion of the Net Pension Liability (Asset)	0.006766763%	0.0064797%	0.0065632%	0.0046707%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 2,163,646	\$ 2,448,577	\$ 2,320,004	\$ 1,247,609
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	3,969,576	4,587,817	4,044,973	3,578,868
Total	<u>\$ 6,133,222</u>	<u>\$ 7,036,394</u>	<u>\$ 6,364,977</u>	<u>\$ 4,826,477</u>
District's Covered Payroll	\$ 7,709,513	\$ 7,181,235	\$ 6,532,029	\$ 6,674,749
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	28.06%	35.10%	35.52%	18.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	78.00%	78.43%	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2017 for year 2018, August 31, 2016 for Year 2017, August 31, 2015 for Year 2016 and August 31, 2014 for 2015.

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2018

	2018	2017	2016	2015
Contractually Required Contribution	\$ 216,505	\$ 222,876	\$ 205,876	\$ 146,113
Contribution in Relation to the Contractually Required Contribution	(216,505)	(222,876)	(205,876)	(146,113)
Contribution Deficiency (Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Payroll	\$ 7,665,284	\$ 7,709,513	\$ 7,181,235	\$ 6,532,029
Contributions as a Percentage of Covered Payroll	2.82%	2.89%	2.87%	2.24%

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

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

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR THE YEAR ENDED AUGUST 31, 2018

	FY 2018 <u>Plan Year 2017</u>
District's Proportion of the Net Liability (Asset) for Other Post Employment Benefits	0.009685496%
District's Proportionate Share of Net Post Employment Benefit Liability (Asset)	\$ 4,211,859
State's Proportionate Share of the Net Post Employment Benefit Liability (Asset) Associated with the District	5,751,835
Total	<u>\$ 9,963,694</u>
District's Covered Payroll	\$ 7,709,513
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	54.63%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the year for which this information is available. Additional information will be added until 10 years of data are available and reported.

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
 TEACHER RETIREMENT SYSTEM OF TEXAS  
 FOR FISCAL YEAR 2018

	2018
Contractually Required Contribution	\$ 112,928
Contribution in Relation to the Contractually Required Contribution	(112,928)
	\$ -0-
Contribution Deficiency (Excess)	-0-
District's Covered Payroll	\$ 7,665,284
Contributions as a Percentage of Covered Payroll	1.47%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2018**

**A. Notes to Schedules for the TRS Pension**

**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 to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

**B. Notes to Schedules for the TRS OPEB Plan**

**Changes in Benefit**

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

**Changes in Assumptions**

The following were changes to the actuarial assumptions or other inputs that affected measurement of Total OPEB liability since the prior measurement period:

1. Significant plan changes were adopted during fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98 percent as of August 31, 2016 to 3.42 percent as of August 31, 2017. This change lowered the total OPEB liability.

In the valuation, the impact of the Cadillac tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Future actuarial measurements may differ significantly from the current measurements due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

**OTHER SUPPLEMENTARY INFORMATION –  
COMBINING SCHEDULES**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2018

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant
<b>ASSETS</b>				
1110	\$ -	\$ 12,055	\$ -	\$ -
1220	-	-	-	-
1230	-	-	-	-
1240	36,406	24,743	-	-
1290	-	634	-	-
1000	<u>\$ 36,406</u>	<u>\$ 37,432</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
2110	\$ -	\$ 23,417	\$ -	\$ -
2160	27,762	13,728	-	-
2170	5,813	-	-	-
2200	2,831	287	-	-
2000	<u>36,406</u>	<u>37,432</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	-	-	-	-
2602	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	-	-	-	-
3480	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 36,406</u>	<u>\$ 37,432</u>	<u>\$ -</u>	<u>\$ -</u>

255 ESEA II,A Training and Recruiting	270 ESEA VI, Pt B Rural & Low Income	289 Title IV Part A	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	410 State Instructional Materials	429 Other State Special Revenue Funds	437 SSA Special Education
\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,241	\$ 65,976
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,696	19,728	10,000	34,637	429	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 4,712</u>	<u>\$ 19,728</u>	<u>\$ 10,000</u>	<u>\$ 34,637</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 11,241</u>	<u>\$ 65,976</u>
\$ -	\$ -	\$ 92	\$ 126	\$ -	\$ -	\$ -	\$ 3,727
4,285	-	-	18,240	-	-	-	-
-	19,728	9,908	7,797	429	-	-	-
427	-	-	1,828	-	-	-	-
<u>4,712</u>	<u>19,728</u>	<u>10,000</u>	<u>27,991</u>	<u>429</u>	<u>-</u>	<u>-</u>	<u>3,727</u>
-	-	-	-	-	-	-	-
-	-	-	6,646	-	-	11,241	-
-	-	-	<u>6,646</u>	-	-	<u>11,241</u>	-
-	-	-	-	-	-	-	62,249
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	<u>62,249</u>
<u>\$ 4,712</u>	<u>\$ 19,728</u>	<u>\$ 10,000</u>	<u>\$ 34,637</u>	<u>\$ 429</u>	<u>\$ -</u>	<u>\$ 11,241</u>	<u>\$ 65,976</u>



DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2018

Data Control Codes	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	Total Nonmajor Governmental Funds	
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 89,288	\$ 15,563	\$ 104,851
1220	Property Taxes - Delinquent	-	36,211	36,211
1230	Allowance for Uncollectible Taxes	-	(9,053)	(9,053)
1240	Due from Other Governments	130,639	-	130,639
1290	Other Receivables	634	666	1,300
1000	<b>Total Assets</b>	<u>\$ 220,561</u>	<u>\$ 43,387</u>	<u>\$ 263,948</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ 27,362	\$ -	\$ 27,362
2160	Accrued Wages Payable	64,015	-	64,015
2170	Due to Other Funds	43,675	-	43,675
2200	Accrued Expenditures	5,373	-	5,373
2000	<b>Total Liabilities</b>	<u>140,425</u>	<u>-</u>	<u>140,425</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	Unavailable Revenue - Property Taxes	-	27,158	27,158
2602	Deferred Inflow of Resources - State Grants	17,887	-	17,887
2600	<b>Total Deferred Inflows of Resources</b>	<u>17,887</u>	<u>27,158</u>	<u>45,045</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	62,249	-	62,249
3480	Retirement of Long-Term Debt	-	16,229	16,229
3000	<b>Total Fund Balances</b>	<u>62,249</u>	<u>16,229</u>	<u>78,478</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 220,561</u>	<u>\$ 43,387</u>	<u>\$ 263,948</u>

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	211 ESEA I, A Improving Basic Program	240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ 117,413	\$ -	\$ -
5800 State Program Revenues	-	3,710	-	-
5900 Federal Program Revenues	384,816	554,939	10,311	16,666
5020 Total Revenues	<u>384,816</u>	<u>676,062</u>	<u>10,311</u>	<u>16,666</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	369,466	-	-	16,666
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0035 Food Services	-	708,051	10,311	-
0041 General Administration	15,350	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	<u>384,816</u>	<u>708,051</u>	<u>10,311</u>	<u>16,666</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(31,989)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	31,989	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

255 ESEA II,A Training and Recruiting	270 ESEA VI, Pt B Rural & Low Income	289 Title IV Part A	313 SSA IDEA, Part B Formula	314 SSA IDEA, Part B Preschool	410 State Instructional Materials	429 Other State Special Revenue Funds	437 SSA Special Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	291,753
-	-	-	-	-	13,863	4,759	-
46,867	19,728	13,561	404,631	7,690	-	-	-
46,867	19,728	13,561	404,631	7,690	13,863	4,759	291,753
46,867	19,728	3,561	272,366	7,690	13,863	4,759	147,849
-	-	10,000	2,234	-	-	-	331
-	-	-	-	-	-	-	117,541
-	-	-	130,031	-	-	-	681
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	17,050
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,867	19,728	13,561	404,631	7,690	13,863	4,759	283,452
-	-	-	-	-	-	-	8,301
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	8,301
-	-	-	-	-	-	-	53,948
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	62,249

DUBLIN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 409,166	\$ 530,173	\$ 939,339
5800 State Program Revenues	22,332	111,002	133,334
5900 Federal Program Revenues	1,459,209	-	1,459,209
5020 Total Revenues	<u>1,890,707</u>	<u>641,175</u>	<u>2,531,882</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	902,815	-	902,815
0013 Curriculum and Instructional Staff Development	12,565	-	12,565
0021 Instructional Leadership	117,541	-	117,541
0031 Guidance, Counseling and Evaluation Services	130,712	-	130,712
0035 Food Services	718,362	-	718,362
0041 General Administration	15,350	-	15,350
0051 Facilities Maintenance and Operations	17,050	-	17,050
Debt Service:			
0071 Principal on Long-Term Debt	-	913,000	913,000
0072 Interest on Long-Term Debt	-	239,208	239,208
0073 Bond Issuance Cost and Fees	-	1,700	1,700
6030 Total Expenditures	<u>1,914,395</u>	<u>1,153,908</u>	<u>3,068,303</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,688)	(512,733)	(536,421)
<b>OTHER FINANCING SOURCES (USES):</b>			
7915 Transfers In	31,989	521,258	553,247
1200 Net Change in Fund Balance	8,301	8,525	16,826
0100 Fund Balance - September 1 (Beginning)	<u>53,948</u>	<u>7,704</u>	<u>61,652</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 62,249</u>	<u>\$ 16,229</u>	<u>\$ 78,478</u>

DUBLIN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED AUGUST 31, 2018

	BALANCE SEPTEMBER 1 2017	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2018
<b>STUDENT ACTIVITY ACCOUNT</b>				
Assets:				
Cash and Temporary Investments	\$ 139,926	\$ 212,774	\$ 240,789	\$ 111,911
Liabilities:				
Due to Student Groups	\$ 139,926	\$ 212,774	\$ 240,789	\$ 111,911
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 139,926	\$ 212,774	\$ 240,789	\$ 111,911
Liabilities:				
Due to Student Groups	\$ 139,926	\$ 212,774	\$ 240,789	\$ 111,911

**REQUIRED TEXAS EDUCATION AGENCY SCHEDULES**

DUBLIN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2018

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2009 and prior years	Various	Various	\$ Various
2010	1.040000	0.196900	257,183,702
2011	1.040000	0.232400	256,670,295
2012	1.040000	0.232400	260,788,604
2013	1.040000	0.222400	260,849,080
2014	1.040000	0.222400	262,237,054
2015	1.020000	0.222400	281,022,634
2016	1.170000	0.072400	279,640,983
2017	1.170000	0.072400	290,012,179
2018 (School year under audit)	1.170000	0.162400	322,421,253
1000 TOTALS			

(10) Beginning Balance 9/1/2017	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2018
\$ 41,568	\$ -	\$ 3,584	\$ 497	\$ (4,656)	\$ 32,831
7,018	-	975	185	(77)	5,781
7,462	-	824	184	(79)	6,375
7,919	-	1,063	237	(335)	6,284
9,515	-	959	205	(941)	7,410
11,552	-	466	100	(1,338)	9,648
12,999	-	1,524	297	(1,030)	10,148
26,023	-	10,699	662	9,858	24,520
75,368	-	33,290	2,060	(3,213)	36,805
-	4,295,941	3,681,629	511,021	-	103,291
<u>\$ 199,424</u>	<u>\$ 4,295,941</u>	<u>\$ 3,735,013</u>	<u>\$ 515,448</u>	<u>\$ (1,811)</u>	<u>\$ 243,093</u>



DUBLIN INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 95,000	\$ 95,000	\$ 117,413	\$ 22,413
5800	State Program Revenues	26,806	26,806	3,710	(23,096)
5900	Federal Program Revenues	598,597	598,597	554,939	(43,658)
5020	Total Revenues	720,403	720,403	676,062	(44,341)
<b>EXPENDITURES:</b>					
0035	Food Services	745,403	745,403	708,051	37,352
6030	Total Expenditures	745,403	745,403	708,051	37,352
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,000)	(25,000)	(31,989)	(6,989)
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	25,000	50,000	31,989	(18,011)
1200	Net Change in Fund Balances	-	25,000	-	(25,000)
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 25,000	\$ -	\$ (25,000)

DUBLIN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2018

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 562,446	\$ 562,446	\$ 530,173	\$ (32,273)
5800	State Program Revenues	71,704	71,704	111,002	39,298
5020	Total Revenues	634,150	634,150	641,175	7,025
<b>EXPENDITURES:</b>					
Debt Service:					
0071	Principal on Long-Term Debt	465,000	913,000	913,000	-
0072	Interest on Long-Term Debt	166,150	239,209	239,208	1
0073	Bond Issuance Cost and Fees	3,000	6,941	1,700	5,241
6030	Total Expenditures	634,150	1,159,150	1,153,908	5,242
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(525,000)	(512,733)	12,267
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	-	525,000	521,258	(3,742)
1200	Net Change in Fund Balances	-	-	8,525	8,525
0100	Fund Balance - September 1 (Beginning)	7,704	7,704	7,704	-
3000	Fund Balance - August 31 (Ending)	\$ 7,704	\$ 7,704	\$ 16,229	\$ 8,525

**REPORTS ON COMPLIANCE, INTERNAL CONTROLS AND  
FEDERAL AWARDS**

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# James E. Rodgers and Company, P.C.

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Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 10, 2019

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

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

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, the business-type activities, each major fund, and the aggregate remaining fund information of Dublin Independent School District, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise Dublin Independent School District's basic financial statements, and have issued our report thereon dated January 10, 2019.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dublin Independent School 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 Dublin Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dublin Independent School District's internal control.

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

Our consideration of internal control 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dublin Independent School 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*.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



James E. Rodgers and Company, P.C.

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# James E. Rodgers and Company, P.C.

Certified Public Accountants

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Member of Texas Society of CPA's and American Institute of CPA's

Richard E. Rodgers CPA • Gerald L. Rodgers CPA

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January 10, 2019

## Independent Auditor's Report on Compliance for each Major Program And On Internal Control over Compliance Required By The Uniform Guidance

To the Board of Trustees  
Dublin Independent School District  
Dublin, Texas 76446

### Report on Compliance for Each Major Federal Program

We have audited Dublin Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Dublin Independent School District's major federal programs for the year ended August 31, 2018. Dublin Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Dublin 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).<sup>1</sup> Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Dublin 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 Dublin Independent School District's compliance.

### Opinion on Each Major Federal Program

In our opinion, Dublin 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 August 31, 2018.

# James E. Rodgers and Company, P.C.

## Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified. Dublin Independent School District's has no required response to any noncompliance findings identified in our audit.

### Report on Internal Control over Compliance

Management of Dublin 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 Dublin 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Dublin 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



James E. Rodgers and Company, P.C.

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2018**

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

1.	Type of report issued on whether the financial statements were prepared in accordance with GAAP (generally accepted accounting standards):	Unmodified opinion
2.	Internal Control over financial reporting:	
2 (a).	Significant deficiencies in internal control:	None
(b).	Significant deficiencies that were material weaknesses:	None
3.	Noncompliance, which is material to the financial statements:	None
4.	Internal Control over major federal programs:	
4 (a).	Significant deficiencies in internal control over major programs	None
(b).	Material weaknesses in internal control over major programs identified	None
5.	Type of report issued on compliance with major programs	Unmodified opinion
6.	Audit findings that the auditor is required to report under 2 CFR 200.516(a):	None
7.	Identification of major programs: • <b>Title I Part A Improving Education – CFDA 84.010A</b>	
8.	Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
9.	District qualified as a low-risk auditee	Yes

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

Finding 2018-001:

a.	Condition:	Not applicable (no current year findings)
b.	Criteria:	Not applicable (no current year findings)
c.	Cause:	Not applicable (no current year findings)
d.	Effect:	Not applicable (no current year findings)
e.	Recommendation:	Not applicable (no current year findings)
f.	District Response:	Not applicable (no current year findings)

**III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 6(a) – 6(f) above.**

There were no audit findings or questioned costs for federal awards that are required to be reported.



**DUBLIN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED AUGUST 31, 2018**

**Prior Year Finding 2017-001:** The District did not have any prior year (fiscal year ended August 31, 2017) reportable findings.

**Current Status:** Not applicable since there were no prior findings.

**DUBLIN INDEPENDENT SCHOOL DISTRICT  
CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED AUGUST 31, 2018**

The name of the contact person responsible for corrective action:

**Rodney Schneider, Superintendent**  
**District Phone Number: 254-445-3341**

There were no current year findings, thus, a corrective action plan is not required.

DUBLIN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2018

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	18610101072902	\$ 384,816
*SSA - IDEA - Part B, Formula	84.027	186600010729026000	404,631
*SSA - IDEA - Part B, Preschool	84.173	186610010729026000	7,690
Total Special Education Cluster (IDEA)			412,321
Career and Technical - Basic Grant	84.048	18420006072902	16,666
ESEA, Title VI, Part B - Rural & Low Income Prog.	84.358B	18696001072902	19,728
ESEA, Title II, Part A, Supporting Effective Instr	84.367A	18694501072902	46,867
Title IV, Part A	84.424A	18680101072902	10,000
LEP Summer School	84.369	69551702	3,561
Total Passed Through State Department of Education			893,959
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			893,959
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401801	150,539
*National School Lunch Program - Cash Assistance	10.555	71301801	357,038
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301801	47,362
Total CFDA Number 10.555			404,400
*Summer Feeding Program - Cash Assistance	10.559		10,311
Total Child Nutrition Cluster			565,250
Total Passed Through the State Department of Agriculture			565,250
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			565,250
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 1,459,209

\*Clustered Programs

Federal revenues as reported on Exhibit C-3 include non-grant erate revenue of \$142,547 and SHARS revenue of \$37,970.

**DUBLIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS and**  
**ACCOUNTING POLICIES FOR FEDERAL AWARDS**  
**YEAR ENDED AUGUST 31, 2018**

**BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Dublin Independent School District (the "District") under programs of the federal government for the year ended August 31, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, change in net position, or cash flows of the District

**ACCOUNTING POLICIES**

1. For all Federal programs, 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.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund that 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 assets.
3. The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, 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 un-matured interest on General 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.
4. Federal grant funds are recorded as earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.
5. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in the Uniform Guidance.