San Antonio Independent School District

Vision 2005

SAISD

DESTINATION: EXEMPLARY

FULFILLING THE PROMISE

Comprehensive Annual Financial Report

For Fiscal Year Ended
August 31, 2004
San Antonio, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

San Antonio, Texas

For the Fiscal Year Ended August 31, 2004

Prepared by the

Financial Services Division

Antonio Juarez, CPA

Deputy Superintendent of Financial Services, Business Operations and Food Services

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2004

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Introductory Section

SAISD

San Antonio Independent School District

141 Lavaca Street, San Antonio, Texas 78210-1095
Telephone (210) 299-5577 - Fax (210) 299-5572

Financial Services

BOARD OF EDUCATION

JULIAN H. TREVIÑO
President
JAMES HOWARD
Vice President
THOMAS C. LOPEZ
Secretary
ALEX TALAMANTEZ.
Assistant Secretary
JUSTIN R. RODRIGUEZ
Member
DOUG SELLERS
Member
CARLOS VILLARREAL
Member

DR. RUBÉN D. OLIVÁREZ
Superintendent

January 24, 2005

Dr. Julian H. Trevino, President
Members of the Board of Trustees
San Antonio Independent School District
San Antonio, Texas 78210-1095

Dear Dr. Trevino and Members:

State law requires that all public school districts publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the San Antonio Independent School District (District) for the fiscal year ended August 31, 2004.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Garza/Gonzalez and Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended August 31, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Single Audit Section of this report.

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

Profile of the Government

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District, originally chartered by the State in 1903, now encompasses 79 square miles in central Bexar County, Texas, and serves an approximate population of 313,409.

The District is governed by a seven-member Board of Trustees (Board) composed of District residents, with each trustee representing one of the seven single-member districts and elected by voters of that district. The Board is responsible for managing and governing the schools of the District, including adopting goals and objectives for the District, reviewing and acting on policies, adopting an annual budget, levying and collecting District taxes, electing school personnel as recommended by the superintendent, setting salary schedules, adopting District policies and setting directions for curriculum, and reporting to the public on the District's progress. The District's Superintendent of Schools and staff assist the Board with financial and administrative manners and oversee the day-to-day operations of the District.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve. These include regular and enriched academic education, special education for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency and specialized instruction for disadvantaged students. These basic programs are supplemented by additional offerings in the fine arts and athletics. In addition, the District provides for community and adult education by offering a wide variety of academic and occupational courses.

The annual budget serves as the foundation for the District's financial planning and control. The District's fiscal year begins September 1st and ends August 31st. The budget is initially prepared under the direction of the Superintendent. The Board reviews the budget during workshops conducted from May through August. The final budget is required by State law to be adopted by August 31st. The District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board.

Activities of the general fund, the debt service fund, and the food service fund (which is included in the general fund) are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major functional category.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the food service fund, these comparisons are presented on Exhibit G-1 and G-2, respectively, as required supplementary information. For the debt service fund, this comparison is presented on Exhibit J-4 as required TEA schedules.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy - The District includes the downtown area of San Antonio. For the past several years, the San Antonio economy has grown at a steady rate. Although federal defense budget cuts have reduced the role of the military in different metropolitan areas, the military presence in San Antonio continues to be one of the area's major economic anchors.

In San Antonio, city leaders have carefully planned development and have avoided the too rapid growth seen in many U.S. cities. Planned economic development has been community leaders' key to a bright future for San Antonio. Public-private partnerships have been San Antonio's unique formula to insure a strong, optimistic, economic outlook. This public-private cooperation has provided a great unity of purpose channeling energies in a forward direction. The goal for civic and business leaders is diversification with the prevailing targeted industries being biotechnology, research and development, telecommunications and information services.

Long-term Financial Planning – The District has increased the fund balance to insure that the needed resources are available when required to not only meet unexpected revenue shortfalls but to also meet the one-time expenditures that may exceed the annual operating budget. The continued slow decline in student membership is being met with a more rigid monitoring of the staffing allocations to insure the most efficient use of necessary resources.

Local funding is expected to increase slightly over the next few years due to local housing and building improvements, higher appraisals and new construction. The District's tax rate is at the cap of $1.50 per $100 valuation. State funding is about 66% of the operating budget and is estimated to remain stable for the next two to four years. This funding is driven mainly by student attendance. Federal funding should increase slightly due to new federal programs that impact intercity school districts such as the District.

The District is focusing on greater efficiency through the use of technology to help reduce the labor and time-consuming paperwork. The short-term expenditures will greatly facilitate the rapid and accurate processing of paperwork in the future. The District has started the implementation of automated systems for position management, timekeeping and purchasing. It is anticipated that both systems will be fully operational for the 2004-05 school year. The District's Vision 2005 is a five-year Long-range Plan and the annual budget process and decisions takes into account the plan's initiatives and priorities to ensure that long-term planning and goals are met.

Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement.

Cash Management Policies and Practices - The District is required to execute a depository agreement with a banking institution for a period of two years. Competitive bidding is mandated and state law sets general terms. The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All deposits were secured by the Federal Deposit Insurance Corporation (FDIC) and by pledged securities. The District has an active cash management program in prudently investing available cash. Cash temporarily idle during the year was invested in certificates of deposit and Pool investments. The District had investments in the Texpool and the TEXSTAR Investment Pool. The pools' investment policy is more restrictive than that required by State law. The investment activities of Texpool are administered by the Texas State Treasury Division of The State Comptroller of Public Accounts and TEXSTAR is administered by the Texas Short Term Asset Reserve Program Board.

Risk Management – The District is self-funded with regard to the majority of dental and worker compensation benefits provided to employees and their dependents. Both self-funded programs are administered by external administrators whose primary function is to settle claims. The District's Risk Management Office monitors activities performed by these external administrators. The District in co-operation with the Workers Compensation Plan administrator initiated an Accident Prevention Program. The program implements various risk control techniques to minimize accident-related losses.

Pension Plan - The District contributes to the Teacher Retirement System of Texas (TRS), a public employee, cost-sharing multiple employer defined benefit pension plan. Under this plan, all risks and costs are not shared by the District but are a liability of the State of Texas. Additional information on the District's pension arrangements can be found in Note F of Section IV in the notes to the financial statements.

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2003. This was the fourteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

On June 4, 2004, the Association of School Business Officials (ASBO) awarded its Certificate of Excellence in Financial Reporting to the District. This award certifies that the comprehensive annual financial report for the fiscal year ended August 31, 2003, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials of the United States and Canada. The District believes that the 2004 annual report, which will be submitted to ASBO for review, also conforms to these principles and standards.

Acknowledgements – The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the Director of Financial Accounting and the entire staff of the Financial Services Division. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report

Respectively Submitted,

Dr. Rubén D. Olivárez
Superintendent

Antonio Juarez
Deputy Superintendent of Financial Services, Business Operations and Food Services

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Antonio Independent School District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2003

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

Nancy L. Zielke
President

Jeffrey R. Esser
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

This Certificate of Excellence in Financial Reporting is presented to

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

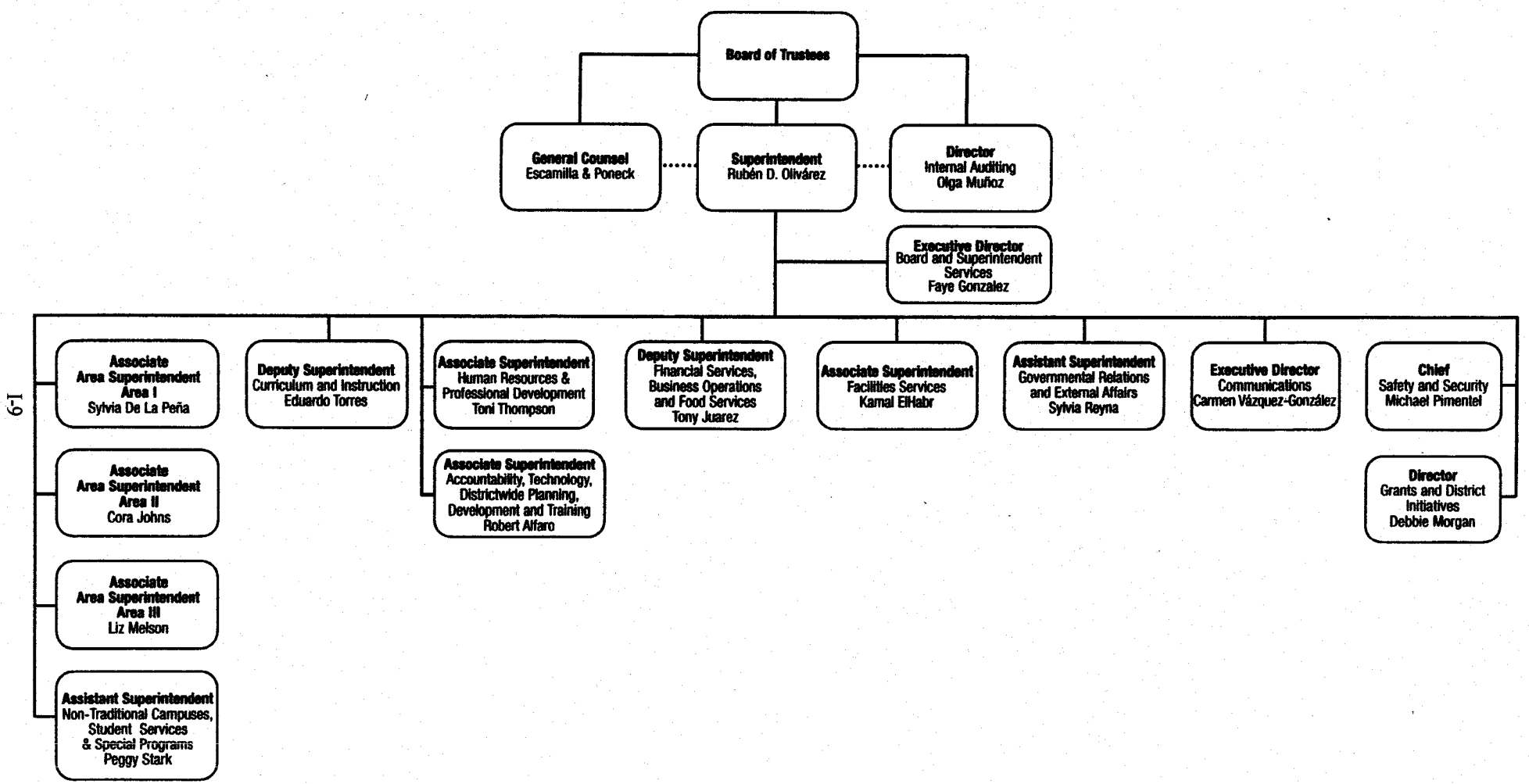
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2003

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

President

Executive Director

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT



Revised August 16, 2004

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

LIST OF PRINCIPAL OFFICIALS
Year Ended August 31, 2004

BOARD OF TRUSTEES

Julian H. Treviño	President
James Howard	Vice-President
Thomas C. Lopez	Secretary
Alex Talamantez	Assistant Secretary
Justin R. Rodriguez	Member
Doug Sellers	Member
Carlos Villarreal	Member

ADMINISTRATORS

Dr. Rubén D. Olivárez	Superintendent
Dr. Eduardo Torres	Deputy Superintendent of Curriculum and Instruction
Antonio Juarez	Deputy Superintendent of Financial Services, Business Operations and Food Services
Kamal ElHabr	Associate Superintendent New Facilities Construction and Maintenance and Operations
Robert Alfaro Sr.	Associate Superintendent Accountability, Technology Districtwide Planning Development and Training
Toni Thompson	Associate Superintendent Human Resources and Professional Development

CERTIFICATE OF BOARD

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT	BEXAR	015-907-20
Name of School District	County	Co. Dist. Number

We, the undersigned, do hereby certify that the attached annual financial report of the above named school district was reviewed and ✓ approved ___ disapproved for the year ended August 31, 2004 at a meeting of the board of trustees of such school district on the 24th day of January, 2005.

Signature of Board Secretary

Signature of Board President

Financial Section

Garza/Gonzalez & Associates
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of School Trustees
San Antonio Independent School District
San Antonio, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Antonio Independent School District (the District) as of and for the year ended August 31, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

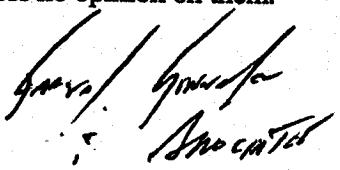
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison information on pages 3 through 10 and 47 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

207 Arden Grove
San Antonio, TX 78215
210/227-1389
Fax 227-0716

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining non-major governmental and fiduciary funds financial statements, required Texas Education Agency (TEA) schedules, and the statistical section, listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements of the District. The combining financial statements, TEA schedules, and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



December 3, 2004

MANAGEMENT'S DISCUSSION AND ANAYLSIS

As management of the San Antonio Independent School District (the "District") we are providing readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended August 31, 2004. Please read it in conjunction with the transmittal letter which can be found at the front of this report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net assets as reflected in the government-wide Statement of Net Assets were $374,371,504 at August 31, 2004. Of this amount, $69,931,944 (unrestricted net assets) may be used to meet the District's ongoing obligations.

- The District's Statement of Activities reflects an increase in net assets for Governmental Activities in the amount of $10,878,620. This is a result of expenses being that much less than the $522,370,151 generated in taxes, state aid, federal aid, and other revenues such as charges for services and federal grants.

- The general fund reported a fund balance in the governmental fund financial statements this year of $71,571,571. Approximately 44 percent of this total amount, $31,283,245 is available for spending at the District's discretion (unreserved, undesignated fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the District as a whole and present a long-term view of the District's property and obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government. The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual special revenue funds and the debt service fund. Also, included are the combining statement of changes in assets and liabilities for agency funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 13. Its primary objective is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Assets includes all the District's assets and liabilities while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the same basis of accounting used by most private sector companies, that of full accrual.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and general revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net assets and changes in them. The District's net assets (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance, its property tax base, and the condition of the District's facilities.

The District's Governmental activities are presented in the Statement of Net Assets and the Statement of Activities.

- Governmental activities – Most of the District's basic services are reported here, including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin with page 15 Exhibit C - 1 and C - 2 and provide detailed information about the most significant funds - not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

- Governmental funds – The District reports most of its basic services in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and they report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the governmental fund financial statements.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities. Money raised by student activities are recorded within the District's Agency Funds. All of the District's fiduciary activities are reported in Exhibit E - 1 with the Statement of Fiduciary Assets and Liabilities. We exclude these resources from the District's other financial statements because the District cannot use them to support its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $374,371,504 at the close of the most recent fiscal year.

By far the largest portion of the District's net assets (72.9 percent) reflects it's investment in capital assets (e.g., land, buildings, furniture, equipment and vehicles), net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The

District uses these capital assets to provide services to its student population and its employees; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

Net assets of the District's governmental activities increased from $372,661,697 to $374,371,504. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was $69,931,944 at August 31, 2004, an increase, from the prior year of $2,099,922.

This increase in governmental net assets was the net result of the following factors. First, the District's Statement of Activities (Exhibit B-1) reflects that revenues exceeded the expenses by $10,878,620. Second, the District paid bonds and other long-term debt in the net amount of $12,596,396 and acquired capital assets in the amount of $88,887,628. Third, the District recorded depreciation, accretion on capital appreciation bonds, and interest expense in the amount of $15,817,605. The previous amount also includes adjustments to deferred revenues either recognized or not recognized in the past.

Table 1

San Antonio Independent School District

Net Assets

	Governmental Activities 2004	Governmental Activities 2003
Current and other assets	$ 358,747,658	$ 430,574,556
Capital assets	625,844,908	552,143,476
Total assets	984,592,566	982,718,032
Long-term liabilities	564,090,318	567,509,715
Other liabilities	46,130,743	42,546,620
Total liabilities	610,221,061	610,056,335
Net assets:		
Invested in capital assets, net of related debt	272,958,067	278,505,771
Restricted	31,481,493	26,323,904
Unrestricted	69,931,944	67,832,022
Total net assets	$ 374,371,504	$ 372,661,697

Table 2

San Antonio Independent School District

Change in Net Assets

	Governmental Activities 2004	Governmental Activities 2003
Revenues:		
Program revenues:		
Charges for services	$ 4,258,759	$ 4,577,967
Operating grants and Contributions	150,587,761	156,603,751
General revenues:		
Maintenance and operations Taxes	121,009,182	112,834,156
Debt service taxes	17,907,068	16,610,438
State aid - formula grants	219,174,035	216,031,932
Investment Earnings	7,798,628	13,633,381
Other	1,634,718	1,385,509
Total revenues	522,370,151	521,677,134
Expenses:		
Instruction, curriculum and media services	298,411,488	307,569,201
Instructional and school leadership	37,863,096	36,283,626
Student support services	34,212,104	33,608,380
Child nutrition	29,719,207	29,776,961
Cocurricular activities	9,531,720	8,943,246
General administration	13,381,582	12,985,458
Plant maintenance, security and data processing services	51,650,527	53,157,648
Community services	6,202,157	6,516,014
Debt services	29,313,770	30,154,697
Facilities acquisition and construction	-	844,480
Payments to JJAEP	1,205,880	1,504,913
Total expenses	511,491,531	521,344,624
Excess before Special Items	10,878,620	332,510
Special Item - Proceeds from Insurance Settlement	-	725,000
Change in Net Assets	10,878,620	1,057,510
Beginning Net Assets	372,661,697	371,604,187
Prior Year Adjustment - Accreted Interest on Capital Appreciation Bonds	(9,168,813)	-
Ending Net Assets	$ 374,371,504	$ 372,661,697

Governmental activities increased the District's net assets by $10,878,620 and also included a prior year adjustment of $9,168,813. The prior year adjustment was to correct the recording of accreted interest on Capital Appreciation Bonds. Key elements of the increase in the District's net assets are as follows.

- The District's total revenues increased by $693,017 over the prior year. The largest decrease by category was the $6,015,990 in operating grants and contributions revenue. There was an increase of $3,142,103 in state aid revenue. Property taxes increased by $9,471,656; whereas investment earnings decreased by $5,834,753 due to low interest rates.

- For the most part, the decrease in expenses by $9,853,093 closely parallels the decrease in "Operating Grants and Contributions" revenue of $6,015,990. The decrease in expenditures is attributed to funding cuts to the Ninth Grade Initiative Grant and funding changes to the TRS Health Insurance Supplement Program. Other decreases are attributable to cuts in teaching positions and less data processing equipment purchases.

- The amount that our taxpayers paid for these programs and services was only $138,916,250. Maintenance and operation amount was $121,009,182 and debt service was $17,907,068.

- Some of the costs were paid by those who directly benefited from the program of $4,258,759 or by grants and contributions of $150,587,761.

- The largest source of revenue is State foundation school program grants in the amount of $219,174,035.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 15) reported a combined fund balance of $297,967,178. Included in this year's total change in fund balance is an increase of $1,635,429 in the District's General Fund on page 17. This was not a significant overall change in the District's General Fund fund balance. There was an increase of $8,102,895 in property taxes and other local revenues; the state revenue increased by $3,110,644; interest income and federal revenues accounted for in the general fund had a net decrease of $160,916; and other resources (uses) decreased by $3,864,104. The total expenditures decreased by $192,989 and the prior year decrease in the District's General Fund fund balance was $5,746,079 which attributes to the $1,635,429 increase in the current year.

Other changes in fund balances should be noted also. Capital projects fund decreased by $82,400,593. The Bond Construction Program is well into its fourth year for the 2001 Bond issue and after much of the preliminary work has been done the expenditures increase dramatically once the actual construction phase begins. Although these and other capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Assets and as discussed in the Notes to the financial statements.

Over the course of the year, the Board of Trustees amended the District's budget several times. These budget amendments are categorized into three classifications: (1) increase to the fund balance; (2) decrease to the fund balance; and (3) no change to the fund balance. The revenue in the final amended budget in the General Fund only was increased by the $27,256,058, the appropriation was increased by $28,671,734 and the net of other financing resources and uses was increased by $1,126,106. There was an increase in the revenue and appropriation by $16,305,000 for the TRS On-Behalf Payment for reporting purposes only as required by GASB Statement 27 "Pension Note Disclosure". There was also an increase of additional State revenues of $4,171,620 and Property Tax revenues of $5,000,000 and other locally generated revenues of $2,474,438.

The District's General Fund balance of $67,276,312, differs from the budgetary fund balance of $59,219,909, reported on page 47. The Child Nutrition Program, which is reported as a component of the General Fund, reported a fund balance of $4,295,259. The amount differs from the budgetary fund balance of $3,798,953, as reflected on page 48. When combined, the actual fund balance of $71,571,571, as reported on page 17, is greater than the budgetary fund balance of $63,018,862. This is principally due to cost savings and added revenues.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investments in capital assets for its governmental activities as of August 31, 2004, amounts to $625,844,908 (net of accumulated depreciation). The District invests in a broad range of capital assets, including instructional facilities and equipment, transportation facilities and equipment, athletic facilities , and administrative and maintenance building and equipment.

This year's expenditures of $88,887,628 were incurred in the on-going construction, improvement and expansion of school buildings. The District's fiscal year 2005 capital budget calls for the continuation of said projects. The District has no plans to issue additional debt to finance these projects. Refer to Note E in section III of the notes to the financial statements for more detailed information on capital assets.

Table 3
San Antonio Independent School District
Capital Assets
(net of depreciation)

	Governmental Activities 2004	Governmental Activities 2003
Land	$ 32,953,178	$ 31,806,825
Buildings and Improvements	484,876,555	425,953,868
Furniture and Equipment	5,759,943	6,580,091
Construction in Progress	102,255,232	87,802,692
Total	$ 625,844,908	$ 552,143,476

Debt

At year-end, the District had $542,774,573 in bonds outstanding. The District's general obligation bond rating continues to carry the high rates, rates that have been assigned by national rating agencies to the District's debt.

Other obligations include accrued vacation pay, early retirement program, workers' compensation and arbitrage. More detailed information about the District's long-term liabilities is presented in Notes G, H, and I of section III in the Notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's total estimated assessed property tax value for the 2004-2005 fiscal year is $8,644,124,753 compared to the assessed value in 2003-2004 of $8,435,683,746. Taxes to fund programs and services for the fiscal year for the average homeowner will increase due to a rise in local property values. The tax rate will remain at $1.722 per $100 assessed valuation.

The District based the 2004-2005 fiscal year on a projected property value growth of 3.031%.

The 2004-2005 fiscal year budget for State Revenues is based on a projected average daily attendance of 51,351 students, a slight increase of 18 students from 2003-2004.

Programs and services included in the General Fund Budget are primarily supported by local and state sources of revenue. A comparison of General Fund revenue sources is presented below:

Revenue Sources	Adopted Budget 2003-2004	Proposed Budget 2004-2005	% Change
Local Sources	$ 116,237,340	$ 125,215,685	7.724%
State Sources	215,157,867	208,208,564	-3.230%
Federal Sources	4,100,000	4,356,272	6.251%
From Fund Balance	3,875,497	8,182,902	111.145%
Total Operating Fund Revenues	$ 339,370,704	$ 345,963,423	1.943%

The 2004-2005 proposed budget, as reflected above, is comparable to the 2003-2004 adopted budget. As such, state revenue continues to represent an estimated 60.2% of the General Fund funding and federal revenues represents an estimated 1.3% of the revenue budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 Financial Services Department, at 141 Lavaca Street, San Antonio, Texas 78210-1095 .

Basic Financial Statements

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2004

Data Control Codes			Governmental Activities
	ASSETS		
1110	Cash and Temporary Investments	$	281,635,042
	Receivables:		
1220	Property Taxes - Delinquent		15,629,478
1230	Allowance for Uncollectible Taxes		(781,473)
1240	Due from Other Governments		56,473,663
1250	Accrued Interest		355,862
1290	Other Receivables		817,364
1310	Inventories - Supplies and Materials		3,738,818
1490	Other Current Assets - Prepayments		878,904
	Capital Assets:		
1510	Land		32,953,178
1520	Buildings and Improvements, net		484,876,555
1530	Furniture and Equipment, net		5,759,943
1580	Construction in Progress		102,255,232
1000	Total Assets		984,592,566
	LIABILITIES:		
2110	Accounts Payable		21,937,280
2140	Interest Payable		1,357,842
2150	Payroll Deductions & Wh Payable		8,751,512
2160	Accrued Wages Payable		6,872,590
2180	Due to Other Governments		4,688,752
2200	Accrued Expenses		973,332
2300	Deferred Revenues		1,549,434
	Long Term Liabilities:		
	Portion due or payable within one year:		
2120	Bonds Payable		13,430,000
2123	Other Liabilities		503,659
	Portion due or payable after one year:		
2510	Bonds Payable		529,344,573
2512	Accumulated Accretion on Capital Appreciation Bonds		7,690,754
2590	Other Long-Term Debt Payable		13,121,332
2000	Total Liabilities		610,221,061
	NET ASSETS		
3200	Investments in Capital Assets, Net of Debt		272,958,067
3820	Restricted for Food Service		4,295,259
3850	Restricted for Debt Service		24,812,020
3860	Restricted for Construction		2,374,214
3900	Unrestricted Net Assets		69,931,944
3000	Total Net Assets	$	374,371,504

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2004

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues 3 Charges for Services	Program Revenues 4 Operating Grants and Contributions	6 Net (Expense) Revenue and Changes in Net Assets Governmental Activities
	Governmental Activities:				
0011	Instruction	$ 261,602,656	$ 109,825	$ 42,948,136	$ (218,544,695)
0012	Instructional Resources & Media	8,662,897		1,713,270	(6,949,627)
0013	Curr & Instr. Staff Development	28,145,935		23,221,648	(4,924,287)
0021	Instructional Leadership	11,740,347		5,738,875	(6,001,472)
0023	School Leadership	26,122,749		2,588,525	(23,534,224)
0031	Guidance, Counseling & Eval Svcs	17,702,750		3,242,914	(14,459,836)
0032	Social Work Services	2,886,766		1,066,402	(1,820,364)
0033	Health Services	6,098,395		749,217	(5,349,178)
0034	Student (Pupil) Transportation	7,524,193	-	1,905,165	(5,619,028)
0035	Food Services	29,719,207	2,302,260	26,251,474	(1,165,473)
0036	Cocurr/Extracurr Activities	9,531,720	427,570	924,195	(8,179,955)
0041	General Administration	13,381,582	1,305,830	4,058,944	(8,016,808)
0051	Plant Maintenance & Operations	40,943,937	64,734	2,270,484	(38,608,719)
0052	Security & Monitoring Services	5,594,644	48,540	586,417	(4,959,687)
0053	Data Processing Services	5,111,946		1,318,153	(3,793,793)
0061	Community Services	6,202,157		3,622,898	(2,579,259)
0072	Debt Service - Interest	29,313,770		27,224,349	(2,089,421)
0095	Payments to JJAEP	1,205,880		1,156,694	(49,186)
TG	Total Governmental Activities	$ 511,491,531	$ 4,258,759	$ 150,587,761	$ (356,645,011)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes - M & O	121,009,182
DT	Property Taxes - Debt Service	17,907,068
SF	State Aid - Other than Program Revenues	219,174,035
IE	Investment Earnings	7,798,628
MI	Miscellaneous - Local/Federal	1,634,718
TR	Total General Revenues	367,523,631
CN	Change in Net Assets	10,878,620
NB	Net Assets - Beginning	372,661,697
PA	Prior Year Adjustment-Accreted Interest on Capital Appreciation Bonds	(9,168,813)
NE	Net Assets - Ending	$ 374,371,504

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2004

Data Control Codes		10 Major Funds General Fund	60 Major Funds Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
	ASSETS				
1110	Cash and Temporary Investments	$ 34,927,131	$ 220,755,916	$ 25,951,995	$ 281,635,042
	Receivables:				
1220	Property Taxes - Delinquent	13,630,874	-	1,998,604	15,629,478
1230	Allowance for Uncollectible Taxes	(681,543)	-	(99,930)	(781,473)
1240	Due from Other Governments	46,284,886	-	10,188,777	56,473,663
1250	Accrued Interest	-	354,598	1,264	355,862
1260	Due from Other Funds	7,906,815	-	50,966	7,957,781
1290	Other Receivables	217,987	-	599,377	817,364
1300	Inventories - Supplies and Materials	3,738,818	-	-	3,738,818
1490	Other Current Assets - Prepayments	878,904	-	-	878,904
1000	Total Assets	$ 106,903,872	$ 221,110,514	$ 38,691,053	$ 366,705,439
	LIABILITIES:				
	Current Liabilities:				
2110	Accounts Payable	$ 2,890,464	$ 17,929,613	$ 1,117,203	$ 21,937,280
2140	Interest Payable	-	-	1,423	1,423
2150	Payroll Deductions & Wh Payable	8,751,512	-	-	8,751,512
2160	Accrued Wages Payable	4,979,895	30,248	1,862,447	6,872,590
2170	Due to Other Funds	50,966	-	7,906,815	7,957,781
2180	Due to Other Governments	4,685,695	1,841,533	3,057	6,530,285
2200	Accrued Expenditures	886,532	-	-	886,532
2300	Deferred Revenues	13,087,237	-	2,713,621	15,800,857
2000	Total Liabilities	35,332,301	19,801,394	13,604,566	68,738,261
	FUND BALANCE				
	Reserved Fund Balances:				
3410	Investment in Inventories	3,097,793	-	-	3,097,793
3420	Retirement of Funded Indebtedness	-	-	24,812,020	24,812,020
3430	Prepaid Items	878,904	-	-	878,904
3440	Outstanding Encumbrances	717,206	77,384,734	-	78,101,940
3450	Food Service	2,880,081	-	-	2,880,081
3490	Other Reserves	202,644	-	-	202,644
3490	Authorized Construction	-	123,924,386	-	123,924,386
	Unreserved Fund Balances:				
3590	Designated Fund Balances	32,511,698	-	-	32,511,698
3600	Undesignated Fund Balance	31,283,245	-	274,467	31,557,712
3000	Total Fund Balance	71,571,571	201,309,120	25,086,487	297,967,178
4000	Total Liabilities and Fund Balance	$ 106,903,872	$ 221,110,514	$ 38,691,053	$ 366,705,439

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2004

Total Fund Balances - Governmental Funds	$ 297,967,178
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. At the beginning of the year, the cost of these assets was $706,797,233 and the accumulated depreciation was $154,653,757. 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 fund. Bonds payable and other long-term liabilities was $565,088,466. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net assets:	(12,944,970)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases to capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2004 capital outlays and debt principal payments is to increase net assets:	101,484,023
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting:	
Recognize current year tax levy deferred revenue as revenue.	14,123,034
Recognize other deferred revenue as revenue.	128,389
Record interest payable on long-term debt at the beginning of the year.	(1,399,731)
Record current year interest expense and adjust interest payable at year end.	43,312
To record the accreted interest on Capital Appreciation Bonds at year end.	(674,721)
To record prior year adjustment - accreted interest on Capital Appreciation Bonds.	(9,168,813)
The 2004 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(15,186,196)
Net Assets of Governmental Activities	$ 374,371,504

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2004

Data Control Codes		10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
		Major Funds			
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ 897,672	$ 6,427,179	$ 494,090	$ 7,818,941
	Other Local and Intermediate Sources	126,396,412	-	18,339,230	144,735,642
5700	Total Local and Intermediate Sources	127,294,084	6,427,179	18,833,320	152,554,583
5800	State Program Revenues	236,387,071	-	41,968,079	278,355,150
5900	Federal Program Revenues	30,375,406	-	60,169,003	90,544,409
5020	Total Revenues	394,056,561	6,427,179	120,970,402	521,454,142
	EXPENDITURES:				
	Current:				
0011	Instruction	220,984,405	1,022,998	31,562,144	253,569,547
0012	Instructional Resources & Media	7,018,834	-	1,393,016	8,411,850
0013	Curr & Instr. Staff Development	4,293,117	-	23,064,157	27,357,274
0021	Instructional Leadership	5,882,807	-	5,547,828	11,430,635
0023	School Leadership	23,680,011	-	1,685,704	25,365,715
0031	Guidance, Counseling & Eval Svcs	14,511,826	-	2,677,368	17,189,194
0032	Social Work Services	1,799,319	-	1,003,787	2,803,106
0033	Health Services	5,391,852	-	509,638	5,901,490
0034	Student (Pupil) Transportation	7,166,399	-	130,720	7,297,119
0035	Food Services	28,118,708	347,323	329,187	28,795,219
0036	Coocurr/Extracurr Activities	8,559,698	-	686,796	9,246,494
0041	General Administration	12,951,400	-	47,750	12,999,150
0051	Plant Maintenance & Operations	39,134,168	-	492,087	39,626,254
0052	Security & Monitoring Services	5,063,382	-	304,538	5,367,920
0053	Data Processing Services	3,421,990	-	1,166,434	4,588,424
0061	Community Services	2,461,453	-	3,589,212	6,050,665
0071	Debt Service - Principal	-	-	12,830,000	12,830,000
0171	Debt Service - Interest & Other Charges	-	-	28,682,361	28,682,361
0081	Facilities Acquistion & Construction	933,148	87,457,451	49,617	88,440,217
0095	Payments to JJAEP	48,620	-	1,156,694	1,205,314
6030	Total Expenditures	391,421,137	88,827,772	116,909,039	597,157,949
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	2,635,424	(82,400,593)	4,061,362	(75,703,807)
	Other Financing Resources (Uses)				
7912	Proceeds from Sale of Portable Buildings	241,000	-	-	241,000
7915	Transfers In	-	-	1,240,994	1,240,994
8911	Transfers Out	(1,240,994)	-	-	(1,240,994)
7080	Total Other Financing Resources (Uses)	(999,994)	-	1,240,994	241,000
1200	Net Change in Fund Balances	1,635,429	(82,400,593)	5,302,356	(75,462,807)
0100	Fund Balance - September 1 (Beginning)	69,936,141	283,709,713	19,784,130	373,429,984
3000	Fund Balance - August 31 (Ending)	$ 71,571,571	$201,309,120	$ 25,086,486	$ 297,967,178

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2004

Total Net Change in Fund Balances - Governmental Funds	$ (75,462,807)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases to capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2004 capital outlays and debt principal payments is to increase net assets:	101,484,023
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to the full accrual basis of accounting:	
Remove prior years' tax collections from revenue to beginning net assets. Although collected in current year, this are taxes that are earned income from prior year periods.	(3,831,783)
Recognize current year tax levy deferred revenue as revenue.	4,378,403
Recognize other deferred revenue as revenue.	128,389
Record current year interest expense and adjust interest payable at year end.	43,312
To record the accreted interest on Capital Appreciation Bonds at year end.	(674,721)
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 net assets.	(15,186,196)
Change in Net Assets of Governmental Activities	$ 10,878,620

The accompanying notes are an integral part of this statement.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AUGUST 31, 2004

Data Control Codes		Agency Funds
	ASSETS:	
1110	Cash and Temporary Investments	$ 2,252,341
1000	Total Assets	$ 2,252,341
	LIABILITIES:	
2190	Due to Student Groups	$ 2,252,341
2000	Total Liabilities	$ 2,252,341

The accompanying notes are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The San Antonio Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB)and other authoritative sources identified in ***Statement on Auditing Standards No. 69*** of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's ***Financial Accountability System Resource Guide*** (the "Resource Guide") and the requirements of contracts and grants of agencies form which it receives funds.

The District's financial statements are prepared in accordance with the provisions of GASB Statement No. 34, ***Basic Financial Statements—and Management's Discussion and Analysis—For State and Local Governments.*** GASB Statement No. 34 established a new financial reporting model for state and local governments that include the addition of Management's Discussion and Analysis (MD&A), government-wide financial statements, required supplementary information and the elimination of the use of account groups to the already required fund financial statements and notes.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of the financial reports to assess a government's *operational accountability*. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

A. REPORTING ENTITY

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

Blended Component Unit. During fiscal year 1996, the District approved the formation of the San Antonio Independent School District Public Facilities Corporation (the Corporation). The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of, the District. The Corporation is organized to assist in the financing, accounting, refinancing, or providing "public facilities", to purchase obligations of the District, and to incur obligations issued or incurred in accordance with existing law. At August 31, 2004, the District has reflected this Corporation as a blended component unit, with a cash reserve reflected in the Debt Service Fund. The Corporation is included in the Debt Service Fund total and therefore does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities are government-wide financial statements. These statements report information on all of the District's nonfiduciary activities with the interfund activities removed. Government activities include programs supported primarily by property taxes, State foundation funds, grants and other intergovernmental revenues.

The net assets is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

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 of the District. Examples include tuition paid for various activities, school lunch charges, etc. The "operating grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/from other funds on the Governmental Funds Balance Sheet and as other resources and other uses on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. The fund financial statements reports on the financial condition and results of operations for all governmental and agency funds. Since the resources in the agency funds cannot be used for District operations, they are not included in the government-wide financial statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column in the governmental funds fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements use the economic resources mearsurement focus and the accrual basis of accounting, as do the agency 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments are recorded only when payment is due. The District accrues accumulated unpaid vacation leave when earned by the employee. A liability for this amount is reported in the government-wide financial statements.

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

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

The District reports the following major governmental funds:

The General Fund – The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund includes the Food Service operations.

The Capital Projects Fund – This fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction projects. This fund is budgeted on a project basis.

Additionally, the District reports the following fund types:

Governmental Funds:

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.

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.

Fiduciary Funds:

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

D. OTHER ACCOUNTING POLICIES

1. Deposits and Investments

   The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments for the District are reported at fair value.

   The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping or trust with the District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance.

2. Receivables and Payables

   Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to "due to/from other funds". 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 Code. Taxes are due upon 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 payment of all taxes, penalties, and interest ultimately imposed.

   The appraisal and recording of all property within the District is the responsibility of the Bexar Appraisal District (BAD), an independent governmental unit with a board of

directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. BAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the BAD Review Board through various appeals and, if necessary, legal action.

Tax collections are prorated between the general fund and debt service fund based on the tax rate approved by the Board. For the period ended August 31, 2004, the rates were $1.50 and $.222, respectively, per $100 of assessed value.

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. The property tax receivable allowance is equal to 5 percent of outstanding property taxes at August 31, 2004.

3. Inventories and Prepaid Items

The District reports inventories of supplies on the balance sheet at weighted average cost and they include consumable custodial, maintenance, transportation, instructional and office supplies, and athletic items. Inventories of governmental funds are recorded as expenditures when they are consumed rather than when purchased. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services and recorded as inventory and deferred revenue when received in the governmental funds. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Certain payments to vendor reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment, vehicles and construction in progress are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years for depreciation purposes. 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.

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

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

Asset Class	Estimated Useful Life
Buildings	40
Building Improvement	40
Portable Buildings	20
Furniture and Equipment	10
All Vehicles	10
Audio Visual Equipment	10
Printing, Duplicating & Copying Equipment	5
Data Processing Equipment	3

5. Compensated Absences

Vacation Leave - Full-time employees of the District accumulate vacation leave benefits in varying amounts. Employees who accumulate vacation leave benefits are required to take their vacation benefits by the following October 31. The balance as of August 31, 2004 is $86,800.

Sick Leave - The State of Texas has created a minimum sick leave program consisting of five days per year sick leave with no limit on accumulation and transferability among districts for every regular employee in Texas public schools. Each district's local Board of Education is required to establish a sick leave plan. School districts may provide additional local sick leave beyond the state minimum. The District's policy provides additional sick leave days, which do not vest. Therefore, no liability exists at August 31, 2004.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. It is the District's policy to record bond premiums and discounts, as well as issuance costs, as 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.

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 proceeds received, are reported as debt service expenditures.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Data Control Codes

The data control codes refer to the account code structure prescribe by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide data base for policy development and funding plans.

9. Restricted/Unrestricted Resources

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted resources available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

10. Estimates

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

11. Investments

At August 31 2004, all District investments are temporary investments with a maturity of less than one year. Temporary investments consist of certificates of deposit and funds invested in local government investment pools..

Nonparticipating Interest-Earning Investment Contracts: Certificates of Deposit are considered nonparticipating contracts since they cannot be negotiated or transferred and

their redemption terms do not consider market rates. Therefore, the cost-based measure is used to report the value of the District's Certificates of Deposit and does not include any unrealized gains and losses.

Texas Local Government Investment Pool ("Texpool"): Texpool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texpool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of the shares in each pool. Financial information for Texpool can be accessed on the internet (http://www.texpool.com).

Texpool is organized in conformity with the interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust company, which is authorized to operate Texpool. In addition, the Texpool Advisory Board advises on Texpool's Investment Policy. This Advisory Board is composed equally of participants in Texpool and other persons who do not have a business relationship with Texpool who are qualified to advise Texpool.

Texas Short Term Asset Reserve Fund (TexStar): TexStar operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1490. TexStar uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of the shares in each pool. Financial information for TexStar can be accessed on the internet (http://www.texstar.org).

TexStar is organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexStar is governed by a board of directors: JP Morgan Fleming Asset Management, Inc. act as the investment manager and First Southwest Asset Management, Inc. serves as customer services and marketing agent.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Board adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Food Service Fund (which is included in the General Fund). The District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and

expenditures for these three funds. The General Fund and Food Service Fund Budget reports appear in Exhibit G-1 and G-2; the Debt Service Fund Budget report appears in Exhibit J-4.

	Original Budget	Final Amended Budget		Amendments Increase (Decrease)
		Appropriations	Other Uses	
General Fund				
Local Maintenance	$339,370,704	$ 368,042,438	$ 1,252,779	$ 29,924,513
Food Services	29,100,000	29,600,000	-	500,000
Total General Fund	$368,470,704	$ 397,642,438	$ 1,252,779	$ 30,424,513
Debt Service Fund	$ 40,259,583	$ 41,512,362	$ -	$ 1,252,779

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

- Prior to August 20th the District prepares a budget based on the budgeting concepts for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

- After several budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.

- No later than August 31st the Board must adopt the budget for the general fund, debt service fund and food service fund.

- After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.

- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principals, department director or area administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities, but are reported as reservations of fund balances. Since appropriations lapse at the end of each year, outstanding encumbrances are appropriately

provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Outstanding encumbrances at August 31, 2004 that were provided for in the 2004-2005 budget are $717,206 recorded in the General Fund. Outstanding encumbrances of $77,384,734 for the Capital Projects Fund represent the unexpended portion of construction contracts. A reservation of fund balance equal to the outstanding encumbrances at year end is provided for at August 31, 2004.

B. Excess of Expenditures over Appropriations

	Budget	Actual	Variance	Percentage of overage
General Fund				
Instruction	$219,438,389	$220,984,405	$ (1,546,016)	0.70%
Instructional Resources & Media	6,920,154	7,018,834	(98,680)	1.43%

For the year ended August 31, 2004, expenditures exceeded appropriations in Instruction and Instructional Resources and Media due to a higher than anticipated pay increase for 2004-2005 which had an impact on the final expenditures.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At August 31, 2004, the carrying amount of the District's deposits (cash, certificates of deposit, and interesting-bearing savings accounts included in temporary investments) was $60,874,183 and the bank balance was $67,735,795 . The District's cash deposits at August 31, 2004 and during the year ended August 31, 2004 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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

1. Name of Bank: Bank of America

2. Market value of security pledged as of the date of the highest combined balance on deposit was $187,164,809.

3. The highest combined balances of cash, savings, and time deposit accounts amounted to $159,827,073 and occurred during the month of November, 2003.

4. Total amount of FDIC coverage at the time of the highest combined balance was $200,000.

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

Investments held at a financial institution can be categorized according to three levels of risk. These three levels of risk are:

Category 1	Investments that are insured, registered or held by the District or by its agent in the District's name.
Category 2	Investments that are uninsured and unregistered held by the counter-party's trust department or agent in the District's name.
Category 3	Uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the District's name.

Based on these three levels of risk, all of the District's categorized investments are classified as category 1.

The District's temporary investments at August 31, 2004 are as follows:

		Amount
	Certificates of Deposits	$ 65,000,000
	Total Categorized Investments	65,000,000
*	Investments not requiring categorization:	
	Texas Local Government Investment Pool	106,246,082
	Texas Short Term Asset Reserve Program	114,370,367
	Total Temporary Investments	$ 285,616,449

*Investments in local government pools are based upon a contract and not the security itself. Therefore, these types of investments are not categorized.

The District's total cash and temporary investments at August 31, 2004, are as follows:

	Cash	Investments	Total
General Fund	$ (7,361,288)	$ 42,288,419	$ 34,927,131
Capital Projects Fund	835,212	219,920,703	220,755,916
Other Governmental Funds	2,544,668	23,407,327	25,951,995
Total Governmental Funds	$ (3,981,407)	$ 285,616,449	$ 281,635,042

B. Receivables

Receivables as of August 31, 2004, for the District's individual major funds and other funds, including the applicable allowances for uncollectible accounts, are as follows:

	Major Funds			
	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Property Taxes - Delinquent	$ 13,630,874	$ -	$ 1,998,604	$ 15,629,478
Due from Other Governments	46,284,886	-	10,188,777	56,473,663
Accrued Interest	-	354,598	1,264	355,862
Other Receivables	217,987	-	599,377	817,364
Gross Receivables	60,133,747	354,598	12,788,022	73,276,367
Less : Allowance for Uncollectibles	(681,543)	-	(99,930)	(781,473)
Net Total Receivables	$ 59,452,204	$ 354,598	$12,688,092	$72,494,894

These amounts are expected to be collected within one year. Delinquent Property taxes may be collected over several years.

The amount reflected as other receivables above is comprised of the following:

	General Fund	Other Governmental Funds	Total
SHARS	$ 163,859	$ -	$ 163,859
AWD Grant	-	568,402	568,402
First Generation Grant	-	20,249	20,249
Miscellaneous	54,128	10,726	64,854
Total Other Receivables	$ 217,987	$ 599,377	$ 817,364

C. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds
Net Tax Revenue (General Fund)	$ 12,317,823	$ -
Net Tax Revenue (Debt Service Fund)	-	1,805,211
Federal Food Commodities	641,024	-
Advance Funding	128,389	908,410
Total	$ 13,087,237	$ 2,713,621

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of August 31, 2004 is as follows:

	Receivable	Payable
General Fund:		
Other Funds	$ 7,906,815	$ -
Debt Service Fund	-	50,966
Debt Service Fund:		
General Fund	50,966	-
Other Funds:		
General Fund	-	7,906,815
Total Interfund Receivables and Payables	$ 7,957,781	$ 7,957,781

Receivables in the general fund represent amounts transferred to special revenue funds pending reimbursement from grantors. Payables in the general fund represent property taxes collected and the allocation due to the debt service fund. These interfund balances are expected to be repaid within one year from the date of the financial statements.

Interfund transfers during the year ended August 31, 2004 were as follows:

	Transfers in	Transfers out
General Fund:		
Debt Service Fund	$ -	$ 1,240,994
Debt Service Fund:		
General Fund	1,240,994	-
Total Interfund Transfers	$ 1,240,994	$ 1,240,994

The transfer from the general fund to the debt service fund was for payment of principal and interest on the lease revenue bonds.

E. Capital Assets

Capital asset activity for the governmental activities for the year ending August 31, 2004 was as follows:

	Balance 9-01-03	Increases	Decreases	Transfers	Balance 8-31-04
Capital Assets, Not Being Depreciated:					
Land	$ 31,806,825	$ 1,146,353	$ -	$ -	$ 32,953,178
Construction in progress	87,802,692	87,043,461	-	(72,590,921)	102,255,232
Total Capital Assets, Not Being Depreciated	119,609,517	88,189,814	-	(72,590,921)	135,208,410
Capital Assets, Being Depreciated:					
Buildings & Improvements	565,076,013	-	(1,667,920)	72,590,921	635,999,014
Furniture, Equipment, & Vehicles	22,111,703	697,814	(422,322)	-	22,387,195
Total Capital Assets, Being Depreciated	587,187,716	697,814	(2,090,242)	72,590,921	658,386,209
Less Accumulated Depreciation for:					
Buildings & Improvements	(139,122,145)	(13,668,234)	1,667,920	-	(151,122,459)
Furniture, Equipment & Vehicles	(15,531,612)	(1,517,962)	422,322	-	(16,627,252)
Total accumulated depreciation	(154,653,757)	(15,186,196)	2,090,242	-	(167,749,711)
Total Capital Assets, Being Depreciated, Net	432,533,959	(14,488,382)	-	72,590,921	490,636,498
Governmental Activities Capital Assets, Net	$ 552,143,476	$ 73,701,432	$ -	$ -	$ 625,844,908

Depreciation expense of the governmental activities was charged to functions/programs as follows:

Instruction	$ 7,762,275
Instructional Resources & Media	247,109
Curr & Instr. Staff Development	806,762
Instructional Leadership	363,486
School Leadership	745,154
Guidance, Counseling & Eval Svcs	505,504
Social Work Services	82,346
Health Services	194,143
Student (Pupil) Transportation	556,222
Food Services	929,457
Cocurr/Extracurr Activities	299,959
General Administration	418,763
Plant Maintenance & Operations	1,327,126
Security & Monitoring Services	229,504
Data Processing Services	539,038
Community Services	179,348
Total Governmental Activities	$ 15,186,196

Construction Commitments

Construction in progress as of August 31, 2004 relates to the following projects:

	Project Authorization	Expended and Completed To Date	Construction in Progress	Unexpended Amount	Further Financing Required
Bond Construction, Series 1997	$315,016,000	$255,701,807	$ 20,721,255	$ 38,592,938	No
Bond Construction, Series 1999	238,959,000	198,263,220	42,699,584	(2,003,804)	No
Bond Construction, Series 2000	21,600,000	1,940,207	1,713,309	17,946,484	No
Bond Construction, Series 2001	137,500,000	55,486,852	37,121,084	44,892,064	No
Totals	$713,075,000	$511,392,086	$102,255,232	$ 99,427,682	

F. Due to Other Governments

Balances as of August 31, 2004 were as follows:

	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Due to Texas Education Agency	$ 4,668,009	$ -	$ -	$ 4,668,009
Due to Texas State Comptroller	9,950	-	-	9,950
Due to Texas Workforce Commission	7,736	-	-	7,736
Due to Internal Revenue Service	-	1,841,533	-	1,841,533
Due to ESC Region 14		-	3,057	3,057
Total	$ 4,685,695	$ 1,841,533	$ 3,057	$ 6,530,285

The balance in the General Fund relates to the settle up amount between the District and the State. Also included is textbook proceeds due to the state. The Capital Projects Fund amount is due to the Internal Revenue Service for the calculated arbitrage rebate on the District's bond issues. The Other Funds amount is due to an excess of revenues received over actual expenditures in a fund for a program that has ended as of August 31, 2004.

G. Other Liabilities - Current

Vacation Payable – Employees accumulate leave and are required to use these days within the following year. The balance at the end of the year is reflected in the government-wide Statement of Net Assets as an accrued expenditure due or payable within one year.

Balance - September 1, 2003	$ 102,440
Plus: Additions	568,743
Less: Payments	(584,383)
Balance – August 31, 2004	$ 86,800

H. Long-term Debt

General Obligation Bonds – The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, interest earnings and State funds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

The following is a summary of changes in general obligation bonds for the year ended August 31, 2004:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Amounts Outstanding 8/31/03 (restated)	Retired	Amounts Outstanding 8/31/04	Due Within One Year
Lease Revenue Bonds, Series 1996	5.0-5.85%	2010	$ 12,915,000	$ 8,040,000	$ 820,000	$ 7,220,000	$ 865,000
Unlimited Tax Sch. Bldg. Bonds, Series 1997	5.0-7.0%	2027	263,280,000	208,025,000	4,790,000	203,235,000	5,025,000
Unlimited Tax Sch. Bldg. Bonds, Series 1999	4.0-5.8%	2024	202,095,000	86,500,000	3,435,000	83,065,000	3,585,000
Unlimited Tax Sch. Bldg Bonds, Series 2000	4.7-7.625%	2020	18,100,000	16,140,000	615,000	15,525,000	655,000
Unlimited Tax Sch. Bldg Bonds, Series 2001A	4.0-5.375%	2031	126,500,000	122,130,000	2,185,000	119,945,000	2,275,000
Unlimited Tax Refunding Bonds, Series 2001B							
Current Interest Bonds	4.0-5.375%	2028	109,135,000	107,475,000	985,000	106,490,000	1,025,000
Premium Capital Appreciation Bonds		2011	7,294,573	7,294,573	-	7,294,573	-
Totals			$739,319,573	$555,604,573	$ 12,830,000	$ 542,774,573	$13,430,000

		Balance 8/31/03 (restated)	Addition	Balance 8/31/04	Due Within One Year
Accretion on Capital Appreciation Bonds*	N/A	$ 7,016,033	$ 674,721	$ 7,690,754	$ -

*This amount represents accretion of interest on a cumulative basis.

The District has never defaulted on any principal or interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitation and restrictions at August 31, 2004.

As of August 31, 2004, the annual debt service requirements to maturity of general obligation bonds are as follows:

Year Ending August 31	Principal	Interest	Total Requirements
2005	$ 13,430,000	$ 28,023,126	$ 41,453,126
2006	14,060,000	27,339,510	41,399,510
2007	14,770,000	26,586,460	41,356,460
2008	15,515,000	25,736,841	41,251,841
2009	16,305,000	24,841,055	41,146,055
2010-2014	73,894,573	127,587,288	201,481,861
2015-2019	107,660,000	91,720,542	199,380,542
2020-2024	134,110,000	60,463,763	194,573,763
2025-2029	137,730,000	23,338,550	161,068,550
2030-2031	15,300,000	1,156,750	16,456,750
Total	$ 542,774,573	$ 436,793,885	$ 979,568,458

In the prior year, the District defeased certain general obligations bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On August 31, 2004, $116,445,000 of bonds outstanding are considered defeased.

I. Other Long-term Debt

Other Long-term debt payable that is due or payable after one year consists of the following:

Workers Compensation	$ 11,279,799
Arbitrage Payable	1,841,533
	$ 13,121,332

Other Long-term liability activity for the governmental activities for the year ended August 31, 2004, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
VEIP	$ 40,303	$ -	$ (30,698)	$ 9,605	$ 9,605
Workers' Compensation	11,493,910	3,909,405	(3,629,462)	11,773,853	494,054
Arbitrage	2,421,269	208,201	(787,936)	1,841,534	-
Total	$13,955,482	$4,117,606	$(4,448,096)	$13,624,992	$ 503,659

These items are described as follows:

(1) Early Retirement Program

During fiscal year 1995, the Board of Trustees approved a Voluntary Exit Incentive Program (VEIP) for employees who were eligible for 100% retirement under the Texas Retirement System and who had 10 or more years of service with the District or whose job was eliminated due to restructuring. As part of the program, the District agreed to provide contributions toward health and dental benefits to the VEIP employees until each reaches age 65. As of year-end, there were 22 employees who remained eligible for the health and dental benefits offered. As of August 31, 2004, the total estimated cost for these benefits is $17,200 based on the present monthly premium rates of $225.00 and $17.43 for health and dental benefits, respectively. The present value computed at a 6% interest rate is $9,605.

The following represents the estimated health and dental benefits by fiscal year for the next two years.

Year Ending August 31,	
2005	$ 17,200
Total Health and Dental Benefits	17,200
Less: Implicit Interest	(7,595)
Present Value	$ 9,605

Current year VEIP expenditures were $35,322.

(2) Workers' Compensation

Under this program, the District provides coverage for up to a maximum of $300,000 per claim and purchases commercial insurance for claims in excess of this coverage. There were no settlements exceeding insurance coverage for each of the past three fiscal years. The total claims liability of $11,773,853 is based on the requirements of Governmental Accounting Standards Board (GASB) Statement No. 10 as amended by GASB Statement No. 30, which requires that a liability for claims be reported if information is available prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated. The District records the claims liability for claims incurred but not reported which is estimated using historical data.

The current portion of the claims liability of $494,054 is reflected as other liabilities due or payable within one year, with the remaining liability of $11,279,799 shown as Other Long-Term Debt Payable due or payable after one year.

The District is required to maintain a deposit sufficient to cover three months of claims with a prior administrator of the program; this deposit amounted to $37,832 at August 31, 2004, and is included in other current assets in the General Fund.

Changes in the claims liability amount in fiscal year 2003 and 2004 were:

Year Ended August 31,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2003	$ 7,354,756	$ 8,380,411	$ (4,241,257)	$ 11,493,910
2004	11,493,910	3,659,539	(3,379,596)	11,773,853

(3) Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District had an arbitrage liability of $1,841,534 as of August 31, 2004.

IV. OTHER INFORMATION

A. FUND EQUITY

Designated fund balance represents management's tentative plans for future use of financial resources. The following table presents the allocation of general fund equity designations:

Central Office and/or Real Estate Acquisitions	$	2,717,731
Musical Instruments-Replacement Program		668,000
Instructional Material		380,000
504 Compliance - Regular Students with Disabilities		120,000
A/C, Equipment and Bldg Repairs and Replacement		3,250,000
Budgetary Fund Balance		8,182,902
Financial Obligations Carried Over from Prior Years		725,941
Police Vehicle Replacement		85,000
Vehicle Replacement - Plant Services		300,000
Employee Uniforms		100,000
Custodial Equipment		100,000
School Buses and Vehicle Replacement		600,000
Permanent Employee Compensation Fund		6,300,000
VEIP Health Insurance		17,200
Workers Compensation		1,000,000
Instructional and Administrative Technology		6,000,000
Gigaman Bandwidth Upgrade for High Schools		47,924
Network Hardware Upgrade for Central Office		290,000
E-Rate		512,000
Equipment and Materials Enhancements		15,000
Program Printing/Communications		15,000
Alamo Stadium Renovations/Facility Study		85,000
Band Hall Improvements		1,000,000
Total	$	32,511,698

B. HEALTH AND DENTAL INSURANCE

HEALTH - During the year ended August 31, 2004, employees of the District were covered by one of four health insurance plans at their option. The District contributed $225.00 per month, per employee for medical coverage. Employees, at their option, authorized payroll withholdings to pay premiums for dependents.

DENTAL - During the year ended August 31, 2004, the District contributed $17.43 per month, per employee for dental coverage. All benefits were paid by a third party administrator acting on behalf of the District. The Plan was authorized by Section 21.922, Texas Education Code and Article 3.51-2, Texas Insurance Code, and was documented by contractual agreement.

The "Plan Supervisor Agreement" between the District and the third party administrator is automatically renewed for a one-year period, unless terminated as provided in the Standard Terms and Conditions of the Agreement.

The provision for unpaid self funded dental losses at August 31, in the amount of $392,477 is included in accrued expenditures of the General Fund, as it is based upon actual prior claims cost experience and average time lags (historically, less than 60 days) in settling such claims and actual claims paid after year end. All costs incurred are accounted for as expenditures in the operating funds affected.

C. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Texas Political Subdivisions Joint Self-Insurance Funds (SIF), a public entity risk pool currently operating as a common risk management and insurance program for public entitles. The District is insured with the SIF for auto liability and physical damage coverage. The SIF is provided so that members will have no joint or several liabilities other than their required contribution. The District operates a limited management program for workers compensation. Premiums are paid by all other funds and are available to pay claims, claim reserve, and administrative costs of the program. There were no significant reductions in coverage in the past fiscal year, and settlements did not exceed insurance coverage for each of the past three fiscal years.

C. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

	Major Funds			
	General Fund	Capital Projects Fund	Other Governmental Funds	Total
Property Taxes	$ 118,170,609	$ -	$ 17,534,193	$ 135,704,802
Food Sales	2,099,000	-	-	2,099,000
Investment Income	897,672	6,427,179	494,090	7,818,941
Penalties, Interest and Other Tax Related Income	2,392,524	-	301,694	2,694,218
Revenues from Successor-in-Interest	1,708	-	-	1,708
Co-curricular Student	1,940,790	-	379,808	2,320,598
Other	1,791,780	-	123,535	1,915,315
Total	$ 127,294,084	$ 6,427,179	$ 18,833,320	$ 152,554,583

E. GENERAL FUND FEDERAL SOURCE REVENUES

Included in the General Fund revenues is the following funded by the federal government:

	Program or Source	CFDA Number	Amount
	Impact Aid	84.041	$ 73,840
	Star Base Kelly	N/A	62,370
	Army ROTC	N/A	402,601
	Medicaid Administrative Claiming Program (MAC)	93.778	1,706,147
	School Health and Related Services (SHARS)	N/A	1,163,911
	National School Breakfast	10.553	6,854,137
	National School Lunch	10.555	17,548,514
	USDA Commodities	10.550	1,679,749
	United Way Pass-Thru	84.341	34,782
	Indirect Costs		
	Project Leap AP	17.255	528
	USP Grant	47.076	26,631
	ESEA Title I, Part A	84.010	479,103
	ESEA Title I, Part D	84.010	3,040
	ESEA Title I, Part C Migrant	84.011	13,559
	IDEA-B Formula	84.027	141,172
	IDEA-B Deaf	84.027	652
	IDEA-B Cap. Building & Improv	84.027	1,129
	Carl D. Perkins, Title I, Part C	84.048	9,809
	IDEA-B Preschool (Deaf)	84.173	4,685
	Title IV - Community Service Grant	84.184	1,228
*	Project Save our Students	84.184	(4,001)
	Title IV Safe and Drug Free Schools	84.186	12,487
	Fund for the Improvement of Education	84.215	7,886
	ES and Secondary Counselor Prg	84.215	7,001
	Public Charter School Grant	84.282	3,746
	21st Century Grant	84.287	820

	Program or Source	CFDA Number	Amount
	Development and Implementation Grant	84.288	1,603
	ESEA, Title V, Part A	84.298	8,569
*	Technology Challenge Grant	84.303	(833)
	Title II, Part D-Technology	84.318	8,324
	Target Award Grant	84.318	4,257
	Improving Teaching & Learning Grant	84.332	4,908
	Title III, LEP	84.365	15,533
	Title III, Immigrant Program	84.365	798
	Title II, Part A TPTR	84.367	91,765
	Community Youth Development	93.556	7,651
*	Temp. Assistance (TANF)	93.558	(2,694)
			$ 30,375,406

Indirect cost revenues were determined by applying approved indirect cost rates to actual expenditures of federally-funded grant programs.

*Prior year indirect cost reversed due to additional direct program expenditures incurred during final year of grant.

F. RETIREMENT PLAN

Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a public employee, cost-sharing multiple employer defined benefit pension plan. Under this plan, all risks and costs are not shared by the District but are a liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year. TRS administers retirement system and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and 805, respectively. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy

State law provides for fiscal years 2002, 2003 and 2004, a state contribution rate of 6.0% of gross earnings and 1% to a retirement health insurance plan. The District provides the contributions for salaries paid from federal and state grants and for salaries made above the

statutory minimum. The employee's contribution rate is 6.4% of gross earnings and .50% to the retirement health insurance plan. Contribution requirements are not actuarially determined but are legally established each biennium pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

State, District, and employee contribution information for the last three (3) years follows:

Fiscal Year	On-Behalf State Contribution	District Annual Required Contributions (ARC)	Percentage of ARC Contributed	Employee Contributions
2002	$ 15,248,308	$ 3,601,012	100%	$ 19,280,402
2003	15,362,510	4,116,223	100%	19,919,682
2004	15,428,592	6,248,738	100%	20,212,570

G. COMMITMENTS AND CONTINGENCIES

Grants - The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectibility of any related receivable at August 31, 2004 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Contingencies - The District is a party to various legal actions none of which is believed by management to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

Obligations under the current construction contracts will be liquidated in subsequent reporting periods.

H. SHARED SERVICES ARRANGEMENTS

The District is both a member and the fiscal agent of a shared service arrangement (SSA) for the San Antonio Technology in Education Coalition. Funding is provided by the United States Department of Education Technology Innovation Challenge Grant (Challenge Grant). The purpose of the Challenge Grant is to improve the mathematical skills of middle school and high school students by incorporating newer technology into classroom instruction, in accordance with federal program regulations. Members of the Coalition include North East Independent School District, the Archdiocese of San Antonio, the University of Texas at San Antonio, and San Antonio Independent School District. The member districts receive reimbursement from the fiscal agent. In accordance with guidance provided by the TEA Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund No. 379, Shared Services Arrangements – Fiscal Agent Shared Services Arrangement and are accounted for using Model No. 1 in the SSA section of the Resource Guide.

Expenditures of the SSA were a total of $32,706 in shared costs.

The District is both a member and the fiscal agent of a shared service arrangement (SSA) for the Urban Systemic Program in Science, Mathematics and Technology Education (USP). Funding is provided by the National Science Foundation. The Urban Systemic Program is K-12 based program that promotes systemic reform of science and mathematics education for all students. The USP also includes programmatic components that seek to foster partnerships between urban school districts and colleges and universities and that embed research on educational practice and learning. Members of the SSA include the Alamo Heights, East Central, Edgewood, Harlandale, Judson, North East, Northside, San Antonio, South San Antonio Independent School Districts and the University of Texas at San Antonio (UTSA). The member districts receive reimbursement from the fiscal agent. In accordance with guidance provided by the TEA Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Fund No. 378, Shared Services Arrangements – Fiscal Agent Shared Services Agreement and are accounted for using Model No. 1 in the SSA section of the Resource Guide.

Expenditures of the SSA are summarized as follows:

Shared Costs	$	1,113,870
Alamo Heights Independent School District		52,312
East Central Independent School District		77,521
Edgewood Independent School District		100,523
Harlandale Independent School District		95,934
Judson Independent School District		120,038
North East Independent School District		221,360
Northside Independent School District		215,950
San Antonio Independent School District		264,534
South San Antonio Independent School District		8,521
Total	$	2,270,563

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Required Supplementary Information

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SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND ONLY (GAAP BASIS)
YEAR ENDED AUGUST 31, 2004

Data Control Codes		Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ 2,540,000	$ 2,540,000	$ 877,359	$ (1,662,641)
	Other Local and Intermediate Sources	113,697,340	120,442,326	124,266,746	3,824,420
5700	Total Local and Intermediate Sources	116,237,340	122,982,326	125,144,105	2,161,779
5800	State Program Revenues	215,157,867	235,634,487	236,113,833	479,346
5900	Federal Program Revenues	4,100,000	4,134,452	4,293,006	158,553
5020	Total Revenues	335,495,207	362,751,265	365,550,944	2,799,678
	EXPENDITURES:				
0011	Instruction	206,663,963	219,438,389	220,984,405	(1,546,016)
0012	Instructional Resources & Media	6,429,201	6,920,154	7,018,834	(98,680)
0013	Curr & Instr. Staff Development	6,013,296	5,271,736	4,293,116	978,620
0021	Instructional Leadership	5,480,632	6,114,244	5,882,807	231,437
0023	School Leadership	21,210,587	24,590,271	23,680,012	910,259
0031	Guidance, Counseling & Eval Svcs	14,110,907	14,728,477	14,511,826	216,652
0032	Social Work Services	1,619,770	1,849,620	1,799,319	50,301
0033	Health Services	5,559,575	5,724,696	5,391,852	332,844
0034	Student (Pupil) Transportation	6,271,402	7,276,702	7,166,399	110,303
0035	Food Services	85,723	289,723	161,550	128,173
0036	Cocurr/Extracurr Activities	7,580,285	8,677,388	8,559,698	117,689
0041	General Administration	11,146,084	13,256,412	12,948,400	308,012
0051	Plant Maintenance & Operations	36,508,747	39,598,902	38,585,015	1,013,887
0052	Security & Monitoring Services	4,653,112	5,763,002	5,063,382	699,620
0053	Data Processing Services	3,466,029	4,113,611	3,421,990	691,621
0061	Community Services	1,178,612	2,826,176	2,461,453	364,723
0071	Principal	820,000	-	-	-
0071	Interest and Other Charges	432,779	-	-	-
0081	Facilities Acquisition & Construction	-	1,462,936	933,148	529,788
0095	Payments to JJAEP	140,000	140,000	48,620	91,380
6030	Total Expenditures	339,370,704	368,042,438	362,911,826	5,130,612
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,875,497)	(5,291,173)	2,639,118	7,930,291
	Other Financing Resources (Uses)				
7912	Proceeds from Sale of Portable Buildings		126,673	241,000	114,327
8911	Transfers Out	-	(1,252,779)	(1,240,994)	11,785
	Total Other Financing Resources (Uses)	-	(1,126,106)	(999,994)	126,112
1200	Excess (Deficiency) of Revenues and Other Resources Over (Under) Expenditures and Other Uses	(3,875,497)	(6,417,279)	1,639,124	8,056,403
0100	Fund Balance - September 1 (Beginning)	65,637,188	65,637,188	65,637,188	-
3000	Fund Balance - August 31 (Ending)	$ 61,761,691	$ 59,219,909	$ 67,276,312	$ 8,056,403

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION PROGRAM (GAAP BASIS)
YEAR ENDED AUGUST 31, 2004

Data Control Codes		Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ 52,000	$ 52,000	$ 20,313	$ (31,687)
	Other Local and Intermediate Sources	2,535,000	2,535,000	2,129,666	(405,334)
5700	Total Local and Intermediate Sources	2,587,000	2,587,000	2,149,979	(437,021)
5800	State Program Revenues	275,000	275,000	273,238	(1,762)
5900	Federal Program Revenues	26,238,000	26,238,000	26,082,400	(155,600)
5020	Total Revenues	29,100,000	29,100,000	28,505,617	(594,383)
	EXPENDITURES:				
0035	Food Services	28,544,000	29,044,000	27,957,158	1,086,842
0041	General Administration	3,000	3,000	3,000	-
0051	Plant Maintenance & Operations	553,000	553,000	549,153	3,847
6030	Total Expenditures	29,100,000	29,600,000	28,509,311	1,090,689
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(500,000)	(3,694)	496,306
0100	Fund Balance - September 1 (Beginning)	4,298,953	4,298,953	4,298,953	-
3000	Fund Balance - August 31 (Ending)	$ 4,298,953	$ 3,798,953	$ 4,295,259	$ 496,306

The Budgetary Comparison Schedule for the Child Nuitrition Program is presented separate from the General Fund Budgetary Comparison Schedule since each fund has a legally adopted annual budget and to identify the Child Nuitrition Program operating costs for TEA.
The San Antonio Independent School District participates in Provision 2 under the National School Lunch Program and therefore accounts for the operations in the General Fund.

Other Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Fund that generally accounts for state and federally financed programs where unused balances are returned to the grantors at the close of specified project periods. Project accounting is employed to maintain integrity for the various sources of funds. Funds included in the Special Revenue funds category are described in the following pages.

DEBT SERVICE FUND

The Debt Service Fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

SEA, TITLE IV-SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT
To account for funds granted as a result of the Improving Americas School Act of 1994. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs.

ESEA, TITLE III SUBTITLE B-EDUCATION FOR THE HOMELESS CHILDREN AND YOUTH
To account for funds granted for a variety of staff development and supplemental services, including inservice training, counseling, psychological services and tutoring.

ESEA, TITLE I PART A-IMPROVING BASIC PROGRAMS
To account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

ESEA, TITLE I PART C-EDUCATION OF MIGRATORY CHILDREN
To account for funds granted for programs benefiting children of migrant agriculture-related workers and children of migrant fishermen.

ESEA, TITLE I PART D SUBPART 1-PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT
To account for funds granted to serve neglected or delinquent children receiving services from institutions for the neglected or delinquent.

ADULT BASIC EDUCATION-FEDERAL
To account for funds granted to provide or support programs for educational services to adults who are beyond compulsory school attendance age, are not enrolled in school and function at less than secondary completion level.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF)
To account for funds granted to provide education services to undereducated adult recipients of cash assistance under TANF.

IDEA-PART B, FORMULA
To account for funds granted to operate educational programs for handicapped children with disabilities.

IDEA-PART B, DISCRETIONARY DEAF
To account for funds used to support an Education Service Center (ESC) special education component and also: targeted support to LEAs, private residential placements, priority projects, and other emerging needs.

IDEA-PART B, DEAF
To account for funds granted to operate educational programs for children with disabilities.

IDEA-PART B, PRESCHOOL
To account for funds granted for preschool handicapped children.

IDEA-PART B, PRESCHOOL DEAF
To account for funds granted for preschool children with disabilities.

CARL D. PERKINS, TITLE I, PART C
To account for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses or 2) a limited number of program areas.

ESEA TITLE II, PART A, TEACHER AND PRINCIPAL TRAINING AND RECRUITING
To provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

IMPROVING TEACHING/LEARNING GRANT
To account for discretionary funds provided to schools to develop and implement comprehensive school reform programs that are based on reliable research and effective practices with an emphasis on basic academic and parental involvement.

PUBLIC CHARTER SCHOOL GRANT
To account for funds granted to public charter schools for planning, program design, implementation, assisting other schools and/or to disseminate information about the charter school.

READING FIRST GRANT
To account for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research , to ensure that every student can read at grade level or above not later than the end of grade 3.

ENHANCING EDUCATION THROUGH TECHNOLOGY
To account for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT/IMMIGRANT
To account for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

TITLE IV COMMUNITY SERVICE GRANT
To account for funds granted to carry out programs under which students expelled or suspended from school are required to perform community service.

21ST CENTURY COMMUNITY LEARNING CENTERS
To account for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

URBAN SYSTEMIC PROGRAM
To account for funds granted by the National Science Foundation for science, mathematics and technology in education.

DEVELOPMENT & IMPLEMENTATION GRANT
To account for funds granted from the Department of Education for program development and implementation of bilingual education.

ESEA, TITLE V, PART A - INNOVATIVE PROGRAMS
To account for funds granted to implement or expand innovative assistance programs to improve student, teacher, and school performance through a variety of local reform and improvement activities.

TITLE III IMMIGRANT PY
To account for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

FUND FOR THE IMPROVEMENT OF EDUCATION
To account for funds granted by the U.S. Department of Education to assist schools in creating smaller, more personalized learning environments within large schools.

COMMUNITY YOUTH DEVELOPMENT GRANT
To account for funds granted to help local communities organize against juvenile crime and help build on existing community resources to promote the positive development of youth through a comprehensive, coordinated and sustained plan of action.

TEACHING AMERICAN HISTORY GRANT
To account for funds granted to improve the conceptual understanding and presentation of United States History in the classroom in order to impact the academic achievement of students in grades 5, 8 and 11.

PROJECT SAVE OUR STUDENTS (SOS)
To account for funds used to identify and research drug and violence prevention curriculums and models so that Incidence of drug abuse and violence are reduced by 30% and student referrals and offenses are reduced by 45%.

21ST CENTURY GRANT – SMALLER LEARNING CENTER
To account for funds granted for Federally funded programs designed to address the needs of children at risk, providing enriching artistic experiences on a personal level. Programs are sponsored by the Moscow Ballet.

IDEA-B CAP. BUILDING & IMPROVEMENT
To account for funds granted to promote innovation, capacity building, and systemic changes that are needed to improve educational results for students with disabilities.

PROJECT LEAP AP
To account for funds granted to raise Advanced Placement student test scores.

YOUTH OPPORTUNITY GRANT
To account for funds granted to provide specialized counseling, mentoring and other services.

COPS IN SCHOOL
To account for funds granted by the U.S. Department of Justice to provide additional police officer positions.

TEXAS 21st CCYLC CYCLE 2
To account for funds granted for Federally funded programs designed to address the needs of children at risk, providing enriching artistic experiences on a personal level. Programs are sponsored by the Moscow Ballet.

SMALLER LEARNING COMMUNITIES
To account for funds granted by the U.S. Department of Education to assist schools in creating smaller, more personalized learning environments within large schools.

FISCAL AGENT SHARED SERVICES ARRANGEMENT
To account for funds granted to the Technology Innovation Challenge Grant Program for professional development to provide additional support that is needed to meet the challenge of preparing new teachers and supporting experienced teachers to teach effectively using technology.

ADULT BASIC EDUCATION-STATE
To account for funds granted to provide adult education, literacy services and instruction below the college level for undereducated adults who are beyond the age of compulsory attendance.

STATE TEMP ASST/NEEDY FAMILIES
To account for funds granted to provide adult education services to TANF recipients who are out of school, beyond the age of compulsory school attendance, and who function at less than a secondary completion level.

VISUALLY IMPAIRED
To account for state supplemental visually impaired monies.

REGIONAL DAY SCHOOL FOR THE DEAF
To account for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

PREGNANCY, EDUCATION AND PARENTING PROGRAM
To account for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion.

OPTIONAL EXTENDED YEAR PROGRAM
To account for extended year programs not to exceed thirty instructional days for students from K to Eighth grade who are identified as likely not to be promoted to the next grade level succeeding school year.

ACCELERATED READING INSTRUCTION PROGRAM
To account for funds used to provide support for the training of teachers and the implementation of scientific, research-based programs to support students in their reading development in the early grades of school.

NINTH GRADE SUCCESS INITIATIVE
To account for funds used to increase the graduation rates of students in Texas by reducing the large percentage of students who are retained in the ninth grade and reducing the similarly large percentage of students who drop out of school at the ninth grade.

TECHNOLOGY FUND
To account for funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the use of these materials.

PRE-KINDERGARTEN PROGRAM
To account for funds granted to implement or expand the pre-kindergarten programs.

TRS HEALTH INS SUPP COMPENSATION
To account for revenues that are legally restricted to the TRS supplemental compensation under Article 3.50-8, Insurance Code, and the expenditure of the TRS supplemental compensation.

TEXAS HEAD START PROGRAM
To account for funds granted to preschool programs to provide scientific, research-based, pre-reading instruction for three and four year old children.

TX HS COMPLETION GRANT
To account for funds granted to support programs that show the most potential to improve high school success and completion and encourage students toward post-secondary education and training.

ES AND SECONDARY COUNSELOR PROGRAM
To account for funds granted to implement an elementary preventive, proactive and comprehensive developmental guidance program.

CAMPUS ACIVITY FUNDS
To account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

OTHER FUNDS INCLUDE:

Alamo Area Technology Preparation Grant
IDEA – C Early Intervention
Texas Behavior Support Initiative
Advanced Placements Incentives
Advanced Placements (AVID)
Project Success Gear Up
I/P Program Lowell/Burbank
AP/IB Project
Life Skills Training Phillip Morris Grant
Target Award Grant
First Gen. College Std Grant
Preschool Lre Initiative
LEOSE (Law Enforcement)
Citicorp Grant
HEB High Academic Achievement

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SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes		204 ESEA TITLE IV SAFE & DRUG FREE SCHOOLS	206 MCKINNEY HOMELESS CHILDREN	211 ESEA TITLE I PART A	212 ESEA TITLE I PART C
	ASSETS:				
1110	Cash and Temporary Investments	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	44,045	46,648	3,760,744	270,621
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	228	-
1000	Total Assets	$ 44,045	$ 46,648	$ 3,760,972	$ 270,621
	LIABILITIES:				
2110	Accounts Payable	$ 250	$ 423	$ 117,756	$ 8,940
2140	Interest Payable	-	-	-	-
2160	Accrued Wages Payable	16,056	5,926	1,307,333	7,007
2170	Due to Other Funds	27,739	40,299	2,335,883	254,674
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	44,045	46,648	3,760,972	270,621
	FUND BALANCES:				
	Reserved Fund Balances:				
3420	Retirement of Funded Indebtedness	-	-	-	-
	Unreserved Fund Balance:				
3600	Undesignated Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 44,045	$ 46,648	$ 3,760,972	$ 270,621

SPECIAL REVENUE

215 ESEA TITLE I PART D JUVENILE JUSTICE GRANT	220, 279 ADULT EDUCATION CORRECTIONS/ INSTITUTE	223 TEMP ASST/ NEEDY FAMILY	224,226,227 IDEA-PART B FORMULA DISCRETIONARY (DEAF)	225,228 IDEA- PART B PRESCHOOL (DEAF)	244 CARL D. PERKINS TITLE I, PART C	255 ESEA, TITLE II PART A TPTR
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,530	193,576	48,245	642,448	21,085	40,679	650,245
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	89	-
$ 31,530	$ 193,576	$ 48,245	$ 642,448	$ 21,085	$ 40,768	$ 650,245
$ -	$ 24,589	$ 118	$ 21,855	$ -	$ 512	$ 33,259
-	-	-	-	-	-	-
6,454	18,238	10,478	75,823	5,375	477	116,872
25,076	150,749	37,649	544,770	15,710	39,779	500,114
-	-	-	-	-	-	-
-	-	-	-	-	-	-
31,530	193,576	48,245	642,448	21,085	40,768	650,245
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 31,530	$ 193,576	$ 48,245	$ 642,448	$ 21,085	$ 40,768	$ 650,245

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes		256,284 IMPROVING TEACHING/ LEARNING GRANT	258,426 PUBLIC CHARTER SCHOOL GRANT	261 READING FIRST GRANT	262 TITLE II, PART D TECHNOLOGY
	ASSETS:				
1110	Cash and Temporary Investments	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	37,223	104,757	656,342	90,993
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 37,223	$ 104,757	$ 656,342	$ 90,993
	LIABILITIES:				
2110	Accounts Payable	$ 2,814	$ -	$ 4,435	$ -
2140	Interest Payable	-	-	-	-
2160	Accrued Wages Payable	1,024	3,257	1,651	17,242
2170	Due to Other Funds	33,385	101,500	650,256	73,751
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	37,223	104,757	656,342	90,993
	FUND BALANCES:				
	Reserved Fund Balances:				
3420	Retirement of Funded Indebtedness	-	-	-	-
	Unreserved Fund Balance:				
3600	Undesignated Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 37,223	$ 104,757	$ 656,342	$ 90,993

SPECIAL REVENUE

263 TITLE III ENG LANG/ ENH BI	264 TITLE IV COMMUNITY SERVICE GRANT	265 21ST CENTURY COMMUNITY LEARNING CTRS	267,378 URBAN SYSTEMIC PROGRAM	268 DEVELOPMENT & IMPLEMENTATION GRANT	269 ESEA, TITLE V, PART A INNOVATIVE PROGRAMS	273 TITLE III IMMIGRANT PROGRAM
$ -	$ -	$ -	$ 30,477	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90,727	32,556	18,125	1,084,464	33,980	26,198	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 90,727	$ 32,556	$ 18,125	$ 1,114,941	$ 33,980	$ 26,198	$ -
$ -	$ 4,727	$ -	$ 509,260	$ 2,902	$ -	$ -
-	-	-	-	-	-	-
18,754	555	3,875	42,302	-	6,582	-
71,973	27,274	14,250	563,379	31,078	19,616	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90,727	32,556	18,125	1,114,941	33,980	26,198	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 90,727	$ 32,556	$ 18,125	$ 1,114,941	$ 33,980	$ 26,198	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes		274 COMMUNITY YOUTH DEVELOPMENT	275 TEACHING AMERICAN HISTORY GRANT	280 PROJECT SAVE OUR STUDENTS	281,286 21ST CENTURY GRANT
	ASSETS:				
1110	Cash and Temporary Investments	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	238,154	70,225	-	167,640
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 238,154	$ 70,225	$ -	$ 167,640
	LIABILITIES:				
2110	Accounts Payable	$ 169,295	$ 641	$ -	$ -
2140	Interest Payable	-	-	-	-
2160	Accrued Wages Payable	3,607	1,719	-	-
2170	Due to Other Funds	65,252	67,865	-	167,640
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	238,154	70,225	-	167,640
	FUND BALANCES:				
	Reserved Fund Balances:				
3420	Retirement of Funded Indebtedness	-	-	-	-
	Unreserved Fund Balance:				
3600	Undesignated Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 238,154	$ 70,225	$ -	$ 167,640

SPECIAL REVENUE

282	283	285	287	288	289	379
IDEA-B CAPACITY BLDG/IMPROVE	PROJECT LEAP AP	YOUTH OPPORTUNITY GRANT	COPS IN SCHOOL	TEXAS 21ST CCLC CYCLE 2	SMALLER LEARNING COMMUNITIES	SATEC SHARED SVCS ARRANGEMENT
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	26,529	-	30,348	70,131	24,587	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	568,402	-	-	133	-
$ -	$ 26,529	$ 568,402	$ 30,348	$ 70,131	$ 24,720	$ -
$ -	$ -	$ 18,624	$ -	$ -	$ 3,498	$ -
-	-	-	-	-	-	-
-	-	38,602	4,942	1,045	1,066	-
-	26,529	511,176	25,406	69,086	20,156	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	26,529	568,402	30,348	70,131	24,720	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ -	$ 26,529	$ 568,402	$ 30,348	$ 70,131	$ 24,720	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes		381 ADULT BASIC EDUCATION STATE	382 STATE TEMP ASST/ NEEDY FAMILY	385 VISUALLY IMPAIRED STATE	386 REGIONAL DAY SCHOOL FOR DEAF
	ASSETS:				
1110	Cash and Temporary Investments	$ -	$ -	$ -	$ -
	Receivables:				
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	35,918	58,780	-	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	$ 35,918	$ 58,780	$ -	$ -
	LIABILITIES:				
2110	Accounts Payable	$ 7,700	$ 9,848	$ -	$ -
2140	Interest Payable	-	-	-	-
2160	Accrued Wages Payable	847	3,033	-	-
2170	Due to Other Funds	27,371	45,899	-	-
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	35,918	58,780	-	-
	FUND BALANCES:				
	Reserved Fund Balances:				
3420	Retirement of Funded Indebtedness	-	-	-	-
	Unreserved Fund Balance:				
3600	Undesignated Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 35,918	$ 58,780	$ -	$ -

SPECIAL REVENUE						
394	401	404	409	411	415	418
PREGNANCY & PARENTING ED. PROGRAM	OPTIONAL EXTENDED YEAR PROG.	ACCELERATED READING PROGRAM	NINTH GRADE SUCCESS INITIATIVE	TECHNOLOGY ALLOTMENT	PRE-K PROGRAM	TRS HEALTH INS SUPP COMPENSATION
$ 2,828	$ -	$ -	$ -	$ 609,866	$ -	$ 120,097
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	129,400	443,869	204,400	-	471,122	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 2,828	$ 129,400	$ 443,869	$ 204,400	$ 609,866	$ 471,122	$ 120,097
$ -	$ 13,885	$ 114,167	$ 148	$ 8,280	$ -	$ -
-	-	-	-	-	-	-
-	1,682	-	-	14,172	73,302	38,301
-	113,833	329,702	204,252	-	397,820	-
-	-	-	-	-	-	-
2,828	-	-	-	587,414	-	81,796
2,828	129,400	443,869	204,400	609,866	471,122	120,097
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 2,828	$ 129,400	$ 443,869	$ 204,400	$ 609,866	$ 471,122	$ 120,097

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2004

Data Control Codes		419 TEXAS HEAD START PROGRAM	423 TX H.S. COMPLETION/ SUCCESS GRANT	461 CAMPUS ACTIVITY FUND	495 ELEMENTARY/ SECONDARY COUNSELOR PGM
	ASSETS:				
1110	Cash and Temporary Investments	$ -	$ -	$ 284,596	$ -
	Receivables:				
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	126,435	64,035	-	63,296
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	10,276	-
1000	Total Assets	$ 126,435	$ 64,035	$ 294,872	$ 63,296
	LIABILITIES:				
2110	Accounts Payable	$ 23,163	$ 2,793	$ 9,017	$ -
2140	Interest Payable	-	-	-	-
2160	Accrued Wages Payable	3,451	1,879	162	5,482
2170	Due to Other Funds	99,821	59,363	-	57,814
2180	Due to Other Governments	-	-	-	-
2300	Deferred Revenues	-	-	11,226	-
2000	Total Liabilities	126,435	64,035	20,405	63,296
	FUND BALANCES:				
	Reserved Fund Balances:				
3420	Retirement of Funded Indebtedness	-	-	-	-
	Unreserved Fund Balance:				
3600	Undesignated Fund Balance	-	-	274,467	-
3000	Total Fund Balances	-	-	274,467	-
4000	Total Liabilities and Fund Balances	$ 126,435	$ 64,035	$ 294,872	$ 63,296

SPECIAL REVENUE 243,253,277,397 424,427,428,429 470,480,481,484 485,490,498 OTHER FUNDS	TOTAL SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ 236,381	$ 1,284,245	$ 24,667,750	$ 25,951,995
-	-	1,998,604	1,998,604
-	-	(99,930)	(99,930)
38,677	10,188,777	-	10,188,777
-	-	1,264	1,264
-	-	50,966	50,966
20,249	599,377	-	599,377
$ 295,307	$ 12,072,399	$ 26,618,654	$ 38,691,053
$ 4,304	$ 1,117,203	$ -	$ 1,117,203
-	-	1,423	1,423
3,874	1,862,447	-	1,862,447
58,926	7,906,815	-	7,906,815
3,057	3,057	-	3,057
225,146	908,410	1,805,211	2,713,621
295,307	11,797,932	1,806,634	13,604,566
-	-	24,812,020	24,812,020
-	274,467	-	274,467
-	274,467	24,812,020	25,086,487
$ 295,307	$ 12,072,399	$ 26,618,654	$ 38,691,053

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED AUGUST 31, 2004

Data Control Codes		204 ESEA TITLE IV SAFE & DRUG FREE SCHOOLS	206 MCKINNEY HOMELESS CHILDREN	211 ESEA TITLE I PART A	212 ESEA TITLE I PART C
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ -	$ -
	Other Local and Intermediate Sources	-	-	-	-
5700	Total Local and Intermediate Sources	-	-	-	-
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	683,914	151,100	27,278,871	757,291
5020	Total Revenues	683,914	151,100	27,278,871	757,291
	EXPENDITURES:				
	Current:				
0010	Instruction and Instructional - Related Services:				
0011	Instruction	499,385	4,181	8,599,935	313,971
0012	Instructional Resources & Media	-	-	960,120	-
0013	Curr & Instr. Staff Development	86,234	-	11,631,198	20,152
	Total Instruction and Instructional-Related Services	585,619	4,181	21,191,253	334,123
0020	Instructional and School Leadership:				
0021	Instructional Leadership	38,143	-	1,716,998	220,481
0023	School Leadership	-	-	1,098,320	-
	Total Instructional and School Leadership	38,143	-	2,815,318	220,481
0030	Support Service - Student (Pupil):				
0031	Guidance, Counseling & Eval Svcs	13,867	-	67,089	-
0032	Social Work Services	-	-	478,918	-
0033	Health Services	86	-	259,712	142,305
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurr/Extracurr Activities	-	-	2,198	-
	Total Support Service - Student (Pupil)	13,953	-	807,917	142,305
0040	Administration:				
0041	General Administration	-	-	-	-
	Total Administation Services	-	-	-	-
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance & Operations	-	-	108,141	210
0052	Security & Monitoring Services	5,255	-	14,117	-
0053	Data Processing Services	5,386	-	412,606	6,731
	Total Support Services - Nonstudent Based	10,641	-	534,864	6,941
0060	Ancillary Services:				
0061	Community Services	35,558	146,919	1,929,519	53,441
	Total Ancillary Services	35,558	146,919	1,929,519	53,441
0070	Debt Service:				
0071	Debt Service - Principal	-	-	-	-
0171	Debt Service - Interest & Other Charges	-	-	-	-
	Total Debt Service	-	-	-	-
0080	Capital Outlay:				
0081	Facilities Acquisition & Construction	-	-	-	-
	Total Capital Outlay	-	-	-	-
0090	Intergovernmental Charges:				
0093	Payments to Member Districts	-	-	-	-
	Total Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	683,914	151,100	27,278,871	757,291
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	Other Financing Resources (Uses)				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Resources (Uses)	-	-	-	-
1200	Net Change in Fund Balances				
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

SPECIAL REVENUE

215 ESEA TITLE I PART D JUVENILE JUSTICE GRANT	220, 279 ADULT EDUCATION CORRECTIONS/ INSTITUTE	223 TEMP ASST/ NEEDY FAMILY	224,226,227 IDEA-PART B FORMULA DISCRETIONARY (DEAF)	225,228 IDEA- PART B PRESCHOOL (DEAF)	244 CARL D. PERKINS TITLE I, PART C	255 ESEA, TITLE II PART A TPTR
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
174,654	904,639	116,627	9,013,752	273,810	1,087,042	5,268,112
174,654	904,639	116,627	9,013,752	273,810	1,087,042	5,268,112
59,720	655,237	116,627	5,708,837	163,101	711,423	1,222,516
-	-	-	52,851	-	-	-
42,586	47,629	-	180,572	20,662	56,266	2,646,249
102,306	702,866	116,627	5,942,260	183,763	767,689	3,868,765
43,451	201,773	-	1,483,753	90,047	185,982	386,646
3,243	-	-	-	-	-	4,200
46,694	201,773	-	1,483,753	90,047	185,982	390,846
-	-	-	1,441,635	-	118,766	525,269
25,654	-	-	36,456	-	-	-
-	-	-	47,283	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	10,156	-	7,171	-
25,654	-	-	1,535,530	-	125,937	525,269
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	184	-	-	385
-	-	-	-	-	-	-
-	-	-	-	-	-	2,019
-	-	-	184	-	-	2,404
-	-	-	13,435	-	7,434	480,828
-	-	-	13,435	-	7,434	480,828
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	38,590	-	-	-
-	-	-	38,590	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
174,654	904,639	116,627	9,013,752	273,810	1,087,042	5,268,112
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED AUGUST 31, 2004

Data Control Codes		256,284 IMPROVING TEACHING/ LEARNING GRANT	258,426 PUBLIC CHARTER SCHOOL GRANT	261 READING FIRST GRANT	262 TITLE II, PART D TECHNOLOGY
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ -	$ -
	Other Local and Intermediate Sources	-	-	-	-
5700	Total Local and Intermediate Sources	-	-	-	-
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	158,720	313,664	2,706,914	830,524
5020	Total Revenues	158,720	313,664	2,706,914	830,524
	EXPENDITURES:				
	Current:				
0010	Instruction and Instructional - Related Services:				
0011	Instruction	107,035	249,096	-	-
0012	Instructional Resources & Media	-	4,986	-	-
0013	Curr & Instr. Staff Development	29,311	46,067	2,706,914	548,888
	Total Instruction and Instructional-Related Services	136,346	300,149	2,706,914	548,888
0020	Instructional and School Leadership:				
0021	Instructional Leadership	-	-	-	13,253
0023	School Leadership	5,968	5,176	-	-
	Total Instructional and School Leadership	5,968	5,176	-	13,253
0030	Support Service - Student (Pupil):				
0031	Guidance, Counseling & Eval Svcs	550	641	-	54
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurr/Extracurr Activities	-	-	-	-
	Total Support Service - Student (Pupil)	550	641	-	54
0040	Administration:				
0041	General Administration	-	-	-	-
	Total Administation Services	-	-	-	-
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance & Operations	-	2,870	-	-
0052	Security & Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	197,387
	Total Support Services - Nonstudent Based	-	2,870	-	197,387
0060	Ancillary Services:				
0061	Community Services	15,856	4,828	-	70,942
	Total Ancillary Services	15,856	4,828	-	70,942
0070	Debt Service:				
0071	Debt Service - Principal	-	-	-	-
0171	Debt Service - Interest & Other Charges	-	-	-	-
	Total Debt Service	-	-	-	-
0080	Capital Outlay:				
0081	Facilities Acquisition & Construction	-	-	-	-
	Total Capital Outlay	-	-	-	-
0090	Intergovernmental Charges:				
0093	Payments to Member Districts	-	-	-	-
	Total Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	158,720	313,664	2,706,914	830,524
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	Other Financing Resources (Uses)				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Resources (Uses)	-	-	-	-
1200	Net Change in Fund Balances				
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

SPECIAL REVENUE

263 TITLE III ENG LANG/ ENH BI	264 TITLE IV COMMUNITY SERVICE GRANT	265 21ST CENTURY COMMUNITY LEARNING CTRS	267,378 URBAN SYSTEMIC PROGRAM	268 DEVELOPMENT & IMPLEMENTATION GRANT	269 ESEA, TITLE V, PART A INNOVATIVE PROGRAMS	273 TITLE III IMMIGRANT PROGRAM
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,093,174	73,152	875,025	2,525,970	116,517	469,790	44,026
1,093,174	73,152	875,025	2,525,970	116,517	469,790	44,026
827,967	37,950	722,460	-	84,890	74,104	44,026
-	-	2,690	-	-	99,503	-
240,711	6,982	85,983	883,365	9,713	172,432	-
1,068,678	44,932	811,133	883,365	94,603	346,039	44,026
2,210	-	54,209	485,911	20,006	82,145	-
-	2,508	-	-	-	-	-
2,210	2,508	54,209	485,911	20,006	82,145	-
19,171	-	-	-	1,908	54	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,954	-	-	-	-
19,171	-	5,954	-	1,908	54	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,729	-	-	-	-
-	-	-	-	-	3,365	-
-	-	3,729	-	-	3,365	-
3,115	25,712	-	-	-	38,187	-
3,115	25,712	-	-	-	38,187	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,156,694	-	-	-
-	-	-	1,156,694	-	-	-
1,093,174	73,152	875,025	2,525,970	116,517	469,790	44,026
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED AUGUST 31, 2004

Data Control Codes		274 COMMUNITY YOUTH DEVELOPMENT	275 TEACHING AMERICAN HISTORY GRANT	280 PROJECT SAVE OUR STUDENTS	281,286 21ST CENTURY GRANT
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ -	$ -
	Other Local and Intermediate Sources	-	-	-	-
5700	Total Local and Intermediate Sources	-	-	-	-
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	405,317	272,706	164,518	763,542
5020	Total Revenues	405,317	272,706	164,518	763,542
	EXPENDITURES:				
	Current:				
0010	Instruction and Instructional - Related Services:				
0011	Instruction	25,070	-	-	763,542
0012	Instructional Resources & Media	-	-	-	-
0013	Curr & Instr. Staff Development	-	272,706	163,179	-
	Total Instruction and Instructional-Related Services	25,070	272,706	163,179	763,542
0020	Instructional and School Leadership:				
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
	Total Instructional and School Leadership	-	-	-	-
0030	Support Service - Student (Pupil):				
0031	Guidance, Counseling & Eval Svcs	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurr/Extracurr Activities	-	-	-	-
	Total Support Service - Student (Pupil)	-	-	-	-
0040	Administration:				
0041	General Administration	-	-	-	-
	Total Administation Services	-	-	-	-
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance & Operations	-	-	1,339	-
0052	Security & Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
	Total Support Services - Nonstudent Based	-	-	1,339	-
0060	Ancillary Services:				
0061	Community Services	380,247	-	-	-
	Total Ancillary Services	380,247	-	-	-
0070	Debt Service:				
0071	Debt Service - Principal	-	-	-	-
0171	Debt Service - Interest & Other Charges	-	-	-	-
	Total Debt Service	-	-	-	-
0080	Capital Outlay:				
0081	Facilities Acquisition & Construction	-	-	-	-
	Total Capital Outlay	-	-	-	-
0090	Intergovernmental Charges:				
0093	Payments to Member Districts	-	-	-	-
	Total Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	405,317	272,706	164,518	763,542
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	Other Financing Resources (Uses)				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Resources (Uses)	-	-	-	-
1200	Net Change in Fund Balances				
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

SPECIAL REVENUE

282	283	285	287	288	289	379
IDEA-B CAPACITY BLDG/IMPROVE	PROJECT LEAP AP	YOUTH OPPORTUNITY GRANT	COPS IN SCHOOL	TEXAS 21ST CCLC CYCLE 2	SMALLER LEARNING COMMUNITIES	SATEC SHARED SVCS ARRANGEMENT
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64,866	26,001	1,903,425	233,133	70,131	437,978	32,706
64,866	26,001	1,903,425	233,133	70,131	437,978	32,706
44,206	26,001	618,141	-	57,399	-	14,148
-	-	-	-	-	-	-
-	-	1,585	-	12,710	310,741	18,558
44,206	26,001	619,726	-	70,109	310,741	32,706
20,660	-	221,870	-	-	39,137	-
-	-	-	-	-	-	-
20,660	-	221,870	-	-	39,137	-
-	-	-	-	-	-	-
-	-	440,393	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	476,512	-	-	83,557	-
-	-	916,905	-	-	83,557	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	233,133	-	-	-
-	-	-	-	-	-	-
-	-	-	233,133	-	-	-
-	-	144,924	-	22	4,543	-
-	-	144,924	-	22	4,543	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64,866	26,001	1,903,425	233,133	70,131	437,978	32,706
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED AUGUST 31, 2004

Data Control Codes		381 ADULT BASIC EDUCATION STATE	382 STATE TEMP ASST/ NEEDY FAMILY	385 VISUALLY IMPAIRED STATE	386 REGIONAL DAY SCHOOL FOR DEAF
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ -	$ -
	Other Local and Intermediate Sources	-	-	-	-
5700	Total Local and Intermediate Sources	-	-	-	-
5800	State Program Revenues	254,784	64,897	60,280	459,087
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	254,784	64,897	60,280	459,087
	EXPENDITURES:				
	Current:				
0010	Instruction and Instructional - Related Services:				
0011	Instruction	195,506	64,897	60,280	459,087
0012	Instructional Resources & Media	-	-	-	-
0013	Curr & Instr. Staff Development	-	-	-	-
	Total Instruction and Instructional-Related Services	195,506	64,897	60,280	459,087
0020	Instructional and School Leadership:				
0021	Instructional Leadership	59,278	-	-	-
0023	School Leadership	-	-	-	-
	Total Instructional and School Leadership	59,278	-	-	-
0030	Support Service - Student (Pupil):				
0031	Guidance, Counseling & Eval Svcs	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Cocurr/Extracurr Activities	-	-	-	-
	Total Support Service - Student (Pupil)	-	-	-	-
0040	Administration:				
0041	General Administration	-	-	-	-
	Total Administation Services	-	-	-	-
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance & Operations	-	-	-	-
0052	Security & Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
	Total Support Services - Nonstudent Based	-	-	-	-
0060	Ancillary Services:				
0061	Community Services	-	-	-	-
	Total Ancillary Services	-	-	-	-
0070	Debt Service:				
0071	Debt Service - Principal	-	-	-	-
0171	Debt Service - Interest & Other Charges	-	-	-	-
	Total Debt Service	-	-	-	-
0080	Capital Outlay:				
0081	Facilities Acquisition & Construction	-	-	-	-
	Total Capital Outlay	-	-	-	-
0090	Intergovernmental Charges:				
0093	Payments to Member Districts	-	-	-	-
	Total Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	254,784	64,897	60,280	459,087
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	Other Financing Resources (Uses)				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Resources (Uses)	-	-	-	-
1200	Net Change in Fund Balances				
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ -	$ -

SPECIAL REVENUE

394 PREGNANCY & PARENTING ED. PROGRAM	401 OPTIONAL EXTENDED YEAR PROG.	404 ACCELERATED READING PROGRAM	409 NINTH GRADE SUCCESS INITIATIVE	411 TECHNOLOGY ALLOTMENT	415 PRE-K PROGRAM	418 TRS HEALTH INS SUPP COMPENSATION
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
188,844	396,021	1,377,710	234,610	1,516,246	6,039,299	3,653,238
-	-	-	-	-	-	-
188,844	396,021	1,377,710	234,610	1,516,246	6,039,299	3,653,238
9,175	308,563	47,510	233,558	2,358	5,886,637	2,122,364
-	-	-	-	143,310	-	84,444
1,278	52,981	1,330,200	1,052	443,635	50,116	100,244
10,453	361,544	1,377,710	234,610	589,303	5,936,753	2,307,052
-	12,764	-	-	-	102,546	31,218
-	-	-	-	406,715	-	129,655
-	12,764	-	-	406,715	102,546	160,873
-	-	-	-	-	-	104,950
783	-	-	-	-	-	21,583
-	-	-	-	-	-	60,208
-	20,272	-	-	-	-	109,788
-	-	-	-	-	-	329,166
-	-	-	-	-	-	37,505
783	20,272	-	-	-	-	663,200
-	-	-	-	-	-	47,750
-	-	-	-	-	-	47,750
-	281	-	-	-	-	369,031
-	-	-	-	-	-	44,167
-	-	-	-	520,228	-	18,712
-	281	-	-	520,228	-	431,910
177,608	1,160	-	-	-	-	36,610
177,608	1,160	-	-	-	-	36,610
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	5,843
-	-	-	-	-	-	5,843
-	-	-	-	-	-	-
-	-	-	-	-	-	-
188,844	396,021	1,377,710	234,610	1,516,246	6,039,299	3,653,238
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ -	$ -	$ -	$ -	$ -	$ -	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED AUGUST 31, 2004

Data Control Codes		419 TEXAS HEAD START PROGRAM	423 TX H.S. COMPLETION/ SUCCESS GRANT	461 CAMPUS ACTIVITY FUND	495 ELEMENTARY/ SECONDARY COUNSELOR PGM
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ -	$ -
	Other Local and Intermediate Sources	-	-	379,808	-
5700	Total Local and Intermediate Sources	-	-	379,808	-
5800	State Program Revenues	354,774	64,035	100	-
5900	Federal Program Revenues	-	-	-	378,905
5020	Total Revenues	354,774	64,035	379,908	378,905
	EXPENDITURES:				
	Current:				
0010	Instruction and Instructional - Related Services:				
0011	Instruction	-	64,035	205,629	-
0012	Instructional Resources & Media	-	-	45,112	-
0013	Curr & Instr. Staff Development	336,658	-	4,225	-
	Total Instruction and Instructional-Related Services	336,658	64,035	254,966	-
0020	Instructional and School Leadership:				
0021	Instructional Leadership	18,116	-	567	-
0023	School Leadership	-	-	29,919	-
	Total Instructional and School Leadership	18,116	-	30,486	-
0030	Support Service - Student (Pupil):				
0031	Guidance, Counseling & Eval Svcs	-	-	-	378,905
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	660	-
0035	Food Services	-	-	21	-
0036	Cocurr/Extracurr Activities	-	-	43,619	-
	Total Support Service - Student (Pupil)	-	-	44,300	378,905
0040	Administration:				
0041	General Administration	-	-	-	-
	Total Administation Services	-	-	-	-
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance & Operations	-	-	9,646	-
0052	Security & Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
	Total Support Services - Nonstudent Based	-	-	9,646	-
0060	Ancillary Services:				
0061	Community Services	-	-	15,928	-
	Total Ancillary Services	-	-	15,928	-
0070	Debt Service:				
0071	Debt Service - Principal	-	-	-	-
0171	Debt Service - Interest & Other Charges	-	-	-	-
	Total Debt Service	-	-	-	-
0080	Capital Outlay:				
0081	Facilities Acquisition & Construction	-	-	5,184	-
	Total Capital Outlay	-	-	5,184	-
0090	Intergovernmental Charges:				
0093	Payments to Member Districts	-	-	-	-
	Total Intergovernmental Charges	-	-	-	-
6030	Total Expenditures	354,774	64,035	360,510	378,905
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	19,398	-
	Other Financing Resources (Uses)				
7915	Transfers In	-	-	-	-
7080	Total Other Financing Resources (Uses)	-	-	-	-
1200	Net Change in Fund Balances				
0100	Fund Balance - September 1 (Beginning)	-	-	255,069	-
3000	Fund Balance - August 31 (Ending)	$ -	$ -	$ 274,467	$ -

SPECIAL REVENUE 243,253,277,397 424,427,428,429 470,480,481,484 485,490,498 OTHER FUNDS	TOTAL SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ -	$ -	$ 494,090	$ 494,090
123,535	503,343	17,835,887	18,339,230
123,535	503,343	18,329,977	18,833,320
79,805	14,743,730	27,224,349	41,968,079
498,486	60,169,003	-	60,169,003
701,826	75,416,076	45,554,326	120,970,402
151,577	31,562,144	-	31,562,144
-	1,393,016	-	1,393,016
502,375	23,064,157	-	23,064,157
653,952	56,019,317	-	56,019,317
16,664	5,547,828	-	5,547,828
-	1,685,704	-	1,685,704
16,664	7,233,532	-	7,233,532
4,509	2,677,368	-	2,677,368
-	1,003,787	-	1,003,787
44	509,638	-	509,638
-	130,720	-	130,720
-	329,187	-	329,187
20,124	686,796	-	686,796
24,677	5,337,496	-	5,337,496
-	47,750	-	47,750
-	47,750	-	47,750
-	492,087	-	492,087
4,137	304,538	-	304,538
-	1,166,434	-	1,166,434
4,137	1,963,059	-	1,963,059
2,396	3,589,212	-	3,589,212
2,396	3,589,212	-	3,589,212
-	-	12,830,000	12,830,000
-	-	28,682,361	28,682,361
-	-	41,512,361	41,512,361
-	49,617	-	49,617
-	49,617	-	49,617
-	1,156,694	-	1,156,694
-	1,156,694	-	1,156,694
701,826	75,396,678	41,512,361	116,909,039
-	19,398	4,041,965	4,061,362
-	-	1,240,994	1,240,994
-	-	1,240,994	1,240,994
-	19,398	5,282,959	5,302,356
-	255,069	19,529,061	19,784,130
$ -	$ 274,467	$ 24,812,020	$ 25,086,486

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FIDUCIARY FUNDS

AGENCY FUNDS

The District accounts for resources held for others in a custodial capacity in agency funds. The District accounts for the Student Activity Fund as an Agency Fund.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
YEAR ENDED AUGUST 31, 2004

Data Control Codes		BALANCE SEPTEMBER 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31, 2004
	STUDENT ACTIVITIES:				
	ASSETS:				
1110	Cash and Temporary Investments	$ 2,153,645	$ 6,566,848	$ 6,468,152	$ 2,252,341
	LIABILITIES:				
	Current Liabilities:				
2190	Due to Student Groups	$ 2,153,645	$ 6,566,848	$ 6,468,152	$ 2,252,341
	COUNTY EDUCATION DISTRICT:				
	ASSETS:				
1110	Cash and Temporary Investments, at Cost	$ -	$ 23,608	$ 23,608	$ -
	Recivables:				
1220	Property Taxes - Delinquent	1,502,408	-	1,502,408	-
1230	Allowances for Uncollectible Taxes	(75,120)	-	(75,120)	-
1290	Other Receivables	2,960	-	2,960	-
1000	Total Assets	$ 1,430,248	$ 23,608	$ 1,453,856	$ -
	LIABILITIES:				
	Current Liabilities:				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2180	Due to Other Governments	1,430,248	-	1,430,248	-
2000	Total Liabilities	$ 1,430,248	$ -	$ 1,430,248	$ -
	TOTAL AGENCY FUNDS:				
	ASSETS:				
1110	Cash and Temporary Investments, at Cost	$ 2,153,645	$ 6,590,456	$ 6,491,760	$ 2,252,341
	Receivables:				
1220	Property Taxes - Delinquent	1,502,408	-	1,502,408	-
1230	Allowances for Uncollectible Taxes	(75,120)	-	(75,120)	-
1290	Other Receivables	2,960	-	2,960	-
1000	Total Assets	$ 3,583,893	$ 6,590,456	$ 7,922,008	$ 2,252,341
	LIABILITIES:				
	Current Liabilities:				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2180	Due to Other Governments	1,430,248	-	1,430,248	-
2190	Due to Student Groups	2,153,645	6,566,848	6,468,152	2,252,341
2000	Total Liabilities	$ 3,583,893	$ 6,566,848	$ 7,898,400	$ 2,252,341

CAPITAL ASSETS USED IN THE

OPERATION OF GOVERNMENTAL FUNDS

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
AUGUST 31, 2004 AND 2003

	2004	2003
ASSETS		
Land	$ 32,953,178	$ 31,806,825
Buildings and Improvements	635,999,014	565,076,013
Furniture, Equipment, & Vehicles	22,387,195	22,111,703
Construction in Progress	102,255,232	87,802,692
Total	$ 793,594,619	$ 706,797,233
INVESTMENTS IN CAPITAL ASSETS		
Investments in Capital Assets Acquired from:		
General Fund	$ 162,927,443	$ 162,783,076
Special Revenue Fund	9,389,462	9,258,337
Capital Projects Fund	621,277,714	534,755,820
Total	$ 793,594,619	$ 706,797,233

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION
AUGUST 31, 2004

FUNCTION	LAND	BUILDINGS AND IMPROVEMENTS	FURNITURE, EQUIPMENT, & VEHICLES	CONSTRUCTION IN PROGRESS	TOTAL
Instruction and Instructional-Related Services	$ -	$ -	$ 2,950,158	$ -	$ 2,950,158
Instructional and School Leadership	-	-	334,878	-	334,878
Support Services - Student (Pupil)	-	-	10,716,499	-	10,716,499
Administration Services	-	-	685,802	-	685,802
Support Services - Nonstudent Based	-	-	7,339,547	-	7,339,547
Ancilliary Services	-	-	25,017	-	25,017
Facilities Acquisition and Construction	32,953,178	635,999,014	335,294	102,255,232	771,542,718
Total	$ 32,953,178	$ 635,999,014	$ 22,387,195	$ 102,255,232	$ 793,594,619

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
YEAR ENDED AUGUST 31, 2004

FUNCTION	BALANCE SEPTEMBER 1, 2003	ADDITIONS	DELETIONS	BALANCE AUGUST 31, 2004
Instruction and Instructional-Related Services	$ 3,109,372	$ 182,551	$ (341,765)	$ 2,950,158
Instructional and School Leadership	276,680	58,198	-	334,878
Support Services - Student (Pupil)	10,431,425	365,631	(80,557)	10,716,499
Administration Services	643,376	42,426	-	685,802
Support Services - Nonstudent Based	7,304,219	35,328	-	7,339,547
Ancilliary Services	25,017	-	-	25,017
Facilities Acquisition and Construction	685,007,143	88,203,495	(1,667,920)	771,542,718
Total	$ 706,797,233	$ 88,887,628	$ (2,090,242)	$ 793,594,619

Required TEA Schedules

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SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT PROPERTY TAXES RECEIVABLE

YEAR ENDED AUGUST 31, 2004

LAST TEN YEARS ENDED AUGUST 31,	1 TAX RATES MAINTENANCE	2 TAX RATES DEBT SERVICE	3 ASSESSED/APPRAISED VALUE FOR SCHOOL TAX PURPOSES
1995 and Prior Years	Various	Various	$ Various
1996	1.42469	0.12211	6,362,726,356
1997	1.42620	0.12060	6,521,953,020
1998	1.42620	0.38710	6,112,231,884
1999	1.42107	0.35451	6,312,676,523
2000	1.50000	0.22200	6,523,005,190
2001	1.50000	0.22200	7,167,667,290
2002	1.50000	0.22200	7,572,267,664
2003	1.50000	0.22200	7,842,137,743
2004	1.50000	0.22200	8,435,683,746
1000 Totals			

9000 Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code	$ -

10 BEGINNING BALANCE 9/1/03	20 CURRENT YEAR'S ADJUSTED LEVY	31 MAINTENANCE COLLECTIONS	32 DEBT SERVICE COLLECTIONS	TOTAL COLLECTIONS	40 ENTIRE YEAR'S ADJUSTMENTS	50 ENDING BALANCE 8/31/04
$ 3,161,457	$ -	$ 91,022	$ 7,275	$ 98,297	$ (407,939)	$ 2,655,221
578,833	-	27,825	2,385	30,210	(31,698)	516,925
604,437	-	29,895	2,528	32,423	(29,435)	542,579
575,959	-	27,671	7,511	35,182	(33,361)	507,416
619,795	-	55,146	13,757	68,903	20,284	571,176
860,664	-	122,857	18,183	141,040	16,637	736,261
1,366,992	-	(5,274)	(781)	(6,055)	(345,154)	1,027,893
1,972,482	-	609,959	90,274	700,233	47,300	1,319,549
5,347,929	-	2,530,646	374,536	2,905,182	(24,105)	2,418,642
-	137,371,510	115,015,394	17,022,300	132,037,694	-	5,333,816
$ 15,088,548	$ 137,371,510	$ 118,505,141	$ 17,537,968	$ 136,043,109	$ (787,471)	$ 15,629,478
$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT J-2

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2005-2006
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 2004

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	$ -	$ -	$ 530,523	$ 6,946,591	$ -	$ -	$ 7,477,114
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				$ -			-
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)				$ -			-
6211	Legal Services	-	-	818,259		$ -		818,259
6212	Audit Services				89,600			89,600
6213	Tax Appraisal and Collection		1,404,286					1,404,286
621X	Other Prof. Services	-	-	28,800	298,476	-	-	327,276
6220	Tuition and Transfer Payments						-	-
6230	Education Service Centers	-	-	-	523,641	-	-	523,641
6240	Contr. Maint. and Repair					274,410		274,410
6250	Utilities					-		-
6260	Rentals	-	-	779	76,852	-	-	77,631
6290	Miscellaneous Contr.	-	-	-	324,045	-	-	324,045
6320	Textbooks and Reading	-	-	-	-	-	-	-
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	764	-	21,416	1,080,055	-	-	1,102,235
6410	Travel, Subsistence, Stipends	6,690	-	8,372	18,617	-	-	33,679
6420	Ins. and Bonding Costs	-	-	-	367,455	-	-	367,455
6430	Election Costs	57,683						57,683
6490	Miscellaneous Operating	21,060	-	50,727	52,054	-	-	123,841
6500	Debt Service						-	-
6600	Capital Outlay						167,058	167,058
6000	TOTAL	$ 86,197	$ 1,404,286	$ 1,458,876	$ 9,777,386	$ 274,410	$ 167,058	$ 13,168,213

Total expenditures/expenses for General and Special Revenue Funds (plus Food Service Enterprise Fund if present)	9		$ 466,817,815
LESS: Deductions of Unallowable Costs			
FISCAL YEAR			
Total Capital Outlay (6600)	10	$9,338,028	
Total Debt & Lease (6500)	11	-	
Plant Maintenance (Function 51, 6100-6400)	12	39,424,033	
Food (Function 35, 6341 and 6499)	13	9,754,350	
Stipends (6413)	14	212,956	
Column 4 (above) - Total Indirect Cost		9,777,386	
Subtotal:			$ 68,506,753
Net Allowed Direct Cost			$ 398,311,062
CUMULATIVE			
Total Cost of Buildings before Depreciation (1520)	15		$ 635,999,014
Historical Cost of Buildings over 50 years old	16		$ 29,390,878
Amount of Federal Money in building Cost (Net of #16)	17		$ 1,270,729
Total Cost of Furniture & Equipment before Depreciation (1530&1540)	18		$ 22,387,195
Historical Cost of Furniture & Equipment over 16 years old	19		$ 2,247,989
Amount of Federal Money in Furniture & Equipment (Net of #19)	20		$ 3,264,724

(8) Note A - $169,063 in Function 53 expenditures are included in this report on administrative costs.

EXHIBIT J-3

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET

General Fund as of August 31, 2004

Data Control Code	Explanation	Amount
1	Total General Fund Balance 8/31/04 (Exhibit C-1 object 3000 for the General Fund Only)	$ 71,571,571
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund only)	$ 7,776,628
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund only)	$ 32,511,698
4	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	$ -
5	Estimate of **one** month's average cash disbursements during the regular school session (9/1/04-5/31/05)	$ 31,283,245
6	Estimate of delayed payments from state sources (58XX) including August payment delays	$ -
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	$ -
8	Estimate of delayed payments from federal sources (59XX)	$ -
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	$ -
10	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9)	$ 71,571,571
11	Excess/(Deficit) Undesignated Unreserved General Fund Fund Balance (1 -10)	$ -

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - NONMAJOR FUND
DEBT SERVICE FUND (GAAP BASIS)
YEAR ENDED AUGUST 31, 2004

Data Control Codes		Budgeted Amounts (GAAP Basis) Original	Budgeted Amounts (GAAP Basis) Final	Actual Amounts (GAAP Basis)	Variance With Final Budget Positive or (Negative)
	REVENUES:				
	Local and Intermediate Sources:				
	Investment Income	$ -	$ -	$ 494,090	$ 494,090
	Other Local and Intermediate Sources	16,486,801	16,486,801	17,835,887	1,349,086
5700	Total Local and Intermediate Sources	16,486,801	16,486,801	18,329,977	1,843,176
5800	State Program Revenues	23,772,782	23,772,782	27,224,349	3,451,567
5020	Total Revenues	40,259,583	40,259,583	45,554,326	5,294,743
	EXPENDITURES:				
0071	Principal	12,010,000	12,830,000	12,830,000	-
0071	Interest and Other Charges	28,249,583	28,682,362	28,682,361	1
6030	Total Expenditures	40,259,583	41,512,362	41,512,361	1
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,252,779)	4,041,965	5,294,744
	Other Financing Resources (Uses)				
7915	Transfers In	-	1,252,779	1,240,994	(11,785)
	Total Other Financing Resources (Uses)	-	1,252,779	1,240,994	(11,785)
1200	Excess (Deficiency) of Revenues and Other Res Over (Under) Expenditures and Other Uses	-	-	5,282,959	5,282,959
0100	Fund Balance - September 1 (Beginning)	19,529,061	19,529,061	19,529,061	-
3000	Fund Balance - August 31 (Ending)	$ 19,529,061	$ 19,529,061	$ 24,812,020	$ 5,282,959

Statistical Section

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TWO FISCAL YEARS

(Unaudited)

Fiscal Year	2001-02	2002-03	2003-04
Governmental Activities:			
Instruction	$ 249,495,968	$ 273,138,243	$ 261,602,656
Instructional Resources & Media	7,788,290	9,093,784	8,662,897
Curr & Instr. Staff Development	20,609,568	25,337,174	28,145,935
Instructional Leadership	7,937,443	10,264,737	11,740,347
School Leadership	23,632,362	26,018,889	26,122,749
Guidance, Counseling & Eval Svcs	16,215,584	17,489,281	17,702,750
Social Work Services	2,031,529	2,761,865	2,886,766
Health Services	5,841,720	6,272,772	6,098,395
Student (Pupil) Transportation	6,741,822	7,084,462	7,524,193
Food Services	26,913,308	29,776,961	29,719,207
Cocurr/Extracurr Activities	8,328,546	8,943,246	9,531,720
General Administration	10,397,331	12,985,458	13,381,582
Plant Maintenance & Operations	35,349,749	41,924,384	40,943,937
Security & Monitoring Services	5,072,013	5,355,472	5,594,644
Data Processing Services	3,622,707	5,877,792	5,111,946
Community Services	5,537,124	6,516,014	6,202,157
Interest and Other Charges	30,155,641	30,154,697	29,313,770
Facilities Acquisition & Construction	369,264	844,480	-
Payments to JJAEP	1,385,867	1,504,913	1,205,880
Total Governmental Activities	$ 467,425,836	$ 521,344,624	$ 511,491,531

Comparative data is for three years only, due to the implementation of GASB Statement No. 34 effective September 1, 2001.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
GOVERNMENT-WIDE REVENUES

LAST TWO FISCAL YEARS

(Unaudited)

Fiscal Year	2001-02	2002-03	2003-04
Program Revenues:			
Charges for Services	$ 3,705,568	$ 4,577,967	$ 4,258,759
Operating Grants and Contributions	140,677,473	156,603,751	150,587,761
General Revenues:			
Property Taxes - General	109,441,655	112,834,156	121,009,182
Property Taxes - Debt Service	16,192,640	16,610,438	17,907,068
State Aid - Other then Program Revenues	210,619,367	216,031,932	219,174,035
Investment Earnings	18,495,434	13,633,381	7,798,628
Miscellaneous - Local/Federal	1,185,055	2,110,509	1,634,718
Total Governmental Activities	$ 500,317,192	$ 522,402,134	$ 522,370,151

Comparative data is for three years only, due to the implementation of GASB Statement No. 34 effective September 1, 2001.

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SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based	
1994-95	$ 173,028,541	$ 33,771,348	$ 24,688,513	$ 7,425,610	$ 33,723,874	
1995-96	190,373,469	35,667,016	25,147,303	8,129,429	35,215,844	
1996-97	204,204,680	26,199,371	48,673,210	* 8,562,905	38,521,933	
1997-98	217,108,379	26,348,946	52,222,876	8,895,333	41,198,896	***
1998-99	227,903,569	26,407,637	52,526,085	9,853,248	42,099,044	
1999-00	218,351,884	24,541,147	52,088,714	9,492,674	37,908,552	
2000-01	216,162,833	25,060,399	55,988,702	9,679,020	39,314,183	
2001-02	219,218,776	26,791,730	61,805,875	10,269,632	42,205,651	
2002-03	233,831,102	28,672,552	64,122,120	12,449,477	49,438,255	
2003-04	232,296,356	29,562,818	65,547,802	12,951,400	47,619,540	

NOTE: Above amounts are for the General Fund.

* The Food Service Fund was recorded in the General Fund beginning 1996-97 fiscal year rather than the Special Revenue Fund in accordance with Texas Education Agency guidelines.

** During 1994-95, the District offered a Voluntary Exit Incentive Plan to eligible employees. $8,155,148 was charged to this function, in accordance with Texas Education Agency guidelines.

*** Beginning 1997-98 fiscal year, a new function was implemented - "Support Services - Nonstudent Based" which previously included Plant Maintenance, Security Services and Data Processing.

Data Processing	Ancillary Services		Debt Service	Capital Outlay	Inter-governmental Charges	Total
$ 2,407,174	$ 8,386,418	** $	435,737	$ 2,632,953	$ -	$ 286,500,168
2,571,196	1,897,363		376,718	1,843,164	-	301,221,502
3,146,493	3,371,010		405,621	1,729,888	91,760	334,906,870
-	2,940,036		376,009	1,345,781	4,343	350,440,599
-	2,682,987		1,230,601	244,480	54,000	363,001,651
-	1,860,625		-	206,322	42,185	344,492,103
-	1,249,676		1,108,973	178,627	28,026	348,770,439
-	1,477,000		1,108,973	353,277	146,619	363,377,533
-	1,757,931		-	1,212,892	129,797	391,614,126
-	2,461,453		-	933,148	48,620	391,421,137

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
PER AVERAGE DAILY ATTENDANCE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance****	Instruction and Instructional - Related Services	Instructional and School Leadership	Support Services - Student (Pupil)	Administrative Support Services	Support Services - Nonstudent Based
1994-95	54,715	$ 3,163	$ 617	$ 451	$ 136	$ 616
1995-96	54,967	3,462	649	457	148	641
1996-97	55,561	3,675	472	876 *	154	693
1997-98	55,536	3,909	474	940	160	742 ***
1998-99	53,739	4,241	491	978	183	783
1999-00	53,635	4,070	458	971	177	707
2000-01	53,545	4,037	468	1,046	181	734
2001-02	53,948	4,063	497	1,146	190	782
2002-03	53,475	4,373	536	1,199	233	924
2003-04	53,371	4,353	554	1,228	243	892

NOTE: Above amounts are for the General Fund.

* The Food Service Fund was recorded in the General Fund beginning 1996-97 fiscal year rather than the Special Revenue Fund in accordance with Texas Education Agency guidelines.

** During 1994-95, the District offered a Voluntary Exit Incentive Plan to eligible employees. $8,155,148 was was charged, in accordance with Texas Education Agency guidelines.

*** Beginning 1997-98 fiscal year, a new function was implemented - "Support Services - Nonstudent Based" which previously included Plant Maintenance, Security Services and Data Processing.

**** Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructionl days.

Data Processing	Ancillary Services	Debt Service	Capital Outlay	Inter-governmental Charges	Total
$ 44	$ 153 **	$ 8	$ 48	$ -	$ 5,236
47	35	7	34	-	5,480
57	61	7	31	2	6,028
-	53	7	24	1	6,310
-	50	23	5	1	6,755
-	35	-	4	-	6,422
-	23	21	3	1	6,514
-	27	21	7	3	6,736
-	33	-	23	2	7,323
-	46	-	17	1	7,334

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
GENERAL GOVERNMENTAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Local, Intermediate and Out-of-State		
	Property Tax	Tuition	Other
1994-95	$ 83,897,497	$ 354,087	$ 7,998,626
1995-96	87,122,443	266,735	6,941,933
1996-97	89,016,040	143,484	8,750,705
1997-98	84,081,409	131,069	8,253,929
1998-99	87,328,854	128,709	7,292,722
1999-00	94,541,296	135,291	9,368,593
2000-01	102,445,972	122,489	10,508,078
2001-02	108,981,002	115,159	7,287,151
2002-03	112,433,399	136,174	7,081,047
2003-04	120,532,035	109,825	6,652,224

NOTE: Above amounts are for the General Fund.

* The Food Service Fund was recorded in the General Fund beginning 1996-97 fiscal year rather than the Special Revenue Fund in accordance with Texas Education Agency guidelines.

** These amounts include $12,863,508 for 1995-96, $13,305,330 for 1996-97, $13,996,836 for 1997-98, $14,780,543 for 1998-99, $14,881,452 for 1999-00 , $14,655,881 for 2000-01, $15,248,308 for 2001-02, $15,362,510 for 2002-03, and $15,428,592 for 2003-04 of on-behalf TRS payments made by the State of Texas in accordance with GASB Statement No. 24.

State Programs							
Per Capita and Foundation		Other		Federal Programs		Total	
$	194,697,105	$ 75,861		$ 1,809,689		$	288,832,865
	208,427,777	12,956,536	**	1,523,459			317,238,883
	213,995,934	14,079,212	**	21,217,909	*		347,203,284
	216,501,745	14,365,518	**	25,776,683	*		349,110,353
	202,195,466	15,375,731	**	25,686,878	*		338,008,360
	214,206,073	15,629,654	**	26,268,993	*		360,149,900
	217,761,763	15,240,075	**	26,076,928	*		372,155,305
	211,511,048	16,151,655	**	28,259,554	*		372,305,569
	217,240,054	16,036,373	**	30,076,890	*		383,003,937
	220,482,256	15,904,815	**	30,375,406	*		394,056,561

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1994-95	$ 89,682,520	$ 85,951,145	95.84%	$ 2,253,474	$ 88,204,619	98.35%	$ 12,406,074	13.83%
1995-96	93,416,379	90,221,342	96.58%	2,235,326	92,456,668	98.97%	12,869,224	13.78%
1996-97	96,102,891	92,457,671	96.21%	2,508,819	94,966,490	98.82%	12,970,972	13.50%
1997-98	106,045,747	101,438,568	95.66%	2,540,895	103,979,463	98.05%	14,648,895	13.81%
1998-99	107,292,742	103,510,484	96.47%	3,049,936	106,560,420	99.32%	12,896,248	12.02%
1999-00	107,623,381	102,786,442	95.51%	3,254,771	106,041,213	98.53%	13,100,037	12.17%
2000-01	117,503,204	112,963,936	96.14%	2,629,312	115,593,248	98.37%	13,626,194	11.60%
2001-02	124,055,206	119,359,340	96.21%	3,409,964	122,769,304	98.96%	14,579,249	11.75%
2002-03	127,712,308	122,364,379	95.81%	4,005,593	126,369,972	98.95%	15,088,548	11.81%
2003-04	137,371,510	132,037,694	96.12%	4,005,415	136,043,109	99.03%	15,629,478	11.38%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
ALLOCATION OF PROPERTY TAX RATES AND TAX LEVIES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Tax Rates (Per $100 of Assessed Value) General Fund	Debt Service Fund	Total	Tax Levies General Fund	Debt Service Fund	Original Levy Total
1994-95	1.43756	0.11489	1.55245	$ 83,045,117	$ 6,637,403	$ 89,682,520
1995-96	1.42469	0.12211	1.54680	86,042,090	7,374,289	93,416,379
1996-97	1.42620	0.12060	1.54680	88,609,749	7,493,142	96,102,891
1997-98	1.42620	0.38710	1.81330	83,407,101	22,638,646	106,045,747
1998-99	1.42107	0.35451	1.77558	85,870,673	21,422,069	107,292,742
1999-00	1.50000	0.22200	1.72200	93,748,575	13,874,806	107,623,381
2000-01	1.50000	0.22200	1.72200	102,354,691	15,148,513	117,503,204
2001-02	1.50000	0.22200	1.72200	108,062,009	15,993,197	124,055,206
2002-03	1.50000	0.22200	1.72200	111,247,637	16,464,671	127,712,308
2003-04	1.50000	0.22200	1.72200	119,661,575	17,709,935	137,371,510

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed To Total Estimated Actual Value
1994-95	$ 6,107,323,707	$ 6,284,939,545	97.17%
1995-96	6,362,726,356	6,672,048,855	95.36%
1996-97	6,521,953,020	6,949,607,056	93.85%
1997-98	6,112,231,884	7,150,866,790	85.48%
1998-99	6,312,676,523	7,233,951,767	87.26%
1999-00	6,523,005,190	7,446,811,240	87.59%
2000-01	7,167,667,290	7,805,865,993	91.82%
2001-02	7,572,267,664	8,234,441,697	91.96%
2002-03	7,842,137,743	8,741,705,610	89.71%
2003-04	8,435,683,746	8,989,871,413	93.84%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS*
(PER $100 ASSESSED VALUATION)

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended August 31,	Tax Year	San Antonio Independent School District	City of San Antonio	Bexar County	Community College	City of Balcones Heights	University Health System
1994-95	1994	1.55245	0.58797	0.37359	0.11160	0.36860	0.24517
1995-96	1995	1.54680	0.57979	0.35143	0.11000	0.36778	0.24469
1996-97	1996	1.54680	0.57979	0.34427	0.11000	0.39205	0.24469
1997-98	1997	1.81330	0.57979	0.34347	0.10900	0.43244	0.24444
1998-99	1998	1.77558	0.57979	0.34191	0.11150	0.46934	0.24387
1999-00	1999	1.72200	0.57979	0.33946	0.10596	0.46934	0.24387
2000-01	2000	1.72200	0.57979	0.33945	0.10690	0.46934	0.24387
2001-02	2001	1.72200	0.57854	0.32076	0.10460	0.46941	0.24387
2002-03	2002	1.72200	0.57850	0.31760	0.10710	0.55190	0.24390
2003-04	2003	1.72200	0.57854	0.32095	0.10705	0.56357	0.24387

* Information provided by Bexar County Assessor-Collector of Taxes Office

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF LEGAL DEBT MARGIN

August 31, 2004

(Unaudited)

Assessed Valuation 2003 Tax Roll		$ 8,435,683,746
Debt Limit - 10% of Assessed Valuation		843,568,375
General Obligation Bonds	$ 550,465,327	
Deduct Amount Available in Debt Service Fund	24,812,020	
Applicable Debt		525,653,307
Legal Debt Margin		$ 317,915,068

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended August 31,	Average Daily Membership*	Assessed Value	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt Per Average Daily Membership
1994-95	58,215	$ 6,107,323,707	$ 36,376,925	0.60%	625
1995-96	58,496	6,362,726,356	41,416,611	0.65%	708
1996-97	59,051	6,521,953,020	36,267,525	0.56%	614
1997-98	58,931	6,112,231,884	276,648,053	4.53%	4,694
1998-99	57,068	6,312,676,523	257,750,227	4.08%	4,517
1999-00	56,491	6,523,005,190	456,483,570	7.00%	8,081
2000-01	56,577	7,167,667,290	564,685,888	7.88%	9,981
2001-02	56,842	7,572,267,664	548,377,617	7.24%	9,647
2002-03	56,409	7,842,137,743	533,922,732	6.81%	9,465
2003-04	56,264	8,435,683,746	525,653,307	6.23%	9,343

* Average Daily Membership - the average daily enrollment of students , district-wide, over the official number of instructional days.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended August 31,	Principal	Interest*	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service To General Fund Expenditures
1994-95	$ 6,045,000	$ 2,219,729	$ 8,264,729	$ 286,500,168	2.88%
1995-96	6,905,000	2,338,093	9,243,093	301,221,502	3.07%
1996-97	8,300,000	2,159,152	10,459,152	334,906,870	3.12%
1997-98	22,295,000	11,315,908	33,610,908	350,440,599	9.59%
1998-99	19,910,000	15,145,165	35,055,165	363,001,651	9.66%
1999-00	16,985,000	23,644,935	40,629,935	344,492,103	11.79%
2000-01	13,320,000	27,355,416	40,675,416	348,770,439	11.66%
2001-02	11,675,000	29,363,310	41,038,310	363,377,533	11.29%
2002-03	12,255,000	29,318,316	41,573,316	391,614,126	10.62%
2003-04	12,830,000	28,682,361	41,512,361	391,421,137	10.61%

* Excludes other fees.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT*
GENERAL OBLIGATION BONDS

August 31, 2004

(Unaudited)

Taxing Body	Net Debt Obligation	As of	Estimated Overlapping Percentage	Estimated Overlapping Amount
Alamo Community College District	$ 36,110,827	08/31/02	15.74%	$ 5,683,844
Balcones Heights, City of	6,043	09/30/02	37.56%	2,270
Bexar County	126,743,013	09/30/02	15.74%	19,949,350
Olmos Park, City of	6,360,000	01/31/04	100.00%	6,360,000
San Antonio, River Authority	64,570,000	03/31/03	15.44%	9,969,608
San Antonio, City of	832,338,247	09/30/02	28.11%	233,970,281
				275,935,353
San Antonio Independent School District	516,052,064	08/31/04	100.00%	525,653,307
				$ 801,588,660

* Information provided by Municipal Advisory Council of Texas.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS

August 31, 2004

(Unaudited)

Taxpayer	Type of Business	2003 Assessed Valuation	Percentage of Total Assessed Valuation
SBC	Telephone Utility	$ 244,502,870	2.90%
Marriott Hotel	Hotel	115,786,750	1.37
HEB Grocery Company	Grocery Chain	105,761,660	1.25
Keystone - Texas Property Corp.	Real Estate	90,932,500	1.08
Hyatt Regency Hotel	Hotel	55,043,030	0.65
Talcott II Alamo LP	Real Estate	52,941,470	0.63
Koger Equity	Real Estate	50,907,500	0.60
Santa Clara Land Co. Ltd.	Real Estate	46,328,320	0.55
Silver Rio LP	Real Estate	45,350,500	0.54
HMH Rivers Inc.	Land/Improvements	40,000,000	0.47
Totals		$ 847,554,600	10.81%

Information provided by Municipal Advisory Council of Texas.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Average Daily Membership	Percent of Attendance
1994-95	54,715	58,215	93.99%
1995-96	54,967	58,496	93.97%
1996-97	55,561	59,051	94.09%
1997-98	55,536	58,931	94.24%
1998-99	53,739	57,068	94.17%
1999-00	53,635	56,491	94.94%
2000-01	53,545	56,577	94.64%
2001-02	53,948	56,842	94.91%
2002-03	53,475	56,409	94.80%
2003-04	53,371	56,264	94.86%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS (CONTINUED)
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

August 31, 2004

(Unaudited)

Classification	Number of Employees	Percent of Total
Teachers	3,595	45.22%
Campus Instructional Coordinators	138	1.74%
Counselors	156	1.96%
Librarians	77	0.97%
Nurses, Nurses Practitioners, Dental Hygienists	75	0.94%
Attendance Personnel (student attendance monitors, social workers)	55	0.69%
Superintendent's Staff, Directors, and Central Office Administrators	52	0.65%
Principals, Assistant Principals, and Administrative Assistants	182	2.29%
Other Professional Employees (not administrators)	407	5.12%
Teacher and Community Worker Assistants	869	10.93%
Clerical and Health Assistants and LVNs	636	8.00%
Cafeteria Employees	646	8.13%
Maintenance, Custodial and Transportation Employees	981	12.34%
Certified Police Officers	81	1.02%
Total Employees	7,950	100.00%

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
CONSTRUCTION AND PROPERTY VALUES

LAST TEN FISCAL YEARS

(Unaudited)

Fiscal Year Ended August 31,	CONSTRUCTION PERMITS(1) Number of Permits	Construction Value	Total Property Value (2)
1994	17,150	$ 725,111,000	$ 6,284,939,545
1995	16,174	735,002,000	6,672,048,855
1996	13,685	865,564,000	6,949,607,056
1997	15,516	873,163,000	7,150,866,790
1998	16,431	1,362,534,000	7,233,951,767
1999	18,989	1,427,687,000	7,446,811,240
2000	19,330	1,433,102,000	7,805,865,993
2001	18,379	1,675,847,000	8,234,441,697
2002	23,556	1,544,384,000	8,741,705,610
2003	22,328	1,377,758,000	8,989,871,413

Information provided by:

(1) The City of San Antonio.
(2) The Bexar Appraisal District.

Note: Information for 2004 was not available from the City of San Antonio.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

MISCELLANEOUS STATISTICS

The San Antonio Independent School District has, as a part of its efforts to serve all of its students, expanded its educational system off campus to serve specific student needs. Some off campus educational programs are staffed with District teachers and teacher assistants.

As of August 31, 2004, it included such programs as follows:

Bexar County Juvenile Detention Center – The site detains juvenile offenders who are waiting to be adjudicated.

Children's Shelter of San Antonio – The site receives children (infant to 11 yrs old) who have been removed from their homes because they have been abused and/or neglected. The Shelter has the responsibility of finding foster families or families who wish to adopt them.

Christus Santa Rosa Children's Hospital - The site provides special education and general education services to all school age children who are admitted to the hospital for at least four (4) consecutive weeks or four weeks over the school year.

Father Flanagan's Girls and Boys Town Shelter – The site receives children who are placed by local, state agencies or family request. Youth receive psychological assessment, behavioral readjustment and social skills training. Youth placed there have moderate to severe psychological problems that require evaluation and/or extended care.

Healy Murphy Center – The site is a private, non-profit fully accredited high school, grades 9 to 12. Students choose to attend based on their need for personal academic attention and remediation in order to complete TEA requirements for graduation.

Inman Residential Treatment – The site provides special education and general education services to middle and high school boys while residing at the treatment center.

Roy Maas Youth Alternative – The Bridge – The site receives children who are placed by choice (17 to 18 yr. Olds), by local, state, and family referrals. Youth receive behavioral readjustment and social skills training.

Seton Home for Girls – Located within the District and receive Title 1, Part A funding to support tutoring and academic remedial efforts for children who are in residence. Girls choose to be placed because they are homeless and/or have children.

Seidel Learning Center – The site provides special education and related services to students while residing at the San Antonio State Hospital who are emotionally disturbed, however; a significant percentage have multiple handicaps.

St. Peter, St. Joseph's Home for Children – Located within the District and receive Title 1, Part A funding to support tutoring and academic remedial efforts for children who are in residence. Children, who are placed here following their stay at the Children's Shelter, are allowed longer residential care until foster families are found, or until they are adopted.

Federal Awards Section

Garza/Gonzalez & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of School Trustees
San Antonio Independent School District
San Antonio, Texas

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Antonio Independent School District (the District) as of and for the year ended August 31, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the District in a separate letter dated December 3, 2004.

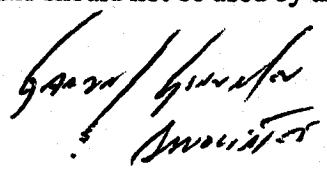
207 Arden Grove
San Antonio, TX 78215
210/227-1389
Fax 227-0716

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over compliance that we have reported to management of the District in a separate letter dated December 3, 2004.

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



December 3, 2004

Garza/Gonzalez & Associates
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of School Trustees
San Antonio Independent School District
San Antonio, Texas

Compliance

We have audited the compliance of San Antonio Independent School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2004. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

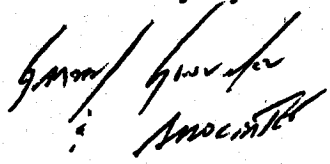
In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2004.

207 Arden Grove
San Antonio, TX 78215
210/227-1389
Fax 227-0716

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted a certain matter that we reported to management of the District in a separate letter dated December 3, 2004.

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



December 3, 2004

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

Schedule of Findings and Questioned Costs

Year Ended August 31, 2004

SECTION I --- SUMMARY OF AUDITORS' RESULTS

Financial Statements		
Type of auditor's report issued: Unqualified		
Internal control over financial reporting: • Material weakness(es) identified?	____Yes	_X_No
• Reportable condition(s) identified not considered to be material weaknesses?	____Yes	_X_None Reported
Noncompliance material to financial statements noted?	____Yes	_X_No

Federal Awards		
Internal control over major programs: • Material weakness(es) identified?	____Yes	_X_No
• Reportable condition(s) identified not considered to be material weaknesses?	____Yes	_X_None Reported
Type of auditor's report issued on compliance for major programs	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section. 510(a)?	____Yes	_X_No

Identification of Major Programs	
CFDA Numbers(s)	**Name of Federal Program or Cluster**
84.010	ESEA, Title I, Part A
84.357	Reading First Grant

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

Schedule of Findings and Questioned Costs

Year Ended August 31, 2004

Identification of Major Programs (Continued)	
Dollar threshold used to distinguish between Type A and Type B programs:	$2,681,156
Auditee qualified as low-risk auditee?	__X__ Yes _____ No

SECTION II --- FINANCIAL STATEMENT FINDINGS

There were no financial statement findings required to be reported in accordance with **Government Auditing Standards**.

SECTION III --- FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings and questioned costs required to be reported by OMB Circular A-133, Section .510(a).

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

Schedule of Status of Prior Findings

Year Ended August 31, 2004

There were no prior audit findings reported.

San Antonio Independent School District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2004

Project Number		Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs or Award Amount
		U.S. Department of Education		
		Direct Program		
N/A	199	IMPACT AID PL874	84.041	73,840.17
		SUBTOTAL		73,840.17
S184K000136-01	280.3	SOS-SAVE OUR STUDENTS	84.184	160,516.90
		SUBTOTAL		160,516.90
S215X010041	275.3	TEACHING AMERICAN HISTORY	84.215	3,865.53
S215X010041	275.4	TEACHING AMERICAN HISTORY	84.215	267,802.72
U215X040316	275.5	TEACHING AMERICAN HISTORY	84.215	1,058.96
S215L022262	289.4	FUND FOR IMPROVEMENT OF ED (SLC)	84.215	437,381.68
S215L022262	289.5	FUND FOR IMPROVEMENT OF ED (SLC)	84.215	8,461.01
Q215E030176	495.4	FUND FOR IMPROVEMENT OF ED (ESCD)	84.215	267,541.85
Q215E030176	495.5	FUND FOR IMPROVEMENT OF ED (ESCD)	84.215	118,363.90
		SUBTOTAL		1,104,475.65
S287A001667-02	286.3	AFTER SCHOOL LEARNING CTRS	84.287	590,317.16
		SUBTOTAL		590,317.16
T288S010316-02	268.3	DEVELOPMENT & IMPLEMENTATION GRANT	84.288	6,935.67
T288S010316-03	268.4	DEVELOPMENT & IMPLEMENTATION GRANT	84.288	111,183.86
		SUBTOTAL		118,119.53
R303A970361-01	379.2	TECHNOLOGY CHALLENGE GRANTS	84.303	31,872.53
		SUBTOTAL		31,872.53
U330C040107	283.4	PROJECT L.E.A.P. AP	84.330	26,529.31
		SUBTOTAL		26,529.31
		Total U.S. Department of Education Direct Programs		**2,105,671.25**
		Passed Through State Department of Education		
441000132120044	220.4	ADULT EDUCATION-SECTION 231	84.002	648,569.03
054100017110027	220.5	ADULT EDUCATION and FAMILY LITERACY-SECTION 231	84.002	39,010.99
0441000332120044	220.5X.4	ADULT EDUCATION-SECTION 223	84.002	47,626.57
441000232120044	279.4	ADULT EDUCATION-CORRECTIONS/INSTITUTIONALIZED, SEC 225	84.002	162,660.95
054100017110027	279.5	ADULT EDUCATION-CORRECTIONS/INSTITUTIONALIZED, SEC 225	84.002	6,771.10
		SUBTOTAL		904,638.64
04610101015907	211.4	ESEA, TITLE I, PART A	84.010	24,027,928.20
05610101015907	211.5	ESEA, TITLE I, PART A	84.010	3,730,046.48
04610103015907	215.4	ESEA, TITLE I, PART D	84.010	146,164.32
05610103015907	215.5	ESEA, TITLE I, PART D	84.010	31,529.32
		SUBTOTAL		27,935,668.32
4615001015907	212.4	TITLE I, PART C, MIGRANT	84.011	762,099.89
05615001015907	212.5	TITLE I, PART C, MIGRANT	84.011	8,749.83
		SUBTOTAL		770,849.72

San Antonio Independent School District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2004

Project Number		Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs or Award Amount
466000101590744	224.4	IDEA-B FORMULA	84.027	8,613,552.67
56600010159076600	224.5	IDEA-B FORMULA	84.027	487,050.74
466000201590744	226.4	IDEA-B DISCRETIONARY-(DEAF)	84.027	8,921.48
466000101590744	227.4	IDEA-B FORMULA (DEAF)	84.027	44,481.77
466000401590744	227.42.4	IDEA-B CAP. BLDG. & IMPR. (DEAF)	84.027	1,569.39
466000401590744	282.4	IDEA-B CAP. BLDG. & IMPR.	84.027	65,995.53
		SUBTOTAL		9,221,571.58
442000601590720	244.4	CARL D PERKINS, TITLE I, PART C	84.048	1,067,861.82
542000601590720	244.5	CARL D PERKINS, TITLE I, PART C	84.048	28,989.45
		SUBTOTAL		1,096,851.27
466100101590744	225.4	IDEA-B PRESCHOOL	84.173	251,298.90
056610010159076610	225.5	IDEA-B PRESCHOOL	84.173	21,084.48
466100101590744	228.4	IDEA-B PRESCHOOL (DEAF)	84.173	6,112.21
		SUBTOTAL		278,495.59
4391101590744	253.4	IDEA-C EARLY INTERVENTION	84.181	902.03
		SUBTOTAL		902.03
04691001015907	204.4	TITLE IV SAFE & DRUG FREE SCHOOLS	84.186	652,356.12
05691001015907	204.5	TITLE IV SAFE & DRUG FREE SCHOOLS	84.186	44,045.01
		SUBTOTAL		696,401.13
269500131202524	265.4	21st CENTURY COMMUNITY LEARNING CENTERS, CYCLE 1	84.287	863,304.71
46950067110026	265.5	21st CENTURY COMMUNITY LEARNING CENTERS, CYCLE 1	84.287	18,124.69
46950017110027	288.4	21st CENTURY COMMUNITY LEARNING CENTERS	84.287	70,130.92
		SUBTOTAL		951,560.32
259000135102622	258.2	PUBLIC CHARTER SCHOOL GRANT	84.282	48,208.43
4590009711200004	281.4	PUBLIC CHARTER SCHOOL GRANT	84.282	167,639.97
3590001351200019	426.4	PUBLIC CHARTER SCHOOL GRANT	84.282	269,202.30
		SUBTOTAL		485,050.70
4685001015907	269.4	ESEA, TITLE V PART A	84.298	452,160.72
5685001015907	269.5	ESEA, TITLE V PART A	84.298	26,198.25
		SUBTOTAL		478,358.97
04630001015907	262.4	TITLE II, PART D	84.318	747,855.26
05630001015907	262.5	TITLE II, PART D	84.318	90,993.24
263000221402633	480.3	TARGET	84.318	454,165.33
		SUBTOTAL		1,293,013.83
3616001015907153	256.3	COMPREHENSIVE SCHOOL REFORM DEMONSTRATION PROGRAM	84.332	39,497.15
4616001015907153	256.4	COMPREHENSIVE SCHOOL REFORM DEMONSTRATION PROGRAM	84.332	21,183.00
3616001015907172	284.3	COMPREHENSIVE SCHOOL REFORM DEMONSTRATION PROGRAM	84.332	69,850.22
4616001015907172	284.4	COMPREHENSIVE SCHOOL REFORM DEMONSTRATION PROGRAM	84.332	33,097.59
		SUBTOTAL		163,627.96
0364550110211334	261.4	TEXAS READING FIRST INIT. GRADES K-3	84.357	2,691,428.95
04645501711010089	261.5	TEXAS READING FIRST INIT. GRADES K-3	84.357	15,484.70
		SUBTOTAL		2,706,913.65

San Antonio Independent School District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2004

Project Number		Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs or Award Amount
4671001015907	263.4	TITLE III, LEP	84.365	1,054,070.35
5671001015907	263.5	TITLE III, LEP	84.365	54,636.01
3671001015907	273.3	TITLE III, IMMIGRANT	84.365	2,460.93
4671001015907	273.4	TITLE III, IMMIGRANT	84.365	42,363.25
		SUBTOTAL		1,153,530.54
4694501015907	255.4	TITLE II PART A TPTR	84.367	4,729,936.82
5694501015907	255.5	TITLE II PART A TPTR	84.367	629,940.44
		SUBTOTAL		5,359,877.26
		Total passed through State Department of Education		**53,497,311.51**
		Passed through Region 10		
44010	206.4	MCKINNEY HOMELESS CHILDREN	84.196	151,100.00
		SUBTOTAL		151,100.00
		Passed through Region 14		
095253	264.4	TITLE IV-COMMUNITY SERVICE GRANT	84.184	74,380.03
		SUBTOTAL		74,380.03
		Passed through Region 20		
225-435-4-03	484.4	PRESCHOOL LRE INITIATIVE	84.173	23,520.71
		SUBTOTAL		23,520.71
		Passed Through Alamo Community College District		
N/A	243.4	ALAMO TECH PREP GRANT	84.243	3,906.19
		Total Alamo Community College District		**3,906.19**
		Passed Through United Way and Bexar County		
V341A030286	199	UNITED WAY	84.341	34,782.17
		Total United Way and Bexar County		**34,782.17**
		TOTAL DEPARTMENT OF EDUCATION		**55,890,671.86**
		Education & Human Resources		
		Passed through National Science Foundation		
ESR-0114794	267.4	SAISD-USP GRANT DIRECT PROGRAM	47.076	255,406.95
ESR-0114794	378.4	URBAN SYSTEMIC PROGRAM (USP) IN SCIENCE, MATHEMATICS AND TECHNOLOGY	47.076	2,297,193.84
		Total National Science Foundation		**2,552,600.79**
		U.S. Department of Agriculture		
		Passed Through State Department of Education		
N/A	101	BREAKFAST	10.553	6,854,137.00
N/A	101	LUNCH	10.555	17,548,514.00
N/A	101	COMMODITY	10.565	1,679,749.35
		Total U.S. Department of Agriculture		**26,082,400.35**

San Antonio Independent School District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2004

Project Number		Federal Grantor/ Pass - Through Grantor/ Program Title	Federal CFDA Number	Expenditures Indirect Costs or Award Amount
		U.S. Department of Labor		
		Passed Through Texas Workforce Commission		
YOG2001003	285.4	ALAMO WORKFORCE DEVELOPMENT-YOUTH OPPT.	17.249	1,601,503.62
YOG2001003	285.5	ALAMO WORKFORCE DEVELOPMENT-YOUTH OPPT.	17.249	301,920.97
2004WIN000	481.4	ALAMO WORKFORCE DEVELOPMENT-1ST GENERATION	17.260	20,249.36
		Total U.S. Department of Labor		**1,923,673.95**
		U.S. Department Health & Human Services		
		Passed through Texas Department of Protection & Regulatory Services		
023264155	274.3	COMMUNITY YOUTH DEVELOPMENT	93.556	153.00
023264155	274.4	COMMUNITY YOUTH DEVELOPMENT	93.556	412,815.35
		SUBTOTAL		**412,968.35**
		Passed through State Department of Education		
336250144	223.3	FEDERAL - TANF	93.558	29,697.82
4362501711050	223.4	FEDERAL - TANF	93.558	84,234.71
		SUBTOTAL		**113,932.53**
		Passed through the Texas Department of Human Services		
N/A	199	MEDICAID ADMINISTRATIVE CLAIMING PROGRAM	93.778	1,700,574.00
				1,700,574.00
		Total U.S. Department Health & Human Services		**1,814,506.53**
		U.S. Department of Justice		
2000SHWX0600	287.3	COPS IN SCHOOLS	16.710	233,132.90
		Total U.S. Department of Justice		**233,132.90**
		U.S. Department of Defense		
		Direct Program		
N/A	199	STARBASE KELLY	N/A	62,369.67
N/A	199	ARMY JROTC	N/A	402,601.02
		Total U.S. Department of Defense		**464,970.69**
		TOTAL FEDERAL ASSISTANCE		89,374,925.42

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
San Antonio, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2004

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 are accounted for using a current financial resources measurement focus. All Federal grant funds, with the exception of funds for the Impact Aid, Star Base Kelly, Army JROTC, the National School Lunch and Breakfast programs, USDA commodities, Medicaid receipts, United Way, and the indirect cost revenues, were accounted for in a Special Revenue Fund which is a Governmental Fund type. The revenues received for the previously mentioned programs were accounted for in the General Fund, which is also a component of the 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.

   The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on 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.

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement - Provisional 6/97.

4. Commodity Supplemental Food Program receipts represent USDA donated commodities received during the fiscal year. The related expenditures relate to the issuance of the commodities to the District's campuses.

5. Expenditures for the National School Lunch and Breakfast Program are not specifically attributable to the federal revenue source and are shown on the schedule in an amount equal to federal revenue.

6. In accordance with TEA instructions, federal funds for the School Health and Related Services (SHARS) have been excluded from the Schedule of Expenditures of Federal Awards.

EXHIBIT L – 1

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS

Year Ended August 31, 2004

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? – Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No