



SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT



DEL RIO, TEXAS
<http://www.sfdr-cisd.org/>

Comprehensive Annual
Financial Report
For the Year Ended
August 31, 2015



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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report
For the Year Ended
August 31, 2015



Officials Issuing Report:
Carlos H. Rios, Ed.D.
Superintendent of Schools

Yanakany Valdez
Chief Financial Officer

Del Rio, Texas
<http://www.sfdr-cisd.org>

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SAN FELIPE DEL RIO CISD
 COMPREHENSIVE ANNUAL FINANCIAL AND COMPLIANCE REPORT
 FOR THE YEAR ENDED AUGUST 31, 2015

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SAN FELIPE DEL RIO CISD

COMPREHENSIVE ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2015

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SAN FELIPE DEL RIO
Consolidated Independent School District



P.O. DRAWER 428002

DEL RIO, TEXAS 78842

January 14, 2016

To the Board of Trustees and Citizens of the San Felipe Del Rio Consolidated Independent School District:

The Comprehensive Annual Financial Report (CAFR) of the San Felipe Del Rio Consolidated Independent School District (the "District") for the fiscal year ended August 31, 2015 is hereby submitted. This report has been prepared to provide the Board of Trustees (the "Board"), representatives of financial institutions and rating agencies, the citizenry of the District, and other interested parties information concerning the financial condition of the District.

This report consists of management's representations concerning the finances of the District. Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Report Format

The Comprehensive Annual Financial Report consists of four sections:

- The Introductory Section includes this transmittal letter, a listing of the District's principal officials and advisors, and the District's organizational chart.
- The Financial Section includes the independent auditors report, Management's Discussion and Analysis (MD&A), the basic financial statements, budgetary comparison schedules, and combining and individual fund statements and other supplementary schedules, as well as the independent auditors' report on financial statements. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and can be found immediately following the independent auditors report. This transmittal letter is designed to complement MD&A and should be read in conjunction with it.
- The Statistical Section consists of unaudited tables which reflect both financial and demographic information. This data is for the purpose of presenting financial trends and fiscal capacity of the District and is generally presented on a multi-year basis.
- The Compliance Section includes the single audit reports which are prepared in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

Profile of the District

San Felipe Del Rio Consolidated Independent School District is a public school district in Texas that serves Val Verde County and was consolidated in 1971. The District's Board of Trustees (the Board) consists of seven members who are elected at-large to four-year terms with the elections conducted biennially. Elections are held in May of even numbered years. The District maintains a total of 13 campus and auxiliary facilities, and serves an enrollment of over 10,600 students. According to the United States Census Bureau 2014 estimate, the county's population is approximately 48,974.

The Board has adopted the following Vision Statement:

The San Felipe Del Rio CISD provides a safe and nurturing environment where all students become contributing citizens prepared to compete and excel in an ever-changing world.

The Board adopted the following Goals:

The District shall maintain a safe environment, utilize quality curriculum and diverse instructional opportunities to ensure student achievement at the highest standards of excellence.

The District shall be a good steward of the community's resources - financial, human, facilities - and explore new opportunities for organizational efficiency and effectiveness.

The District shall provide meaningful and effective communication in a timely manner to all parents, students, staff and District Partners.

The District is made up of one high school, one freshman school, two middle schools (one 7th and 8th grade and one 6th grade campus), seven elementary schools, one pre-kindergarten campus, and one alternative site. The District enables administrators and teachers at each campus to implement programs responsive to the particular needs of its individual student body. With academic achievement as its primary objective, the District takes strong measures to ensure a positive, safe, and orderly learning environment, and to enforce standards of excellence throughout the system. The District offers education programs at the prekindergarten through grade 12 levels.

In addition to a rigorous district-wide curriculum, the District offers a wide array of specialized learning opportunities and programs for its diverse population. Programs include, but are not limited to: gifted and talented programs, advanced placement, career and technology education, dual credit, bilingual/English as a second language instructional program, special education services, cooperative education programs, and a wide array of visual and fine arts programs.

Budgetary Control

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency (TEA). The budget itself is prepared utilizing a detailed line item approach for all Government Fund types and is prepared in accordance with the budgeting requirements as outlined in TEA's Financial Accountability System Resource Guide (FASRG). It is the intent of the District that the budgetary process result in the most effective mix of the educational and financial resources available while attaining the goals and objectives of the District. This includes the identification and prioritization of as many separate educational and educational support components as reasonably possible. These components are initially identified and prioritized by the organizational manager most directly responsible and are later reviewed by a budget committee.

This priority budgeting approach allows the District to establish layers of expenditures that can be readily matched with anticipated revenues and desired levels of fund balances and ad valorem tax rates. The ultimate decision of the level of funding and components to be funded is the responsibility of the Board. After considering all factors, the Board then sets an ad valorem tax rate that generates sufficient revenues to support the expenditure budget and maintain desired levels of fund balances. The budget may be amended during the year to address unanticipated changing needs of the District. Changes to functional expenditure categories, revenue objects or other changes which may impact fund balance accounts require Board approval.

Factors Affecting Financial Condition

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

Introduction: The District is located in Val Verde County on the Texas-Mexico border across from Ciudad Acuna, Mexico about 150 miles west of San Antonio, Texas. Community assets such as Amistad National Reservoir, the Whitehead Memorial Museum, Casa de la Cultura, and Shumla Archeological Research and Education Center afford opportunities for field trips that expand learning beyond the normal classroom experience. In addition, the District offers students access to nationally recognized higher education programs through partnerships with Southwest Texas Junior College and Sul Ross State University.

Local Economy: The City of Del Rio Economic Development Department, in partnership with the community, is committed to promoting balanced job opportunities, economic development, and tourism. The Economic Development Department is responsible for:

- To encourage, support, and assist in the retention and expansion of existing Del Rio businesses and industries;
- To attract the location of new manufacturing companies and industries to Del Rio with available sites and buildings, financial incentives, available and technically skilled workforce, and other support services;
- To encourage, support, and assist in the development and diversification of small businesses in Del Rio;
- To assist with activities which contribute to the overall quality of life in Del Rio.

Long-Term Financial Planning: The budget goals approved are to ensure the budget adequately supports the District's Vision and Goals, to provide adequate resources for instructional support, staff at an appropriate level, increase funding for technology, and maintain Fund Balance level at three months of budgeted expenditures. The District is currently in the process of building a new Career and Technical Center, doing substantial renovations for a Student Activity Center/Administration building, and establishing secure entry at several campuses.

Financial Policies with Significant Impact on Financial Statements: It is the practice of the District to project conservatively for budget purposes both in revenues and expenditures. This practice continues to help the District maintain a healthy financial condition.

Ratings: As a result of our historically strong financial position, our underlying rating for credit was upgraded in April 2015 from an "A" to an "A+" with Standard & Poor's and remained an "Aaa" rating with Moody's.

Internal Control: Management is responsible for designing, implementing, and maintaining adequate, efficient, and effective systems of internal control. These systems of control provide a reasonable basis for making the representations in these financial statements. Management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, misuse or theft, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP).

Risk Management: The objectives of the risk management program are to safeguard the assets of the District, minimize the financial effect of potential losses, and to provide a reasonable level of employee benefits at an affordable funding level. The District's property and casualty insurance and workers compensation are insured through an agreement with the Texas Association of School Boards. The District provides a self-insurance health care plan that is covered by aggregate and individual stop loss coverage. Other benefits offered to employees on a voluntary basis include dental, vision, and long-term disability insurance, as well as dependent and supplemental life policies.

Independent Audit

Belt Harris Pechacek LLLP, a firm of licensed certified public accountants, audited the District's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2015, are free from material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2015 are fairly presented in conformity with GAAP.

The independent auditors report is presented as the first component of the financial section of this report. The independent audit of the financial statements is part of a broader, federally mandated single audit designed to meet the special need of federal grantor agencies. The standards governing single audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports may be found in the Federal Awards section of this report.

Awards

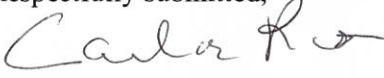
Financial Integrity Rating System of Texas (FIRST): Beginning with the 2002-2003 school year, the State implemented a new financial accountability rating system for Texas public school districts. Districts are rated based on overall performance on certain financial measurements, ratios, and other indicators. The system is designed to encourage districts to improve the management of their financial resources to maximize the funds allocated for direct instructional purposes. The District has received the highest rating possible since the inception of the program and was awarded a "PASSED" rating. The rating was based on budgetary and financial data for the 2014 fiscal year.


Texas Comptroller Leadership Circle: The State Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. This program spotlights local governments across Texas that are opening their books to the public; providing clear, consistent pictures of spending; and sharing information in a user-friendly format that lets taxpayers easily drill down for more information. During the 2014-2015 school year, the District was awarded its second Leadership Circle Platinum Award, the State Comptroller's highest recognition which indicates entities that go above and beyond providing financial transparency.

Acknowledgements

The preparation of this report could not have been accomplished without the dedicated services of the Finance staff. We would like to express our appreciation for their contributions to its presentations. Acknowledgement is also given to Belt Harris Pechacek LLLP for their assistance. Finally, we would like to thank the Board for their continued support of the District's objective of excellence in all aspects of financial management.

Respectfully submitted,


Carlos Rios, Ed.D.
Superintendent of Schools


Yanakany Valdez
Chief Financial Officer


Angel Narvaez
Comptroller

**San Felipe Del Rio Consolidated
Independent School District**

**Principal Officials
2014 - 2015**

Board of Trustees

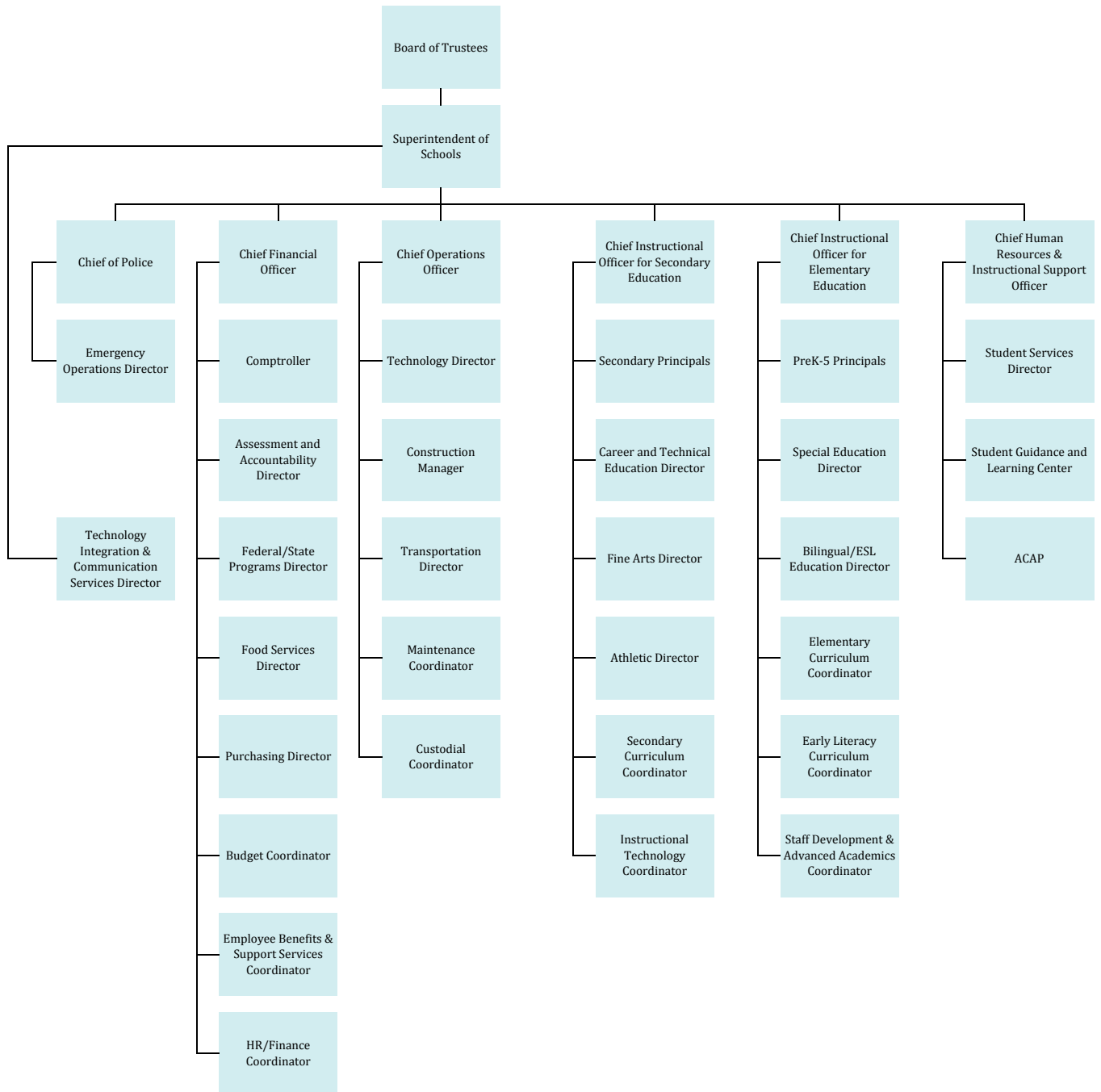
<u>Trustee</u>	<u>Office</u>
Cecilia Martinez-Lozano	President
Joshua Overfelt	Vice President
Amy Haynes	Secretary
Dr. Fernando Quiz	Board Member
Raymond Meza	Board Member
Roberto Chavira	Board Member
Charles Garabedian	Board Member

Administrative Officials

<u>Official</u>	<u>Position</u>
Carlos Rios Ed.D.	Superintendent of Schools
Yanakany Valdez	Chief Financial Officer
Jorge L. Garza, Ed.D.	Chief Instructional Officer for Secondary Education
Aidee Garcia	Chief Instructional Officer for Elementary Education
Patricia McNamara, Ed.D.	Chief Human Resources & Instructional Support Officer
Miguel A. Salinas	Chief Operations Officer

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Organization Chart
2014-2015



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CERTIFICATE OF BOARD

San Felipe Del Rio CISD
Name of School District

Val Verde
County

233901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) approved _____ disapproved for the year ended August 31, 2015 at a meeting of the Board of Trustees of such school district on the 18th day of January, 2016.


Signature of Board Secretary


Signature of Board President

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



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
San Felipe Del Rio Consolidated Independent School District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the San Felipe Del Rio Consolidated Independent School District (the "District"), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Partners

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Stephanie E. Harris, CPA
Nathan Krupke, CPA

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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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2015, the District adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, and schedule of the District's pension contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The 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. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements

and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
January 14, 2016



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

In this section of the Comprehensive Annual Financial and Compliance Report, we, the managers of **San Felipe Del Rio Consolidated Independent School District** (the “District”), discuss and analyze the District's financial performance for the fiscal year ended August 31, 2015. Please read it in conjunction with the independent auditors' report and the District's Basic Financial Statements, which follow this section.

COMPARATIVE INFORMATION

The Management’s Discussion and Analysis (MD&A) is an element of the reporting model prescribed by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. Presentation of certain comparative information between the current year 2014 – 2015 and the prior year 2013 – 2014 is provided.

FINANCIAL HIGHLIGHTS

- GASB No. 68, Accounting and Financial Reporting for Pensions, went into effect for 2014-2015. The major effects of the implementation were as follows:
 - a decrease of Government-wide net position of \$12,957,119 as a prior period restatement, reflecting the effect of the new standard to the District's August 31, 2014 net position (Exhibit B-1);
 - an increase to noncurrent liabilities of \$11,436,077;
 - an increase to deferred outflows of resources of \$2,831,392;
 - an increase to deferred inflow of resources of \$3,498,330.

More information regarding the change to pension reporting can be found in Note IV I to the financial statements.

- The District’s Government-wide Net Position totaled \$86,357,101 as of August 31, 2015 (Exhibit A-1). This was a decrease of \$11,843,720 from the previous year, reflective of an increase of \$1,113,399 from operations and the decrease of \$12,957,119 from the prior period restatement discussed above.
- The General Fund ended this year with an overall fund balance of \$51,970,361. The unassigned fund balance is \$28,570,268 or 4.2 months of daily operations. The nonspendable consists of \$486,633 in inventories, \$1,335,494 in equipment and other commitments; and \$21,577,966 reserved for District-wide construction, renovations, and/or repair projects. (Exhibit C-1)
- The General Fund recorded total revenues of \$81,112,265 and total expenses of \$83,370,017. The deficiency of revenues under expenses was \$2,257,752 plus other resources of \$11,149, totaling a net decrease of \$2,246,603 to the General Fund Balance. (Exhibit C-3) When compared to audit year August 31, 2014, General Fund revenues increased by \$2,607,976 and expenditures increased by \$9,610,157, which includes \$6,894,961 from fund balance committed projects.
- The District’s Internal Service Fund (self-funded health insurance) ended with a Net Position of \$1,917,522. This was a decrease of \$1,226,376 compared to last year. (Exhibit D-2)
- The fund balance in the Debt Service Fund (511) is \$1,275,056; this is an increase of \$6,165 for fiscal year 2015. (Exhibit J-3) The refinancing of the Series 2006 debt resulted in a net interest savings of \$1,040,828 or approximately \$103,303 per year. The Interest and Sinking tax rate for fiscal year 2015 was \$0.127900 for the purpose of payment of principal and interest on debts.
- The fund balance in the Child Nutrition Program (Food Service 240 – National Breakfast and Lunch Program) is \$561,105; this is a decrease of \$262,891 for fiscal year 2015. (Exhibit J-2)
- The 2004 Bond Issue was sold in two series, each having its own fund: 1) The 2006 Bond Capital Projects (617) fund balance is \$712,587 and includes expenditures of \$131,114. 2) The 2008 Bond Capital Projects (618) fund balance is \$2,253 and includes expenditures of \$445. (Exhibit H-2)
- The 2015 fiscal year tax collection rate is 98.97%, with a current year collection of 95.60% plus prior years at 3.37%. Tax collections increased by \$481,100 and the tax levy increased by \$610,733 from 2014. (Statistical Section)



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and is in three parts — *government-wide financial statements, fund financial statements, and notes to the financial statements*. This report also contains required supplementary information and other information in addition to the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *government-wide financial statements*, Exhibit A-1 is the Statement of Net Position and B-1 is the Statement of Activities, that provides information about the activities of the District as a whole and present a longer-term view of the District’s property and debt obligations and other financial matters. The Statement of Net Position provides both *long-term* and *short-term* information about the District’s *overall* financial status and reflects the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

The remaining statements are the *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in *more detail* than the government-wide statements.

- The *governmental funds* statements (Exhibit C) tell how *general government* services were financed in the *short term* as well as what remains for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates like *businesses*. The District’s Self-Insurance Fund is reported in Exhibit D.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong. The District’s student activity funds are reported in Exhibit E.

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, Exhibit H, contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules - Exhibit J 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 along with required supplementary information related to the District’s contributions to a cost-sharing pension plan with the Teacher Retirement System of Texas.

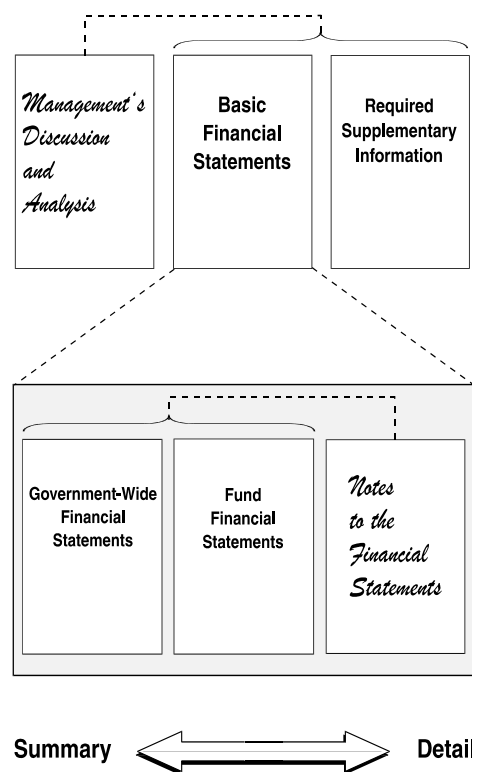
Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins with Exhibit A. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year, while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

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

Figure A-1. Required Components of the District’s Annual Financial Report





**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

as grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and 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 position and changes in it. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or declining. To fully assess the overall health of the District, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

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 Exhibit C 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). The District's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the District's basic services are reported 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 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 Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds—The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. The only internal service fund the District had during the 2014-2015 fiscal year was the self-funded health insurance fund.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money donated to and raised by campus and student organizations. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position in Exhibit E. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance 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

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



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Statement of Net Position (Table I) presents information on all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position (Table II) may serve as a useful indicator of whether the financial position of the District is improving or declining.

Both of the District’s government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenue (*government activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District had no *business-type activity* for the 2014-2015 year.

Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District’s general and governmental activities.

The District’s total combined assets were \$147,488,371 plus Deferred Outflows of Resources were \$4,461,656. Capital assets, such as land, buildings and improvements, vehicles, furniture, equipment, and construction in progress comprise \$80,397,957 of this amount. Cash/cash equivalents and current investments comprise \$52,173,039 and \$2,988,964 is Property Taxes Receivable less allowance for uncollectible taxes (Exhibit A-1). Approximately 4.96% of total assets or \$7,310,678 is in the form of Due from Other Governments.

The total combined liabilities were \$62,094,596. The noncurrent liabilities (Exhibit A-1) total \$57,011,693; \$2,515,000 of that is due within one year.

Total assets exceeded total liabilities making a total net position of \$86,357,101 as of August 31, 2015. Net investment in capital assets (e.g., land, buildings, etc.) is \$36,452,605. The District uses these capital assets to provide services to students; consequently these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the District’s net position (approximately 3.45%) represent resources subject to external restrictions on how they may be used. The remaining balance of \$46,925,207 unrestricted net position (approximately 54.34%) may be used to meet the District’s ongoing obligations. Unrestricted net position represents any net positions not classified in accounts 3200 (capital assets net of related debt and depreciation) and 3800 (Restricted Position – restricted by a source external to the district). The District’s governmental activities net position increased by \$1,113,399 to prior year. The 2014 Governmental Activities reflect the \$12,957,119 adjustment from the GASB 68 prior period restatement.

Table I					
San Felipe Del Rio CISD					
Net Position					
	Governmental Activities		Total Change	Percentage of Total	
	2015	2014	2015-2014	2015	2014
Current and Other Assets	\$ 67,090,414	\$ 70,318,004	\$ (3,227,590)	45.49%	47.14%
Capital Assets	80,397,957	78,842,462	1,555,495	54.51%	52.86%
Total Assets	\$ 147,488,371	\$ 149,160,466	\$ (1,672,095)	100.00%	100.00%
Deferred Outflows of Resources	\$ 4,461,656	\$ 2,469,304	\$ 1,992,352	100.00%	100.00%
Short-Term Liabilities	\$ 5,082,903	\$ 4,615,040	\$ 467,863	8.19%	6.95%
Noncurrent Liabilities	57,011,693	61,771,028	(4,759,335)	91.81%	93.05%
Total Liabilities	\$ 62,094,596	\$ 66,386,068	\$ (4,291,472)	100.00%	100.00%
Deferred Inflows of Resources	\$ 3,498,330	\$ -	\$ 3,498,330	100.00%	100.00%
Net Position:					
Net Invested in Capital Assets	\$ 36,452,605	\$ 34,585,522	\$ 1,867,083	42.21%	40.57%
Restricted	2,979,289	4,485,698	(1,506,409)	3.45%	5.26%
Unrestricted	46,925,207	46,172,482	752,725	54.34%	54.17%
Total Net Position	\$ 86,357,101	\$ 85,243,702	\$ 1,113,399	100.00%	100.00%



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Total Program Revenue

The District's combined governmental funds revenue increased by \$3,290,667. This consisted of an increase of \$156,291 in the local and intermediate sources due to an increase in property tax collections as a result of an increase in the assessed value of properties. An increase of \$3,730,110 is from state funding based on changes to the foundation school program, reimbursements for instructional materials allotment, and recipient of Educator Excellence Innovation Program grant funding. A decrease of \$595,734 in federal revenue is due to non-recurring grant funding (i.e., Texas Title I Priority Schools – TTIPS). The total combined revenue was \$104,367,694 this year compared to \$101,077,027 last year. The information is reported in Exhibit C-3.

The District's major program revenue is from the general fund, which comprises revenue from local, state, and federal sources and the general fund is the primary operating fund of the District. Local and intermediate revenue comprised 20.78% of the general fund compared to 21.23% last year. State revenue made up the largest component of the general fund, which was 77.15% compared to 77.19% last year. Revenue from federal sources comprised 2.08% of the general fund compared to 1.58% last year. The major revenue sources of the nonmajor governmental funds were the Child Nutrition Program (National Breakfast and Lunch Program) in the amount of \$6,434,918; Title I, Part A in the amount of \$3,455,921; Head Start in the amount of \$2,171,418; and IDEA B Formula in the amount of \$1,711,824. The information is reported in Exhibit H-2.

Total Program Expenditure

The District's total combined governmental funds expenditures were \$107,302,632 compared to \$117,061,668 last year. This was a decrease in total expenditure of \$9,759,036. This comprised of an increase in general fund expenditures of \$9,610,157 and a decrease of \$19,369,193 from other funds mainly to record payment to escrow agent for the refinancing of the Series 2005 debt and all other expenditures from other funding sources.

Instructional related expenditures in the general fund for this year was \$48,240,360 (57.86%) compared to \$44,165,017 (59.88%) for last year. The instructional and school leadership expenditures in the general fund for this year was \$5,264,413 (6.31%) compared to \$4,928,743 (6.68%) for last year. The overall combined expenditures for instructional related and school leadership was \$53,504,773 (75.0%). Support services, such as guidance and counseling, social work services, health services, pupil transportation, food services, and co-curricular activities expended \$9,042,621 from the general fund, which was 10.85% of the actual general fund budget expenditures. Last year's expenditures were \$8,751,833, which was 11.87% of last year's general fund actual expenditures. Support Services – non-student based - had general fund expenditures of \$15,646,879 (18.77%) compared to \$14,535,897 (19.71%) last year. Non-student based are programs such as administrative operations, plant maintenance operations, security and monitoring services, and data processing services. Community services, which include parental involvement programs, spent \$122,440 (0.15%) this year compared to \$154,163 (0.21%) last year. Construction costs spent from the general fund were \$4,561,105 (5.47%) this year compared to \$733,183 (0.99%) spent last year. This information was taken from Exhibit C-3.

As shown in Table II and Exhibit B-1 the amount that taxpayers financed for these activities through District taxes was \$18,024,483 and some of the costs were paid by those who directly benefited from the programs, the charges for services were \$1,236,539 or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$22,359,058. The remainder was financed with state foundation funds received.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenditures are reported in this statement which for some items will only result in cash flow in future fiscal periods. The governmental fund statement of revenue, expenditure and changes in fund balance (Exhibit C-3) shows a net change in fund balances of (\$2,719,420). This includes the General Fund net change in fund balance of (\$2,246,603) and (\$472,817) for all other funds.



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Table II			
San Felipe Del Rio CISD			
Statement of Activities			
in thousands			
	Governmental Activities		Total Change
	2015	2014	2015-2014
Revenues:			
Program revenues:			
Charges for services	\$ 1,236.54	\$ 1,485.74	\$ (249.20)
Operating grants and contributions	22,359.06	20,267.75	2,091.31
General revenues:			
Maintenance and operations taxes	16,143.28	15,185.36	957.92
Debt service taxes	1,881.21	1,881.33	(0.13)
Grants, contributions not restricted to specific functions (including state aid)	65,876.59	61,043.03	4,833.57
Investment earnings	69.98	81.59	(11.61)
Miscellaneous	84.44	920.21	(835.76)
Total revenue and transfers	\$ 107,651.10	\$ 100,865.00	\$ 6,786.10
Expenses:			
Instruction, curriculum and media services	61,674.46	54,980.57	6,693.89
Instructional/school leadership	6,300.01	5,872.65	427.36
Guidance, social work, health, transportation	7,609.23	6,946.44	662.79
Food services	6,631.59	6,502.35	129.24
Co-curricular activities	3,464.24	3,195.69	268.55
General administration	2,900.46	2,686.16	214.30
Plant maintenance and security	11,915.21	10,709.78	1,205.43
Data processing	1,826.55	1,431.85	394.70
Community services	1,095.04	932.39	162.64
Debt service	2,222.53	1,962.08	260.44
Facilities acq and const	406.21	91.84	314.38
Other intergovernmental changes	492.20	491.02	1.18
Total expenses	\$ 106,537.70	\$ 95,802.81	\$ 10,734.89
Change in Net Position	1,113.40	5,062.19	(3,948.79)
Net position, beginning of year	85,243.70	93,138.63	(7,894.93)
Prior period adjustments		(12,957.12)	12,957.12
Net position, end of year	\$ 86,357.10	\$ 85,243.70	\$ 1,113.40



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds, as presented in Exhibit C-1, reported a combined fund balance of \$54,949,649, which is less than last year's total of \$57,669,069. This is a decrease of \$2,719,420. This consists of a decrease of \$2,246,603 in the general fund where total expenses of \$83,370,017 plus other resources of \$11,149 exceeded total revenues of \$81,112,265 and a decrease of \$472,817 for all other funds. This is also shown Exhibit C-3.

General Fund Budget Highlights

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

For the reporting period ended August 31, 2015, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenue exceeded budgeted revenue by \$248,777 primarily in state revenue due to an increase in ADA. Expenditures were \$2,546,846 below budgeted amounts primarily in instructional salaries and benefits and as a result of construction projects that were not complete at year end. (Exhibit C-5).

Over the course of the year, the Board approved amendments to the District's budget. A Finance Committee composed of three board members review the financial statements prior to being presented at the monthly Board meetings. Budget amendments included adjustments to revenues totaling \$980,287 primarily from the state foundation program, school health and related services reimbursements, and the impact aid program. Expenditures budget increased by \$6,033,662 primarily to student transportation, facility and maintenance, data processing services, and facility construction projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015, the District had \$80,397,958 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This was an increase of \$1,555,496 over the previous year of \$78,842,462. More detailed information about the District's capital assets is presented in Note IV. F – Capital Asset Activity of the financial statements.

Debt

The District had a total principal of \$41,619,993 of the general obligation bonds outstanding as of August 31, 2015. The amount of \$2,515,000 is due in less than one year and the balance is due in more than one year including issuance premiums and accreted interest is \$43,060,616. This is explained in more detail in Note IV. G – Long-Term Liabilities. As reflected in Note IV. G, the District's long-term liability balance as of August 31, 2015 includes issuance premiums of \$2,871,001, issuance discounts of \$(46,699), accreted interest on capital appreciation bonds of \$1,131,321, and net pension liability of \$11,436,077.

The District's general obligation bond rating has been very high since 1998. As a result of our historically strong financial position, our underlying rating for credit was upgraded in April 2015 from an "A" to an "A+" with Standard & Poor's and remained an "Aaa" rating with Moody's.

More detailed information about the District's commitments and contingencies is presented in Note P to the financial statements.



**SAN FELIPE DEL RIO CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

NEXT YEAR'S BUDGETS AND RATES

For the 2015-2016 year, the Board approved the tax rate of \$1.04 for maintenance and operations, which is the rate that the District can levy without a tax ratification election and the interest and sinking tax rate at \$0.1203 for a total tax rate of \$1.1603. Refunding bonds were issued during the 2014-2015 fiscal year.

The 2015-2016 general fund revenue and expenditure budget was approved at \$82,185,011. The food service revenue and expenditure budget was approved at \$6,828,376. The debt service revenue and expenditure budget was approved at \$4,158,444. The total combined district official budget was approved at \$93,171,831.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office at San Felipe Del Rio CISD, 205 Memorial Dr. (mailing address: PO Box 428002), Del Rio, Texas 78840. The District's web address is www.sfdr-cisd.org and telephone number is 830-778-4005.

BASIC FINANCIAL STATEMENTS

SAN FELIPE DEL RIO CISD
STATEMENT OF NET POSITION
AUGUST 31, 2015

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 47,173,039
1120 Current Investments	5,000,000
1220 Property Taxes Receivable (Delinquent)	3,149,979
1230 Allowance for Uncollectible Taxes	(161,015)
1240 Due from Other Governments	7,310,678
1290 Other Receivables, net	3,954,664
1300 Inventories	663,069
Capital Assets:	
1510 Land	3,684,804
1520 Buildings, Net	67,767,487
1530 Furniture and Equipment, Net	4,607,560
1580 Construction in Progress	4,338,106
1000 Total Assets	147,488,371
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,630,264
1705 Deferred Resource Outflow - Pensions	2,831,392
1700 Total Deferred Outflows of Resources	4,461,656
LIABILITIES	
2110 Accounts Payable	946,383
2120 Short-Term Debt Payable	1,041,964
2150 Payroll Deductions & Withholdings	279,929
2160 Accrued Wages Payable	2,576,579
2180 Due to Other Governments	196,584
2300 Unearned Revenue	41,465
Noncurrent Liabilities	
2501 Due Within One Year	2,515,000
2502 Due in More Than One Year	43,060,616
2540 Net Pension Liability (District's Share)	11,436,077
2000 Total Liabilities	62,094,596
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Resource Inflow - Pensions	3,498,330
2600 Total Deferred Inflows of Resources	3,498,330
NET POSITION	
3200 Net Investment in Capital Assets	36,452,605
3820 Restricted for Federal and State Programs	896,418
3850 Restricted for Debt Service	1,275,056
3860 Restricted for Capital Projects	807,815
3900 Unrestricted	46,925,207
3000 Total Net Position	\$ 86,357,101

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

SAN FELIPE DEL RIO CISD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 56,671,661	\$ 717,190	\$ 9,134,075	\$ (46,820,396)
12 Instructional Resources and Media Services	1,558,759	24,731	113,172	(1,420,856)
13 Curriculum and Staff Development	3,444,043	24,731	1,930,140	(1,489,172)
21 Instructional Leadership	2,147,301	24,731	882,374	(1,240,196)
23 School Leadership	4,152,708	61,826	223,465	(3,867,417)
31 Guidance, Counseling and Evaluation Services	4,087,197	37,096	1,343,797	(2,706,304)
32 Social Work Services	224,873	-	12,511	(212,362)
33 Health Services	961,010	12,365	131,746	(816,899)
34 Student (Pupil) Transportation	2,336,145	37,096	150,266	(2,148,783)
35 Food Services	6,631,585	-	6,442,017	(189,568)
36 Extracurricular Activities	3,464,237	49,463	58,475	(3,356,299)
41 General Administration	2,900,457	49,463	116,263	(2,734,731)
51 Facilities Maintenance and Operations	10,472,508	148,385	758,247	(9,565,876)
52 Security and Monitoring Services	1,442,697	24,731	76,228	(1,341,738)
53 Data Processing Services	1,826,545	24,731	65,080	(1,736,734)
61 Community Services	1,095,035	-	921,202	(173,833)
72 Debt Service - Interest on Long Term Debt	1,520,557	-	-	(1,520,557)
73 Debt Service - Bond Issuance Cost and Fees	701,969	-	-	(701,969)
81 Capital Outlay	406,213	-	-	(406,213)
99 Other Intergovernmental Charges	492,199	-	-	(492,199)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 106,537,700	\$ 1,236,539	\$ 22,359,058	(82,942,103)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			16,143,277
DT	Property Taxes, Levied for Debt Service			1,881,206
GC	Grants and Contributions not Restricted			65,876,594
IE	Investment Earnings			69,982
MI	Miscellaneous Local and Intermediate Revenue			84,443
TR	Total General Revenues			84,055,502
CN	Change in Net Position			1,113,399
NB	Net Position - Beginning			98,200,821
PA	Prior Period Adjustment			(12,957,119)
NE	Net Position--Ending			\$ 86,357,101

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

SAN FELIPE DEL RIO CISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2015

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 42,256,621	\$ 2,365,144	\$ 44,621,765
1120 Investments - Current	5,000,000	-	5,000,000
1220 Property Taxes - Delinquent	2,679,739	470,240	3,149,979
1230 Allowance for Uncollectible Taxes (Credit)	(136,978)	(24,037)	(161,015)
1240 Receivables from Other Governments	5,713,656	1,597,022	7,310,678
1260 Due from Other Funds	1,393,669	-	1,393,669
1290 Other Receivables	2,824,259	1,130,405	3,954,664
1300 Inventories	486,633	176,436	663,069
1000 Total Assets	<u>\$ 60,217,599</u>	<u>\$ 5,715,210</u>	<u>\$ 65,932,809</u>
LIABILITIES			
2110 Accounts Payable	\$ 703,840	\$ 242,543	\$ 946,383
2120 Short-Term Debt Payable - Current	408,211	-	408,211
2150 Payroll Deductions and Withholdings Payable	279,929	-	279,929
2160 Accrued Wages Payable	2,266,653	309,926	2,576,579
2170 Due to Other Funds	-	1,393,669	1,393,669
2180 Due to Other Governments	194,000	2,584	196,584
2300 Unearned Revenues	21,633	19,832	41,465
2000 Total Liabilities	<u>3,874,266</u>	<u>1,968,554</u>	<u>5,842,820</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	4,372,972	767,368	5,140,340
2600 Total Deferred Inflows of Resources	<u>4,372,972</u>	<u>767,368</u>	<u>5,140,340</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	486,633	176,436	663,069
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	612,450	612,450
3470 Capital Acquisition and Contractual Obligation	-	807,815	807,815
3480 Retirement of Long-Term Debt	-	1,275,056	1,275,056
3490 Other Restricted Fund Balance	-	107,531	107,531
Committed Fund Balance:			
3510 Construction	21,577,966	-	21,577,966
3530 Capital Expenditures for Equipment	781,000	-	781,000
3545 Other Committed Fund Balance	554,494	-	554,494
3600 Unassigned Fund Balance	28,570,268	-	28,570,268
3000 Total Fund Balances	<u>51,970,361</u>	<u>2,979,288</u>	<u>54,949,649</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 60,217,599</u>	<u>\$ 5,715,210</u>	<u>\$ 65,932,809</u>

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

SAN FELIPE DEL RIO CISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 AUGUST 31, 2015

Total Fund Balances - Governmental Funds	\$ 54,949,649
1 Internal Service Fund	1,917,522
2 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.	80,397,957
3 Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(56,048,367)
4 Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	5,140,340
19 Net Position of Governmental Activities	<u>\$ 86,357,101</u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 16,852,480	\$ 3,070,399	\$ 19,922,879
5800 State Program Revenues	62,576,471	4,838,076	67,414,547
5900 Federal Program Revenues	1,683,314	15,346,954	17,030,268
5020 Total Revenues	<u>81,112,265</u>	<u>23,255,429</u>	<u>104,367,694</u>
EXPENDITURES:			
Current:			
0011 Instruction	45,438,279	7,120,897	52,559,176
0012 Instructional Resources and Media Services	1,377,318	107,003	1,484,321
0013 Curriculum and Instructional Staff Development	1,424,763	1,868,000	3,292,763
0021 Instructional Leadership	1,263,617	832,328	2,095,945
0023 School Leadership	4,000,796	35,204	4,036,000
0031 Guidance, Counseling and Evaluation Services	2,725,737	1,196,430	3,922,167
0032 Social Work Services	218,354	-	218,354
0033 Health Services	833,921	98,415	932,336
0034 Student (Pupil) Transportation	2,256,879	69,663	2,326,542
0035 Food Services	16,703	6,423,181	6,439,884
0036 Extracurricular Activities	2,991,027	148,485	3,139,512
0041 General Administration	2,815,709	1,654	2,817,363
0051 Facilities Maintenance and Operations	9,615,408	514,233	10,129,641
0052 Security and Monitoring Services	1,419,063	1,665	1,420,728
0053 Data Processing Services	1,796,699	-	1,796,699
0061 Community Services	122,440	915,224	1,037,664
Debt Service:			
0071 Principal on Long Term Debt	-	2,560,000	2,560,000
0072 Interest on Long Term Debt	-	1,702,647	1,702,647
0073 Bond Issuance Cost and Fees	-	225,133	225,133
Capital Outlay:			
0081 Facilities Acquisition and Construction	4,561,105	112,453	4,673,558
Intergovernmental:			
0099 Other Intergovernmental Charges	492,199	-	492,199
6030 Total Expenditures	<u>83,370,017</u>	<u>23,932,615</u>	<u>107,302,632</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,257,752)</u>	<u>(677,186)</u>	<u>(2,934,938)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued (Regular Bonds)	-	9,055,000	9,055,000
7912 Sale of Real and Personal Property	10,164	-	10,164
7916 Premium or Discount on Issuance of Bonds	-	919,006	919,006
8949 Other Sources	985	(9,769,637)	(9,768,652)
7080 Total Other Financing Sources (Uses)	<u>11,149</u>	<u>204,369</u>	<u>215,518</u>
1200 Net Change in Fund Balances	(2,246,603)	(472,817)	(2,719,420)
0100 Fund Balance - September 1 (Beginning)	<u>54,216,964</u>	<u>3,452,105</u>	<u>57,669,069</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 51,970,361</u>	<u>\$ 2,979,288</u>	<u>\$ 54,949,649</u>

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

SAN FELIPE DEL RIO CISD
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(2,719,420)
The District uses internal service funds to charge the costs of self-insurance to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase (decrease) net position.		(1,226,376)
Current year capital outlays, long-term debt principal payments, and pension contributions are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt and net pension liability in the government-wide financial statements. The net effect of current year activities is an increase (decrease) to net position.		8,484,753
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 position.		(3,675,901)
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.		250,343
Change in Net Position of Governmental Activities	<u>\$</u>	<u>1,113,399</u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 16,728,477	\$ 16,826,359	\$ 16,852,480	\$ 26,121
5800	State Program Revenues	61,894,724	62,304,142	62,576,471	272,329
5900	Federal Program Revenues	1,260,000	1,732,987	1,683,314	(49,673)
5020	Total Revenues	79,883,201	80,863,488	81,112,265	248,777
EXPENDITURES:					
Current:					
0011	Instruction	47,141,751	46,419,814	45,438,279	981,535
0012	Instructional Resources and Media Services	1,539,344	1,516,098	1,377,318	138,780
0013	Curriculum and Instructional Staff Development	1,237,053	1,461,186	1,424,763	36,423
0021	Instructional Leadership	1,159,465	1,300,818	1,263,617	37,201
0023	School Leadership	4,366,667	4,036,631	4,000,796	35,835
0031	Guidance, Counseling and Evaluation Services	2,711,119	2,804,197	2,725,737	78,460
0032	Social Work Services	210,684	224,241	218,354	5,887
0033	Health Services	864,651	857,977	833,921	24,056
0034	Student (Pupil) Transportation	2,240,893	2,329,102	2,256,879	72,223
0035	Food Services	26,051	16,905	16,703	202
0036	Extracurricular Activities	3,259,960	3,083,804	2,991,027	92,777
0041	General Administration	2,939,262	2,897,053	2,815,709	81,344
0051	Facilities Maintenance and Operations	8,411,553	9,873,230	9,615,408	257,822
0052	Security and Monitoring Services	1,535,250	1,463,788	1,419,063	44,725
0053	Data Processing Services	1,490,652	1,850,205	1,796,699	53,506
0061	Community Services	198,846	125,794	122,440	3,354
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	5,149,055	4,561,105	587,950
Intergovernmental:					
0099	Other Intergovernmental Charges	550,000	506,965	492,199	14,766
6030	Total Expenditures	79,883,201	85,916,863	83,370,017	2,546,846
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(5,053,375)	(2,257,752)	2,795,623
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	10,164	10,164
8949	Other Sources	-	-	985	985
7080	Total Other Financing Sources (Uses)	-	-	11,149	11,149
1200	Net Change in Fund Balances	-	(5,053,375)	(2,246,603)	2,806,772
0100	Fund Balance - September 1 (Beginning)	-	54,216,964	54,216,964	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ 49,163,589	\$ 51,970,361	\$ 2,806,772

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

SAN FELIPE DEL RIO CISD
NOTES TO SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2015

BUDGETARY DATA

The Board adopts an “appropriated budget” for the general, child nutrition and debt service funds. At a minimum, the District is required to present the final amended budgeted revenues and expenditures for each of these funds.

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

- I. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- II. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.
- III. Prior to September 1, the budget is legally enacted by passage of a resolution by the Board.

Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, amendments were necessary during the year. The District’s amended budget includes the continuation of the Citizens Committee’s District-wide construction, renovation, and repairs projects.

All budget appropriations lapse at fiscal year-end.

SAN FELIPE DEL RIO CISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2015

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,551,274
Total Assets	<u>2,551,274</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,291
Short Term Debt Payable	<u>632,461</u>
Total Liabilities	<u>633,752</u>
NET POSITION	
Unrestricted Net Position	<u>1,917,522</u>
Total Net Position	<u><u>\$ 1,917,522</u></u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 7,858,519
Total Operating Revenues	<u>7,858,519</u>
OPERATING EXPENSES:	
Professional and Contracted Services	580,908
Other Operating Costs	8,506,427
Total Operating Expenses	<u>9,087,335</u>
Operating Income (Loss)	<u>(1,228,816)</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>2,440</u>
Total Nonoperating Revenues (Expenses)	<u>2,440</u>
Change in Net Position	(1,226,376)
Total Net Position - September 1 (Beginning)	<u>3,143,898</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 1,917,522</u></u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2015

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 7,836,412
Cash Payments for Insurance Claims	(9,159,598)
Cash Payments for Professional and Contracted Serv	(580,908)
Net Cash Used for Operating Activities	<u>(1,904,094)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<u>2,440</u>
Net Decrease in Cash and Cash Equivalents	(1,901,654)
Cash and Cash Equivalents at Beginning of Year	<u>4,452,928</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,551,274</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (1,228,816)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase (decrease) in Accounts Payable	(135,433)
Increase (decrease) in Other Liabilities - Current	<u>(539,845)</u>
Net Cash Used for Operating Activities	<u>\$ (1,904,094)</u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2015

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 443,561
Total Assets	<u>\$ 443,561</u>
LIABILITIES	
Accounts Payable	\$ 410
Due to Student Groups	443,151
Total Liabilities	<u>\$ 443,561</u>

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

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

San Felipe Del Rio Consolidated Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District is governed by a seven-member Board of Trustees (the “Board”) elected by registered voters of the District. The District prepares its financial statements in conformity with accounting principles generally accepted in the United States of America that are promulgated by the Governmental Accounting Standards Board (GASB) (specifically GASB No. 34) 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 from which it receives funds.

The Board is elected by the public has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It 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 is not included in any other governmental reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and Statement of Activities are government-wide financial statements. They report information on the entire District, except for fiduciary activities with most of the interfund activities removed. Governmental activities include programs supported primarily by property taxes, State of Texas foundation funds, grants, and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs that the District operates have shared in the payment of the direct costs. *Program revenues* include charges for services and grants and contributions. The “charges for services” column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, etc. The “grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. Revenues and other items not classified as program revenue are reported as *general revenue* which is used to support all of the District’s functions. Property taxes are always reported as general revenues.

Interfund activities between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the Government-Wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers the general fund as the major fund and reports the financial condition and results of operations for this fund in a separate column.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

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

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund 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 decrease in current assets (i.e., revenues and other financing sources and expenditures and other financing uses.)

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

Revenues from local sources consist primarily of property taxes. Revenues received from the State are recognized under the susceptible to accrual concept. The District considers these revenues available if they are collectible within 60 days. 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 earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors may require the District to refund all or part of the unused amount.

The proprietary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The total net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Agency funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

D. FUND ACCOUNTING

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, equity, revenues, and expenditures or expenses.

The District reports the following major governmental funds:

General Fund – The general fund is the District's primary operating fund and accounts for all financial resources except those that are accounted for in another fund. Any fund balances are considered resources available for current operations. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

Debt Service Fund – The District accounts for servicing long-term debt not being financed by other funds in a debt service fund. The main source of revenue for debt service is the apportionment of local property taxes.

Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by a grantor in special revenue funds. Federal and State financial assistance generally is accounted for in these funds and unused balances are returned to the grantor at the close of specified projects periods.

Capital Projects Fund – Series 2000 Bond Issue – The proceeds from the Series 2000 long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in this capital projects funds.

Capital Project Fund – Series 2006 Bond Issue – The proceeds from the Series 2006 long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in this fund.

Capital Project Fund – Series 2008 Bond Issue – The proceeds from the Series 2008 long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in this fund.

Proprietary Funds:

Internal Service Funds – These funds are conceived to be self-supporting. Revenues and expenses related to services provided to organizations inside the District on a cost-reimbursement basis are accounted for in an internal service fund. The district's internal service funds account for services of its group health insurance plan.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency funds are the student activity funds.

E. ACCRUAL OF FOUNDATION SCHOOL PROGRAM REVENUES

The State of Texas provides funding to districts based on instructional days, average daily attendance by fiscal year, and other factors. The academic year for the District typically begins several weeks before the beginning of the

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

fiscal year (September 1). During this period, instructional expenditures are incurred that relate directly to revenues earned in the current fiscal year but received in the subsequent fiscal year.

F. OTHER ACCOUNTING POLICIES

1. *Deposits and Investments* – Cash and cash equivalents include cash and highly liquid investments for purposes of the statement of cash flows for the proprietary fund type. The District considers highly liquid investments to be cash equivalents if they have maturity of three months or less when purchased. Investments are valued at fair value.
2. *Inventories* – Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values provided by the Texas Department of Agriculture and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.
3. *Long-term Debt* – Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the government-wide financial statements and in the proprietary fund type financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Accounting losses resulting from the refunding of bonds are amortized on the straight-line bases over the shorter of the remaining life of the refunded debt and the life of the new debt issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

4. *Pensions* – The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows or resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
5. *Compensated Absences* – The State of Texas has created a minimum leave program consisting of five days of personal leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Local school districts may provide additional sick leave beyond the State minimum. District employees are granted local sick leave depending upon their calendar. The District's policy is to use substitute personnel when classroom employees utilize their earned sick days.

A full-time employee who retires from employment with the District and is eligible for monthly retirement benefits of the Teacher Retirement System of Texas (TRS) shall, upon completion of employment, receive a lump sum payment for accrued local sick leave. The employee shall be reimbursed for each day of local sick leave to a maximum of 45 days, at one-half the employee's daily rate of pay at the time of retirement.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

6. *Capital Assets* – Capital assets, which include land, buildings, vehicles, furniture, and equipment, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

Assets	Years
Buildings	40
Building Improvements	40
Vehicles	10
Office Equipment	5
Computer Equipment	5

7. *Self-Funded Program* – The District sponsors a modified self-funded plan to provide health care benefits for its employees. The District accounts for health care claims in accordance with the GASB 10, “*Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*” as amended by GASB 30, “*Risk Financing Omnibus, an Amendment of GASB Statement 10.*”

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

9. *Fund Balances* – In accordance with GASB 54, the District classifies governmental fund balances as follows:

Nonspendable fund balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the District’s highest level of decision. The District’s Board is the highest level of decision making authority for the District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balance – includes amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Intent may be stipulated by the Board or an official or body to which the Board delegates the authority. The Board has not authorized an official or body to assign portions of fund balance. Assignments may be made at any time.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

Unassigned fund balance – includes the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

10. *Fund Balance Flow Assumptions* – Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.
11. *Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain report amounts and disclosure. Accordingly, actual results could differ from those estimates.
12. *Indirect Expenses* – School districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.
13. *Arbitrage* – 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 periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the Internal Revenue Service (IRS). As of August 31, 2015 the District did not have an estimated arbitrage liability.
14. *Deferred Outflows/Inflows of Resources* – Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A deferred outflow of resources is a consumption of a government’s net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

Deferred outflows of resources for refunding – Reported in the Government-Wide Statement of Net Position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows of resources for pension – Reported in the Government-Wide Statement of Net Position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial experiences. The deferred outflows of resources related to pensions resulting from District

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

A deferred inflow of resources is an acquisition of a government’s net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has two items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues – Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred inflows of resources for pension – Reported in the Government-Wide Statement of Net Position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments.

- 15. Net Position Flow Assumption – Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

G. CHANGE IN ACCOUNTING POLICY

During fiscal year 2015, the District changed accounting policies related to reporting of net pension liability, deferred outflows of resources, and deferred inflows of resources in a statement of net financial position by adopting GASB Statement No. 68 “Accounting and Financial Reporting for Pensions – an Amendment of GASB No. 27”. Accordingly, the effect of the accounting change is reported on the Statement of Net Position, and the Statement of Activities for the current year.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this are as follows:

Land	\$	3,684,804
Construction in progress		4,338,106
Buildings		116,504,277
Less: Accumulated depreciation - buildings		(48,736,790)
Furniture & equipment		14,601,357
Less: Accumulated depreciation - furniture & equipment		(9,993,797)
Net adjustment to governmental activities	\$	<u>80,397,957</u>

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Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$(41,619,993)
Add: Issuance premium	(2,871,001)
Less: Issuance discount	46,699
Add: Accreted Interest	(1,131,321)
Less: Deferred charge on refunding	1,630,264
Add: Net pension liability	(11,436,077)
Less: Deferred resources inflow pension	2,831,392
Add: Deferred resources outflow pension	<u>(3,498,330)</u>
Net adjustment to governmental activities	<u>\$ (56,048,367)</u>

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the Government-Wide Statement of Activities. One element of that reconciliation explains that “current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reduction in long-term debt in the government-wide financial statements.” The details of this \$8,484,753 difference are as follows:

Capital outlay:		
Construction in progress	\$ 2,244,399	
Buildings	1,973,591	
Furniture & equipment	<u>1,013,406</u>	
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities		\$ 5,231,396
Debt:		
Bond Series 2015 issuance	\$ (9,055,000)	
Payment to refunding bond’s escrow agent	9,769,637	
Premium on new bond issuance	(913,005)	
Bond principal repayments	2,560,000	
Amortization of premiums	251,273	
Amortization of discounts	(2,919)	
Amortization of loss on refundings	(146,420)	
Accreted interest	(64,311)	
Net pension liability	2,606,483	
Deferred resource outflow pension	1,745,849	
Deferred resource inflow pension	<u>(3,498,330)</u>	
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities		<u>3,253,357</u>
The net effect of including the 2014 capital outlays and debt principal payments is to increase net position		<u>\$ 8,484,753</u>

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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an “appropriated budget” for the general, child nutrition and debt service funds. At a minimum, the District is required to present the final amended budgeted revenues and expenditures for each of these funds.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days’ public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted by passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, amendments were necessary during the year.
4. Each budget is controlled by a budget coordinator at the revenue and function/object expenditure level. Budget amounts presented are as amended by the Board. All budget appropriations lapse at year-end.

	Original Budget Appropriations	Increase (Decrease)	Amended Budget Appropriation
General Fund	\$79,883,201	\$6,033,662	\$85,916,863
Child Nutrition Fund	6,578,379	79,999	6,658,378
Debt Service Fund	4,305,520	9,963,232	14,268,752
	\$90,767,100	\$16,076,893	\$106,843,993

The increase in the general fund is due to construction projects, the increase in the child nutrition fund is due to a projected increased in expenditures and the increase in the debt service fund is due to the issuance of Unlimited Tax Refunding Bond Series 2015.

A reconciliation of fund balances for both appropriated and non-appropriated budgeted Non-major governmental funds at year end is as follows:

Appropriated Budget Funds:	
Child Nutrition Fund	\$ 561,105
Debt Service Fund	1,275,056
Non-Appropriated Budget Funds	1,143,127
Total Fund Balances for Non-Major Governmental Funds	\$2,979,288

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5. For the year ended August 31, 2015, expenditures exceeded appropriations at the legal level of control as follows:
- Child Nutrition Program
 - 0035 Food Services \$(59,239)
6. *Encumbrances* – Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year’s budget.

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District’s agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Cash and cash equivalents at August 31, 2015 are as follows:

Cash in bank or on hand – primary government		\$ 8,416,221
Texpool	\$ 33,533,645	
Lonestar	207,668	
Comerica Premium Business Money Market	<u>5,015,505</u>	
Total Cash Equivalents		<u>38,756,818</u>
Total Cash and Cash Equivalent		<u>\$ 47,173,039</u>

Deposits

At August 31, 2015, the District’s bank balance (cash and interest-bearing savings accounts included in temporary investments) was \$10,784,583.

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

- a. Depository: *The Bank & Trust*
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$11,270,909.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$10,784,583 and occurred during the month of August 2015.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

The Public Funds Investment Act (Government Code Chapter 2256) (the “Act”) 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

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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 state maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit; (3) certain municipal securities; (4) money market savings accounts; (5) repurchase agreements; (6) bankers acceptances; (7) mutual funds; (8) investment pools; (9) guaranteed investment contracts; (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

The District had one certificate of deposit of \$5,000,000 at August 31, 2015 which had a maturity date greater than 90 days, as of the end of fiscal year 2015. The District’s certificate of deposit and money market investment fund were fully collateralized as of the end of the fiscal year 2015.

Name	Fair Value	Maturity less than one (1) year
Southside Bank Certificate of Deposit greater than 90 days – matures December 14, 2015	\$5,000,000	\$5,000,000

Investments in Government Investment Pools

The Districts investments in investment pools (the “Pools”), none of which are regulated by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00 (TexPool) and \$.50 (Lone Star), respectively. Accordingly, the fair value of the position in the Pools is the same as the number of the shares in the case of the investments held in TexPool and consistent with a net asset value of \$.50 for the shares held in Lone Star.

The Pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. TexPool operates in a manner consistent with the Security and Exchange Commission’s Rule 2a7 of the Investment Company Act of 1940.

The Lone Star Investment Pool (Lone Star) is governed by an 11-member board, all of whom are participants in Lone Star. Lone Star employs an independent third party to perform custody and valuation services. American Beacon Advisors and Standish Mellon Asset Management Company, LLC provide investment management services regarding the investment and reinvestment of Lone Star’s assets. Additionally, an independent third party, CAPTRUST Financial Advisors, that reports directly to the Board of Trustees reviews Lone Star’s daily operations; makes sure investment transactions fit with Lone Star’s investment policy; monitors the custodian bank; and compares the investment advisor’s performance with that of peer funds and other benchmarks.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District’s investment policy requires funds on deposit at the depository bank to be collateralized. As of year end, the District’s deposits were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District was not exposed to custodial credit risk. All of the

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investment pools are rated “AAA” or better by Standard and Poor’s as of year end. Certificates of deposits were entirely covered by FDIC insurance and by pledged collateral as of year end.

Concentration of Credit Risk and Interest Rate Risk. The District places no limit on the amount it may invest in any one issuer.

These risks are addressed through separately adopted written investment strategies for each of the funds or group of funds under the Board’s control and for each specific investment and expected cash flow. Each investment strategy must describe the investment objectives for the particular fund under the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the Board,
2. Preservation and safety of principal,
3. Liquidity,
4. Marketability of the investment if the investment needs to be liquidated before maturity,
5. Diversification of the investment portfolio, and
6. Yield

Credit Risk. In accordance with the District’s investment policy, investments in mutual funds and investment pools must be rated at least AAA. As of August 31, 2015, all of the District’s investments in investment pools were rated “AAA” by Standard & Poor’s.

B. PROPERTY TAXES

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

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND RECEIVABLES AND PAYABLES

Amounts due to the general fund from the other non-major special revenue funds represent temporary borrowing to cover expenditures that have not yet been reimbursed by various federal grant programs due to the complexity and timing of various banking and accounting transactions between the funds.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$1,393,669	
Special Revenue Funds		\$1,393,669
Total	<u>\$1,393,669</u>	<u>\$1,393,669</u>

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E. DUE FROM OTHER GOVERNMENTS AND OTHER RECEIVABLES

The District receives entitlements from the State through the School Foundation and the Per Capita Programs. In addition to the State programs, the District participates in a variety of other Federal and State programs from which the funds are passed through TEA or other agencies. Amounts due from other governments and other receivables for the year are summarized below.

Due from Other Governments

Fund	State Entitlements	Federal Grants	Total
General Fund	\$5,713,656	\$ -	\$5,713,656
Other Non-Major Funds	271,448	1,325,574	1,597,022
Total	\$6,090,574	\$1,325,574	\$7,310,678

Other Receivables

Other receivables as of August 31, 2015, for the District's major funds consist of Penalties and Interest Receivable for Property Taxes which are fully offset as unearned revenues accordingly as collection within one year is not expected. The amounts are comprised as follows:

	General Fund	Non-Major Funds	Total
Penalties and Interest Receivable for Delinquent Property Taxes	\$1,830,211	\$ 321,165	\$2,151,375
School Health and Related Services (SHARS)	994,048	-	994,048
Food Service Management Company Deposit	-	803,240	803,240
Other	-	6,000	6,000
Total	\$2,824,259	\$1,130,405	\$3,954,664

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NOTES TO THE FINANCIAL STATEMENTS

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F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District's governmental activities for the year ended August 31, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Transfers In	Transfers Out	Ending Balance
<u>Nondepreciable Capital Assets</u>						
Land	\$ 3,684,804	\$ -	\$ -	\$ -	\$ -	\$ 3,684,804
Construction in Progress	2,093,707	4,076,141	-	-	1,831,742	4,338,106
Total Nondepreciable Assets	<u>5,778,511</u>	<u>4,076,141</u>	<u>-</u>	<u>-</u>	<u>1,831,742</u>	<u>8,022,910</u>
<u>Depreciable Capital Assets</u>						
Buildings & Improvements	114,530,686	141,849	-	1,831,742	-	116,504,277
Vehicles, Furniture & Equipment	14,095,399	1,013,406	507,448	-	-	14,601,357
Total Depreciable Assets	<u>128,626,085</u>	<u>1,155,255</u>	<u>507,448</u>	<u>1,831,742</u>	<u>-</u>	<u>131,105,634</u>
Total	<u>134,404,596</u>	<u>5,231,396</u>	<u>507,448</u>	<u>1,831,742</u>	<u>1,831,742</u>	<u>139,128,544</u>
<u>Less Accumulated Depreciation for:</u>						
Buildings	46,247,839	2,488,951	-	-	-	48,736,790
Vehicles, Furniture & Equipment	9,314,295	1,186,950	507,448	-	-	9,993,797
Total Accumulated Depreciation	<u>55,562,134</u>	<u>3,675,901</u>	<u>507,448</u>	<u>-</u>	<u>-</u>	<u>58,730,587</u>
Government Activities Capital Assets, Net	<u>\$ 78,842,462</u>	<u>\$ 1,555,495</u>	<u>\$ -</u>	<u>\$ 1,831,742</u>	<u>\$ 1,831,742</u>	<u>\$ 80,397,957</u>

Depreciation Expense was charged to governmental functions as follows

Instructional	2,567,046
Instructional Resources & Media Services	32,180
Instructional Leadership	34,467
School Leadership	74,788
Student (Pupil) Transportation	259,676
Food Services	38,648
Co-curricular/Extracurricular Activities	266,011
General Administration	3,567
Facilities Maintenance & Operations	205,070
Security & Monitoring	18,726
Data Processing	79,718
Facilities Acquisition Construction	96,003
Total	<u>\$ 3,675,901</u>

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G. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended August 31, 2015 is as follows:

Description	Interest Rates Payable	Amount Original Issue	Amount Outstanding 09/01/14	Issued	Retired/ Refunded	Amount Outstanding 08/31/15
Bonds Payable:						
Unlimited Tax School Building	4.00 -					
Bonds, Series 2006	4.50%	\$ 21,915,000	\$ 10,685,000		\$ (9,895,000)	\$ 790,000
Unlimited Tax Refunding						
Bonds, Series 2007 (Includes						
\$339,993 of Principal on Capital	3.55 -					
Appreciation Bonds)	4.53%	\$ 6,469,993	5,839,993		(95,000)	5,744,993
Unlimited Tax School Building	4.50 -					
Bonds, Series 2008	5.00%	\$ 12,285,000	10,520,000		(375,000)	10,145,000
Unlimited Tax Refunding						
Bonds, Series 2013 (Includes						
\$339,993 of Principal on Capital	2.00 -					
Appreciation Bonds)	3.25%	\$ 17,430,000	17,275,000		(1,255,000)	16,020,000
Unlimited Tax Refunding	2.00 -					
Bonds, Series 2015	4.00%	\$ 9,055,555		9,055,000	(135,000)	8,920,000
Other:						
Issuance Premiums			2,391,083	913,005	(433,087)	\$ 2,871,001
Issuance Discounts			(49,618)	-	2,919	\$ (46,699)
Accreted Interest on Capital						
Appreciation Bonds			1,067,010	-	64,311	1,131,321
Net Pension Liability			14,042,560		(2,606,483)	11,436,077
Total Long-term Liabilities			<u>\$ 61,771,028</u>	<u>\$ 9,968,005</u>	<u>\$ (14,727,340)</u>	<u>\$ 57,011,693</u>
			Less: Amount Due in One Year	2,425,000		2,515,000
			Due in More Than one Year	<u>\$ 59,346,028</u>		<u>\$ 54,496,693</u>

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Debt service requirements are as follows:

General Obligations				
Year End Aug 31	Principal	Interest	Compound Interest	Total Requirements
2016	\$ 2,515,000	\$ 1,619,274	\$ -	\$ 4,134,274
2017	\$ 2,640,000	\$ 1,526,514	\$ -	\$ 4,166,514
2018	\$ 2,740,000	\$ 1,434,524	\$ -	\$ 4,174,524
2019	\$ 2,850,000	\$ 1,332,579	\$ -	\$ 4,182,579
2020	\$ 2,960,000	\$ 1,226,539	\$ -	\$ 4,186,539
2021-2025	\$ 16,805,000	\$ 4,204,638	\$ -	\$ 21,009,638
2026-2030	\$ 7,379,993	\$ 1,904,576	\$ 2,290,007	\$ 11,574,576
2031-2033	\$ 3,730,000	\$ 294,100	\$ -	\$ 4,024,100
Total	\$ 41,619,993	\$ 13,542,743	\$ 2,290,007	\$ 57,452,743

The District issues general obligation bonds for governmental activities to fund the acquisition and construction of major capital facilities. The bonds are supported by a pledge of the District’s full faith and credit. The bond indentures require a levy and collection of taxes without limitation as to rate or amount on all property subject to taxation by the District sufficient in amount to pay the principal and interest on such bonds as they become due. The indentures also require that a debt service fund be created and administered by the District solely for paying principal and interest when due.

Bonded indebtedness is reflected in the government-wide financial statements, and current requirements for principal and interest expenditures are accounted for in the debt service fund.

In accordance with the provisions of the Constitution of the State of Texas through the TEA each bond issue is guaranteed as to the payment of principal and interest by the Permanent School Fund, created, established and maintained pursuant to Article VII, Section 5, of the Constitution of the State of Texas.

The State of Texas through the TEA Instructional Facilities Allotment Program (IFA) and Existing Debt Allotment Program (EDA) continued funding in fiscal year 2015 whereby the District received state funds of \$2,290,791 or approximately 53% of its general obligation annual debt service requirements. State Statutes guarantee IFA state aid for the life of the District’s eligible debt, as well as for the EDA program. Payments for the general obligation debt were made from the debt service fund.

Advance Refunding

During the fiscal year 2015, the District issued \$9,055,000 of unlimited tax refunding bonds, Series 2015 to provide resources to purchase U. S. Government State and Local Government series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$9,195,000 of unlimited tax refunding bonds, Series 2006. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$392,821. This amount is being amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. This refunding debt was undertaken to reduce total debt service payments over the next 12 years by \$1,141,107 and resulted in an economic gain of \$1,040,828.

Defeased Bonds Outstanding

The District defeased Series 2006 unlimited tax school building general obligation bonds by placing the proceeds of the Series 2007 and Series 2015 bonds in an irrevocable trust to provide for all future debt service payments on

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the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. On August 31, 2015, \$15,665,000 of refunded bonds considered to be defeased are outstanding.

H. OPERATING LEASES

The District has entered into a lease agreement for 2,150 laptop computers for students at Del Rio High School. The lease agreement is a four-year payment term with a \$573,897 annual payment for all computers. In addition, the District has previously entered into a vehicle lease for the Drivers Education Program for the use of three vehicles and a copier lease agreement with Toshiba for the use of 75 copiers. The total lease expense during the current year was \$820,289.

The future minimum lease payments for these leases are as follows:

<u>Year Ending August 31,</u>	<u>Future Minimum Lease Payments</u>
2016	\$ 717,749
2017	573,897
Total Future Minimum Lease Payment Due	<u>\$1,291,646</u>

I. DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. TRS Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by TRS.

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

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

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Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

<u>Contribution Rates</u>	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity	6.8%	6.8%
Employers	6.8%	6.8%
2014 Employer Contributions	\$1,085,441	
2014 Member Contributions	\$1,009,408	
2014 NECE On-behalf Contributions	\$2,750,262	

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.

During a new member's first 90 days of employment.

When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

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

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

*Includes Inflation of 3%

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

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

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

Best estimates of geometric real rates of return for each major asset class included in the TRS target asset allocation as of August 31, 2014 are summarized below:

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

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the district's 2014 net pension liability.

<u>1% Decrease in</u> <u>Discount Rate (7.0%)</u> \$20,435,577	<u>Discount Rate (8.0%)</u> \$11,436,077	<u>1% Increase in</u> <u>Discount Rate (9.0%)</u> \$4,706,127
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2014, the District reported a liability of \$11,436,077 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 11,436,077
State's proportionate share associated with the District	<u>29,038,237</u>
Total	\$ 40,474,314

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

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

At August 31, 2014, the employer's proportion of the collective net pension liability was 0.0428135% which was a decrease of 0.00003% from its proportion measured as of August 31, 2013. The change in proportion was immaterial and, therefore, disregarded this year.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$2,684,531 and revenue of \$2,684,531 for support provided by the State.

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 176,863	\$ -
Changes in actuarial assumptions	743,358	-
Difference between projected and actual investment earnings	-	3,495,332
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	2,998
Contributions paid to TRS subsequent to the measurement date	1,911,171	-
Total	<u>\$2,831,392</u>	<u>\$3,498,330</u>

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

<u>Year ended August 31:</u>	<u>Pension Expense</u>
2016	\$ (719,434)
2017	\$ (719,434)
2018	\$ (719,434)
2019	\$ (719,434)
2020	\$ 154,399
Thereafter	\$ 145,228

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

J. Retiree Health Care Plans

TRS-Care

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

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage.

Contribution rates and amounts are shown in the table below for fiscal years 2013-2015.

Contribution Rates and Contribution Amounts						
Year	Rate	Active		State	Rate	District
		Member	Rate			
2015	0.65%	\$ 367,292	1.000%	\$ 81,825	0.550%	\$ 310,734
2014	0.65%	\$ 358,754	1.000%	\$ 86,016	0.550%	\$ 303,557
2013	0.65%	\$ 349,773	0.050%	\$ 42,590	0.550%	\$ 295,965

Medicare Part D

The Medicare Prescription Drug Improvement and Modernization Act of 2003, which became effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries, known as Medicare Part D. One of the provisions of Medicare Part D allows for TRS to receive retiree drug subsidy payments from the Federal Government to offset certain prescription drug expenditures for eligible TRS-Care participants. Contributions made by the Federal Government (for employees funded by Federal Grants) on behalf of the District are recorded in the financial statements as both revenues and expenditures, although the District never receives the revenue. These payments totaled \$239,707, \$152,779 and \$141,810 for the fiscal years 2015, 2014, and 2013, respectively.

K. RISK MANAGEMENT

The District's exposed risk of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees, and natural disaster for which the District purchases insurance from the Texas Association of School Boards (TASB). There have been no significant reductions in coverage from the prior year and settlements have not exceeded amounts of coverage in the past three years. The District provides health insurance plan (the "Plan") for and pays the contribution for all employees. The employee pays for any family member

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

coverage. This is provided through a self-insured and the District hires TML Intergovernmental Employee Benefits Pool to administer the Plan and the District also pays for stop-loss coverage. Transactions related to the Plan are accounted for in an internal service fund, the health insurance fund.

Health Care Coverage

In 2015, the District contributed \$4,716 per year for each employee (\$393 per month) which was deposited into the health insurance fund (the “Fund”). The contribution is deposited monthly into the fund account and administrative costs are expensed when incurred and reported. The District obtained excess loss insurance (stop loss coverage), which limited the amount of claims for any one individual to \$225,000 and an aggregate limit equal to \$\$8,572,441. Claims payable, including an estimate for claims incurred but not reported, at August 31, 2015 are \$632,461. The Plan is funded to discharge liabilities for the Fund as they become due.

L. UNEARNED REVENUE

Unearned revenue at year by funding source:

<u>Fund</u>	<u>Unearned Revenue</u>
General Fund	\$ 21,633
Child Nutrition Fund	19,832
Total	<u>\$ 41,465</u>

M. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

During the current fiscal year, revenues from local and intermediate sources in the governmental fund types consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
Property Taxes	\$15,824,703	\$ 1,949,437	\$17,774,140
Penalties, Interest and Other			
Tax Related Income	405,098	47,843	452,941
Investment Income	68,006	2,442	70,449
Food Sales	-	844,070	844,070
Tuition & Fees	53,055	-	53,055
Co-Curricular			
Student Activities	393,185	1,987	395,172
Other	108,433	224,620	333,053
Total	<u>\$16,852,480</u>	<u>\$ 1,071,615</u>	<u>\$19,922,879</u>

During the current fiscal year, revenues from local and intermediate sources in the proprietary fund types consisted of the following:

	<u>Internal Service Fund</u>
Investment Income	\$ 2,440
Interfund Provided Self-Funded	7,858,519
Total	<u>\$ 7,860,959</u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

N. REVENUES FROM STATE PROGRAMS

During the current fiscal year, revenue from state program sources in the governmental fund types consisted of the following:

	General Fund	Non-Major Governmental Funds	Total
School Program Act Entitlements	\$55,825,296	\$ -	\$55,825,296
Per Capita Apportionment	2,655,529	-	2,655,529
State Program Revenue - TEA	676,262	4,831,934	5,508,196
TRS On-Behalf	3,419,384	6,142	3,425,527
Total	\$62,576,471	\$ 4,833,076	\$67,414,547

O. DUE TO OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Due to other governments consist of amounts due to the State and Federal agencies at year-end for State entitlements, Federal arbitrage liability and State and Federal grants. The amounts due are summarized as follows:

	State Entitlements
General Fund	\$ 194,000
Non-Major Governmental Funds	2,584
Total	\$ 196,584

P. COMMITMENTS AND CONTINGENCIES

Federal Grants

The District has received grants for specific purposes that are subject to program compliance audits pursuant to the Single Audit Act. The granting agency reserves the right to perform audits in addition to the independent audit as required by the State.

Grant Programs

The District participates in numerous federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at August 31, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating the compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Leave

Employees are allowed to accrue five days of state personal leave and five to seven days of local sick leave each year without limit. State personal and local sick leave do not vest under the District policy and; accordingly,

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2015

employees can only utilize state personal and sick leave, or state personal leave for personal reasons when approved by authorized District personnel. Since the employee’s accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the financial statements.

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are contractually required to work each year.

Maintenance employees are granted vacation leave in varying amounts depending on service. For one year of service, maintenance employees are allowed five vacation days, and ten annual vacation days in the years thereafter. The District has no liability for unused vacation pay since all vacation leave is used or lost if not taken each year. Vacation pay is charged to operations when taken by the employees of the District.

Construction Contracts

The District’s ongoing construction and renovation projects resulted in outstanding commitments as of August 31, 2015. At year end, the District’s outstanding commitments on remaining contracts consisted of the following amounts:

<u>Project</u>	<u>Project Contract</u>	<u>Completed</u>	<u>Outstanding</u>
Conversion of old DRMS to Student Activity Center/Administration	\$ 6,341,250	\$ 1,181,309	\$ 5,159,941
New CTE Building at old North Heights Site	9,443,200	727,600	8,715,600
Concession & Restrooms Tennis	399,500	368,701	30,799
Del Rio High School stadium expansion	<u>882,474</u>	<u>803,454</u>	<u>79,020</u>
Total	\$ 17,066,424	\$ 3,081,064	\$ 13,985,360

Q. LITIGATION

From time to time, the District is a defendant in lawsuits for claims filed against it. In the best judgment of the District’s administration and legal counsel, the accompanying financial statements will not be affected materially by the outcome of any of these proceedings and, therefore, no loss contingency has been recorded.

R. CHANGE IN ACCOUNTING POLICY AND RELATED PRIOR PERIOD ADJUSTMENT

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 “Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27” which is effective for fiscal years beginning after June 2014. The District has implemented the provisions of this Statement for the year ended August 31, 2015.

The Statement requires new pension disclosures in the notes to the financial statements and two new 10-year pension-related charts as required supplementary information. Also, for the first time, the District is required to recognize pension expense, report deferred outflows of resources and deferred inflows of resources related to pensions, and a net pension liability for its proportionate shares of the collective (TRS) pension expense, collective (TRS) deferred outflows of resources and deferred inflows of resources related to pensions, and collective (TRS) net pension liability.

SAN FELIPE DEL RIO CISD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2015

The effect of the restatement of the beginning net position is as follows:

Beginning Net Position as previously reported August 31, 2014		\$ 98,200,821
Net pension liability (measurement date)	(14,042,560)	
Deferred outflows – District contributions fiscal year 2014	<u>1,085,441</u>	
Total prior period adjustment		<u>(12,957,119)</u>
Net Position as restated August 31,2014		<u><u>\$85,243,702</u></u>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

SAN FELIPE DEL RIO CISD
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
 OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
 For the Year Ended August 31, 2015

EXHIBIT G-1

	Year*
	2015
District's proportion of the net pension liability (asset)	0.0428135%
District's proportionate share of the net pension liability (asset)	\$ 11,436,077
State's proportionate share of the net pension liability (asset) associated with the District	29,038,237
Total	\$ 40,474,314
District's covered-employee payroll**	\$ 55,211,617
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.71%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

* Only one year's worth of information is currently available.

** As of the measurement date.

**Notes to Required Supplementary Information
 for the Year Ended August 31, 2015:**

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

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

SAN FELIPE DEL RIO CISD
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHERS RETIREMENT SYSTEM
 FOR FISCAL YEAR 2015

EXHIBIT G-2

	2015
Contractually Required Contribution	\$ 1,911,172
Contribution in Relation to the Contractually Requ	1,911,172
Contribution Deficiency (Excess)	\$ -0-
District's Covered-Employee Payroll	\$ 56,506,425
Contributions as a Percentage of Covered-Employee	3.38%

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

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

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COMBINING AND OTHER STATEMENTS

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

Federal Funds (200-299) are used to account for federally funded grants and programs.

State Funds (300-399) are used to account for state funded grants and programs.

Local Funds (400-499) are used to account for local grants, programs and donations from corporations and other local sources.

Debt Service (511) account for servicing long-term debt (bond payments).

Capital Projects (616-618) are proceeds from long-term debt financing related to authorized construction and other capital acquisitions.

SAN FELIPE DEL RIO CISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2015

Data Control Codes	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Receivables from Other Governments	251,277	344,798	173,639	147,920
1290 Other Receivables	-	-	-	-
1300 Inventories	-	-	-	-
1000 Total Assets	<u>\$ 251,277</u>	<u>\$ 344,798</u>	<u>\$ 173,639</u>	<u>\$ 147,920</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ 244	\$ -
2160 Accrued Wages Payable	77,965	103,460	37,723	63,977
2170 Due to Other Funds	173,312	241,338	135,672	83,943
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>251,277</u>	<u>344,798</u>	<u>173,639</u>	<u>147,920</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 251,277</u>	<u>\$ 344,798</u>	<u>\$ 173,639</u>	<u>\$ 147,920</u>

225 IDEA - Part B Preschool	240 Child Nutrition Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	272 Medicaid Admin. Claim MAC	275 Linking Tree Grant
\$ -	\$ 31,303	\$ 103,365	\$ -	\$ -	\$ -	\$ 28,257	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,801	170,151	-	7,102	62,213	27,201	-	18,087
-	803,240	-	-	-	-	-	-
-	176,436	-	-	-	-	-	-
<u>\$ 6,801</u>	<u>\$ 1,181,130</u>	<u>\$ 103,365</u>	<u>\$ 7,102</u>	<u>\$ 62,213</u>	<u>\$ 27,201</u>	<u>\$ 28,257</u>	<u>\$ 18,087</u>
\$ -	\$ 240,048	\$ 212	\$ -	\$ -	\$ -	\$ -	\$ -
1,915	4,074	-	1,390	16,702	-	-	-
4,886	356,071	-	5,712	45,511	27,193	-	18,087
-	-	-	-	-	8	-	-
-	19,832	-	-	-	-	-	-
<u>6,801</u>	<u>620,025</u>	<u>212</u>	<u>7,102</u>	<u>62,213</u>	<u>27,201</u>	<u>-</u>	<u>18,087</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	176,436	-	-	-	-	-	-
-	384,669	103,153	-	-	-	28,257	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>561,105</u>	<u>103,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,257</u>	<u>-</u>
<u>\$ 6,801</u>	<u>\$ 1,181,130</u>	<u>\$ 103,365</u>	<u>\$ 7,102</u>	<u>\$ 62,213</u>	<u>\$ 27,201</u>	<u>\$ 28,257</u>	<u>\$ 18,087</u>

SAN FELIPE DEL RIO CISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2015

Data Control Codes	289	386	397	410	
	Summer	Regional Day	Advanced	Instructional	
	School LEP	School for the Deaf	Placement Incentives	Materials Allotment	
ASSETS					
1110	Cash and Cash Equivalents	\$ 2,176	\$ 2,720	\$ -	\$ 110,000
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	51,994
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 2,176</u>	<u>\$ 2,720</u>	<u>\$ -</u>	<u>\$ 161,994</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 2,039
2160	Accrued Wages Payable	-	2,720	-	-
2170	Due to Other Funds	-	-	-	65,760
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>2,720</u>	<u>-</u>	<u>67,799</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	2,176	-	-	94,195
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>2,176</u>	<u>-</u>	<u>-</u>	<u>94,195</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,176</u>	<u>\$ 2,720</u>	<u>\$ -</u>	<u>\$ 161,994</u>

429 Educator Excellence Innovation	461 Campus Activity Funds	482 Loss Prevention Grant	485 Building Capacity Rural School	Total Nonmajor Special Revenue Funds	511 Debt Service	616 Capital Projects 2000 Bond	617 Capital Projects 2006 Bond
\$ -	\$ 107,346	\$ -	\$ -	\$ 385,167	\$ 1,172,162	\$ 92,975	\$ 712,587
-	-	-	-	-	470,240	-	-
-	-	-	-	-	(24,037)	-	-
229,785	-	-	584	1,491,552	105,470	-	-
-	-	6,000	-	809,240	321,165	-	-
-	-	-	-	176,436	-	-	-
<u>\$ 229,785</u>	<u>\$ 107,346</u>	<u>\$ 6,000</u>	<u>\$ 584</u>	<u>\$ 2,862,395</u>	<u>\$ 2,045,000</u>	<u>\$ 92,975</u>	<u>\$ 712,587</u>
\$ -	\$ -	\$ -	\$ -	\$ 242,543	\$ -	\$ -	\$ -
-	-	-	-	309,926	-	-	-
229,785	-	5,815	584	1,393,669	-	-	-
-	-	-	-	8	2,576	-	-
-	-	-	-	19,832	-	-	-
<u>229,785</u>	<u>-</u>	<u>5,815</u>	<u>584</u>	<u>1,965,978</u>	<u>2,576</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	767,368	-	-
-	-	-	-	-	767,368	-	-
-	-	-	-	176,436	-	-	-
-	-	-	-	612,450	-	-	-
-	-	-	-	-	-	92,975	712,587
-	-	-	-	-	1,275,056	-	-
-	107,346	185	-	107,531	-	-	-
<u>-</u>	<u>107,346</u>	<u>185</u>	<u>-</u>	<u>896,417</u>	<u>1,275,056</u>	<u>92,975</u>	<u>712,587</u>
<u>\$ 229,785</u>	<u>\$ 107,346</u>	<u>\$ 6,000</u>	<u>\$ 584</u>	<u>\$ 2,862,395</u>	<u>\$ 2,045,000</u>	<u>\$ 92,975</u>	<u>\$ 712,587</u>

SAN FELIPE DEL RIO CISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2015

Data Control Codes	618 Capital Projects 2008 Bond	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds	
ASSETS				
1110	Cash and Cash Equivalents	\$ 2,253	\$ 807,815	\$ 2,365,144
1220	Property Taxes - Delinquent	-	-	470,240
1230	Allowance for Uncollectible Taxes (Credit)	-	-	(24,037)
1240	Receivables from Other Governments	-	-	1,597,022
1290	Other Receivables	-	-	1,130,405
1300	Inventories	-	-	176,436
1000	Total Assets	<u>\$ 2,253</u>	<u>\$ 807,815</u>	<u>\$ 5,715,210</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ -	\$ 242,543
2160	Accrued Wages Payable	-	-	309,926
2170	Due to Other Funds	-	-	1,393,669
2180	Due to Other Governments	-	-	2,584
2300	Unearned Revenues	-	-	19,832
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>1,968,554</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	767,368
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>767,368</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	-	-	176,436
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	612,450
3470	Capital Acquisition and Contractual Obligation	2,253	807,815	807,815
3480	Retirement of Long-Term Debt	-	-	1,275,056
3490	Other Restricted Fund Balance	-	-	107,531
3000	Total Fund Balances	<u>2,253</u>	<u>807,815</u>	<u>2,979,288</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,253</u>	<u>\$ 807,815</u>	<u>\$ 5,715,210</u>

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SAN FELIPE DEL RIO CISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	205 Head Start	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	2,171,418	3,455,921	1,185,398	1,711,824
5020 Total Revenues	<u>2,171,418</u>	<u>3,455,921</u>	<u>1,185,398</u>	<u>1,711,824</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,458,963	1,915,555	204,597	1,262,710
0012 Instructional Resources and Media Services	42,472	-	-	-
0013 Curriculum and Instructional Staff Development	43,003	432,854	4,199	1,160
0021 Instructional Leadership	175,269	329,520	256,263	58,791
0023 School Leadership	-	5,991	3,283	-
0031 Guidance, Counseling and Evaluation Services	77,467	189,540	496,944	389,163
0033 Health Services	54,895	3,261	6,196	-
0034 Student (Pupil) Transportation	30,895	34,152	635	-
0035 Food Services	27,024	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	75,945	11,294	19,110	-
0052 Security and Monitoring Services	-	154	286	-
0061 Community Services	185,485	533,600	193,885	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>2,171,418</u>	<u>3,455,921</u>	<u>1,185,398</u>	<u>1,711,824</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other Sources	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

225 IDEA - Part B Preschool	240 Child Nutrition Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	272 Medicaid Admin. Claim MAC	275 Linking Tree Grant
\$ -	\$ 843,415	\$ 1,842	\$ -	\$ -	\$ -	\$ -	\$ -
-	37,554	2,826	-	-	-	-	-
57,596	5,553,949	110,244	135,514	750,517	185,235	20,862	-
57,596	6,434,918	114,912	135,514	750,517	185,235	20,862	-
57,596	-	-	92,198	14,123	84,338	-	-
-	-	-	-	-	-	-	-
-	-	-	-	726,141	83,632	-	-
-	-	-	-	8,599	3,886	-	-
-	-	-	-	-	6,686	-	-
-	-	-	43,316	-	-	-	-
-	-	-	-	-	-	34,063	-
-	-	-	-	-	3,981	-	-
-	6,310,898	85,259	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,654	-	-	-
-	386,911	10,348	-	-	458	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,254	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
57,596	6,697,809	95,607	135,514	750,517	185,235	34,063	-
-	(262,891)	19,305	-	-	-	(13,201)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(262,891)	19,305	-	-	-	(13,201)	-
-	823,996	83,848	-	-	-	41,458	-
\$ -	\$ 561,105	\$ 103,153	\$ -	\$ -	\$ -	\$ 28,257	\$ -

SAN FELIPE DEL RIO CISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	289	386	397	410
	Summer School LEP	Regional Day School for the Deaf	Advanced Placement Incentives	Instructional Materials Allotment
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 4,526
5800 State Program Revenues	-	76,826	1,800	1,440,288
5900 Federal Program Revenues	6,639	-	-	-
5020 Total Revenues	<u>6,639</u>	<u>76,826</u>	<u>1,800</u>	<u>1,444,814</u>
EXPENDITURES:				
Current:				
0011 Instruction	6,638	76,826	1,800	1,531,830
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>6,638</u>	<u>76,826</u>	<u>1,800</u>	<u>1,531,830</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1</u>	<u>-</u>	<u>-</u>	<u>(87,016)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other Sources	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	1	-	-	(87,016)
0100 Fund Balance - September 1 (Beginning)	<u>2,175</u>	<u>-</u>	<u>-</u>	<u>181,211</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 2,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,195</u>

429 Educator Excellence Innovation	461 Campus Activity Funds	482 Loss Prevention Grant	485 Building Capacity Rural School	Total Nonmajor Special Revenue Funds	511 Debt Service	616 Capital Projects 2000 Bond	617 Capital Projects 2006 Bond
\$ -	\$ 211,416	\$ 9,944	\$ -	\$ 1,071,143	\$ 1,998,785	\$ 57	\$ 406
987,843	148	-	-	2,547,285	2,290,791	-	-
-	-	-	1,837	15,346,954	-	-	-
987,843	211,564	9,944	1,837	18,965,382	4,289,576	57	406
412,669	1,054	-	-	7,120,897	-	-	-
-	64,531	-	-	107,003	-	-	-
575,174	-	-	1,837	1,868,000	-	-	-
-	-	-	-	832,328	-	-	-
-	546	-	-	16,506	-	-	18,698
-	-	-	-	1,196,430	-	-	-
-	-	-	-	98,415	-	-	-
-	-	-	-	69,663	-	-	-
-	-	-	-	6,423,181	-	-	-
-	148,485	-	-	148,485	-	-	-
-	-	-	-	1,654	-	-	-
-	-	9,759	-	513,825	-	-	408
-	1,225	-	-	1,665	-	-	-
-	-	-	-	915,224	-	-	-
-	-	-	-	-	2,560,000	-	-
-	-	-	-	-	1,702,647	-	-
-	-	-	-	-	225,133	-	-
-	-	-	-	-	-	-	112,008
987,843	215,841	9,759	1,837	19,313,276	4,487,780	-	131,114
-	(4,277)	185	-	(347,894)	(198,204)	57	(130,708)
-	-	-	-	-	9,055,000	-	-
-	-	-	-	-	919,006	-	-
-	-	-	-	-	(9,769,637)	-	-
-	-	-	-	-	204,369	-	-
-	(4,277)	185	-	(347,894)	6,165	57	(130,708)
-	111,623	-	-	1,244,311	1,268,891	92,918	843,295
\$ -	\$ 107,346	\$ 185	\$ -	\$ 896,417	\$ 1,275,056	\$ 92,975	\$ 712,587

SAN FELIPE DEL RIO CISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	618 Capital Projects 2008 Bond	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 8	\$ 471	\$ 3,070,399
5800 State Program Revenues	-	-	4,838,076
5900 Federal Program Revenues	-	-	15,346,954
5020 Total Revenues	<u>8</u>	<u>471</u>	<u>23,255,429</u>
EXPENDITURES:			
Current:			
0011 Instruction	-	-	7,120,897
0012 Instructional Resources and Media Services	-	-	107,003
0013 Curriculum and Instructional Staff Development	-	-	1,868,000
0021 Instructional Leadership	-	-	832,328
0023 School Leadership	-	18,698	35,204
0031 Guidance, Counseling and Evaluation Services	-	-	1,196,430
0033 Health Services	-	-	98,415
0034 Student (Pupil) Transportation	-	-	69,663
0035 Food Services	-	-	6,423,181
0036 Extracurricular Activities	-	-	148,485
0041 General Administration	-	-	1,654
0051 Facilities Maintenance and Operations	-	408	514,233
0052 Security and Monitoring Services	-	-	1,665
0061 Community Services	-	-	915,224
Debt Service:			
0071 Principal on Long Term Debt	-	-	2,560,000
0072 Interest on Long Term Debt	-	-	1,702,647
0073 Bond Issuance Cost and Fees	-	-	225,133
Capital Outlay:			
0081 Facilities Acquisition and Construction	445	112,453	112,453
6030 Total Expenditures	<u>445</u>	<u>131,559</u>	<u>23,932,615</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(437)</u>	<u>(131,088)</u>	<u>(677,186)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	9,055,000
7916 Premium or Discount on Issuance of Bonds	-	-	919,006
8949 Other Sources	-	-	(9,769,637)
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>204,369</u>
1200 Net Change in Fund Balance	(437)	(131,088)	(472,817)
0100 Fund Balance - September 1 (Beginning)	<u>2,690</u>	<u>938,903</u>	<u>3,452,105</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 2,253</u>	<u>\$ 807,815</u>	<u>\$ 2,979,288</u>

T.E.A. REQUIRED SCHEDULES

Section 21.256, Texas Education Code, requires an annual audit and authorizes the State Board of Education, with the approval of the State Auditor, to prescribe minimum regulations and report forms for the annual audit. The Financial Accountability System Resource Guide of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. This section fulfills the requirements for certain forms and formats required to be filed with the Texas Education Agency.

SAN FELIPE DEL RIO CISD
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2015

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2006 and prior years	Various	Various	\$ 4,848,350,035
2007	1.316848	0.115000	1,001,913,955
2008	1.040000	0.099000	1,110,627,675
2009	1.040000	0.126700	1,271,453,258
2010	1.040000	0.159415	1,263,758,458
2011	1.040000	0.145000	1,332,854,958
2012	1.040000	0.148720	1,366,457,781
2013	1.040000	0.139500	1,392,619,198
2014	1.040000	0.132400	1,495,975,941
2015 (School year under audit)	1.040000	0.127900	1,537,636,267
1000 TOTALS			

(10) Beginning Balance 9/1/2014	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2015
\$ 667,785	\$ -	\$ 22,085	\$ 1,740	\$ (19,308)	\$ 624,652
120,365	-	7,969	990	(3,187)	108,219
101,576	-	7,493	933	(2,273)	90,877
135,784	-	12,308	1,528	(6,416)	115,532
175,292	-	22,514	2,792	(3,839)	146,147
232,307	-	35,933	4,461	354	192,267
320,871	-	54,718	6,816	(14,516)	244,821
450,311	-	101,069	12,567	(1,914)	334,761
835,345	-	275,816	34,350	(22,693)	502,486
-	17,958,054	15,284,381	1,883,456	-	790,217
<u>\$ 3,039,636</u>	<u>\$ 17,958,054</u>	<u>\$ 15,824,286</u>	<u>\$ 1,949,633</u>	<u>\$ (73,792)</u>	<u>\$ 3,149,979</u>

SAN FELIPE DEL RIO CISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 956,638	\$ 956,638	\$ 843,415	\$ (113,223)
5800 State Program Revenues	40,000	40,000	37,554	(2,446)
5900 Federal Program Revenues	5,581,741	5,581,740	5,553,949	(27,791)
5020 Total Revenues	6,578,379	6,578,379	6,434,918	(143,461)
EXPENDITURES:				
0035 Food Services	6,159,356	6,251,659	6,310,898	(59,239)
0051 Facilities Maintenance and Operations	419,023	406,719	386,911	19,808
6030 Total Expenditures	6,578,379	6,658,378	6,697,809	(39,431)
1200 Net Change in Fund Balances	-	(79,999)	(262,891)	(182,892)
0100 Fund Balance - September 1 (Beginning)	-	823,996	823,996	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 743,996	\$ 561,105	\$ (182,891)

SAN FELIPE DEL RIO CISD
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 2,017,230	\$ 2,017,230	\$ 1,998,785	\$ (18,445)
5800	State Program Revenues	2,288,290	2,251,293	2,290,791	39,498
5020	Total Revenues	4,305,520	4,268,523	4,289,576	21,053
EXPENDITURES:					
Debt Service:					
0071	Principal on Long Term Debt	2,425,000	2,560,000	2,560,000	-
0072	Interest on Long Term Debt	1,842,420	1,702,647	1,702,647	-
0073	Bond Issuance Cost and Fees	38,100	10,006,105	225,133	9,780,972
6030	Total Expenditures	4,305,520	14,268,752	4,487,780	9,780,972
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(10,000,229)	(198,204)	9,802,025
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	-	9,055,000	9,055,000
7916	Premium or Discount on Issuance of Bonds	-	-	919,006	919,006
8949	Other Sources	-	-	(9,769,637)	(9,769,637)
7080	Total Other Financing Sources (Uses)	-	-	204,369	204,369
1200	Net Change in Fund Balances	-	(10,000,229)	6,165	10,006,394
0100	Fund Balance - September 1 (Beginning)	-	1,268,891	1,268,891	-
3000	Fund Balance - August 31 (Ending)	\$ -	\$ (8,731,338)	\$ 1,275,056	\$ 10,006,394

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STATISTICAL SECTION

Statistical Tables are used to provide detailed data on the physical, economic, social and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than it is possible from the basic financial statements.

SAN FELIPE DEL RIO CISD
NET POSITION BY COMPONENT
LAST TEN YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 20,965,032	\$ 22,864,581	\$ 21,624,572	\$ 20,162,593
Restricted	2,860,747	3,184,929	2,507,568	18,512,080
Unrestricted	22,671,302	28,529,178	33,211,103	21,592,075
Total Governmental Activities Net Position	<u>\$ 46,497,081</u>	<u>\$ 54,578,688</u>	<u>\$ 57,343,243</u>	<u>\$ 60,266,748</u>

2010	2011	2012	2013	2014	2015
\$ 14,640,249	\$ 18,422,633	\$ 26,470,340	\$ 32,853,555	\$ 34,585,522	\$ 36,452,605
15,428,495	13,246,293	5,963,912	6,548,900	4,485,698	2,979,289
36,333,351	46,837,114	56,436,272	53,736,174	46,172,482	46,925,207
<u>\$ 66,402,095</u>	<u>\$ 78,506,040</u>	<u>\$ 88,870,524</u>	<u>\$ 93,138,629</u>	<u>\$ 85,243,702</u>	<u>\$ 86,357,101</u>

SAN FELIPE DEL RIO CISD
 EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009
Expenses:				
Governmental Activities				
Instruction	\$ 42,641,871	\$ 44,024,878	\$ 48,488,905	\$ 50,706,225
Instructional Resource & Media Services	1,657,027	1,539,994	1,617,799	1,568,540
Curriculum/Instructional Staff Devel	1,934,024	1,662,269	1,385,582	952,670
Instructional Leadership	1,436,322	1,518,421	1,754,956	1,490,770
School Leadership	3,276,393	3,436,907	3,580,673	3,573,739
Guidance/Counseling/Evaluation Serv	2,485,497	2,670,548	2,939,606	2,234,403
Social Work Services	172,080	180,871	189,611	205,496
Health Services	665,150	619,178	682,500	700,689
Student (Pupil) Transportation	1,626,317	1,641,405	1,638,864	1,474,242
Food Services	3,935,631	3,837,247	4,198,993	4,620,191
Cocurricular/Extracurricular Activities	2,157,535	2,307,533	2,556,609	2,648,626
General Administration	2,418,308	2,371,420	1,981,577	2,395,034
Facilities Maintenance & Operations	6,975,048	7,477,235	7,493,439	8,173,993
Security & Monitoring Services	631,906	705,011	751,175	965,174
Data Processing Services	1,515,659	1,541,169	1,227,170	678,701
Community Services	1,017,245	996,445	960,560	1,006,634
Debt Service - Interest on Long Term Debt	1,343,113	2,218,477	2,739,240	2,809,452
Debt Service - Bond Issuance Cost and Fees	12,908	42,015	36,208	228,013
Capital Outlay	151,311	185,361	967,052	28,023
Other Intergovernmental Charges	-	-	545,753	664,232
Total Governmental Activities Expenses	\$ 76,053,345	\$ 78,976,384	\$ 85,736,272	\$ 87,124,847
Program Revenues:				
Governmental Activities				
Charges for Services:				
Instruction	\$ 683,736	\$ 701,456	\$ 968,362	\$ 500,656
Food Services	58,943	61,531	-	814,346
Extracurricular Activities	35,366	36,917	60,523	145,643
Facilities Maintenance and Operations	106,096	12,306	166,438	86,051
Other Activities	294,712	418,417	317,738	164,276
Operating Grants and Contributions	19,758,798	19,674,107	20,235,161	21,527,680
Total Governmental Activities Program Revenues	\$ 20,937,651	\$ 20,904,734	\$ 21,748,222	\$ 23,238,652
Total Governmental Activities Net Expense	\$ (55,115,694)	\$ (58,071,650)	\$ (63,988,050)	\$ (63,886,195)

	2010	2011	2012	2013	2014	2015
\$	51,764,977	\$ 48,387,010	\$ 48,372,502	\$ 50,022,828	\$ 50,342,995	\$ 56,671,661
	1,573,767	1,930,741	1,833,772	1,678,082	1,692,666	1,558,759
	1,675,524	1,204,917	1,193,561	1,360,768	2,943,711	3,444,043
	1,624,468	1,673,854	1,707,916	1,961,197	1,916,368	2,147,301
	3,580,045	3,484,329	3,561,130	3,999,679	3,956,282	4,152,708
	2,983,260	3,132,972	3,098,961	3,336,876	3,447,120	4,087,197
	205,386	177,874	195,960	217,490	225,240	224,873
	719,960	661,825	643,157	767,630	823,082	961,010
	1,533,097	1,675,768	1,964,113	2,414,063	2,450,995	2,336,145
	4,450,532	4,558,913	4,876,566	5,988,138	6,502,345	6,631,585
	2,476,516	2,624,882	2,715,001	2,992,960	3,195,689	3,464,237
	2,638,097	2,590,927	2,848,554	2,667,078	2,686,158	2,900,457
	8,099,340	8,137,198	8,335,148	9,214,945	9,294,290	10,472,508
	964,371	1,107,022	1,044,091	1,250,329	1,416,688	1,442,697
	759,484	1,040,407	979,968	1,297,626	1,431,846	1,826,545
	978,478	959,043	912,762	827,311	932,392	1,095,035
	2,443,474	3,396,399	3,398,738	2,231,194	2,948,081	1,520,557
	59,450	47,798	55,015	28,055	(985,998)	701,969
	186,030	71,383	275,288	43,860	91,837	406,213
	713,133	564,446	512,947	570,341	491,024	492,199
<u>\$</u>	<u>89,429,389</u>	<u>\$ 87,427,708</u>	<u>\$ 88,525,150</u>	<u>\$ 92,870,450</u>	<u>\$ 95,802,811</u>	<u>\$ 106,537,700</u>

\$	469,625	\$ 272,274	\$ 191,318	\$ 174,223	\$ 742,876	\$ 717,190
	781,311	816,772	832,301	897,192	104,001	-
	197,690	192,921	212,744	146,940	44,572	49,463
	80,718	46,797	32,883	52,744	118,860	148,385
	154,097	89,342	62,772	57,168	475,433	321,501
	30,397,351	26,769,961	22,992,103	22,175,440	20,267,748	22,359,058
<u>\$</u>	<u>32,080,792</u>	<u>\$ 28,188,067</u>	<u>\$ 24,324,121</u>	<u>\$ 23,503,707</u>	<u>\$ 21,753,490</u>	<u>\$ 23,595,597</u>
<u>\$</u>	<u>(57,348,597)</u>	<u>\$ (59,239,641)</u>	<u>\$ (64,201,029)</u>	<u>\$ (69,366,743)</u>	<u>\$ (74,049,321)</u>	<u>\$ (82,942,103)</u>

SAN FELIPE DEL RIO CISD
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009
Net (Expense)/Revenue				
Governmental Activities	\$ (55,115,694)	\$ (58,071,650)	\$ (63,988,050)	\$ (63,886,195)
Total Primary Government Program Revenues	<u>(55,115,694)</u>	<u>(58,071,650)</u>	<u>(63,988,050)</u>	<u>(63,886,195)</u>
General Revenues & Other Changes in Net Position				
Governmental Activities				
Property Taxes				
Levied for General Purposes	13,090,736	13,305,065	11,218,743	12,273,413
Levied for Debt Service	662,768	1,161,160	1,067,888	1,517,701
State Aid - Formula Grants	40,822,011	-	52,024,588	52,147,416
Unrestricted Grants and Contributions	-	48,693,585	-	-
Investment Earnings	1,631,671	2,669,186	2,163,183	800,932
Miscellaneous Local and Intermediate Revenue	2,073,624	458,797	516,162	113,280
Special Items	4,757	(65,622)	(65,975)	(12,662)
Extraordinary Item - resource	-	195	-	-
Transfers	(6,373)	(69,109)	11,876	(30,382)
Total Governmental Activities	<u>\$ 58,279,194</u>	<u>\$ 66,153,257</u>	<u>\$ 66,936,465</u>	<u>\$ 66,809,698</u>
Changes in Net Position				
Governmental Activities	\$ 3,163,500	\$ 8,081,607	\$ 2,948,415	\$ 2,923,503
Total Primary Government	<u>\$ 3,163,500</u>	<u>\$ 8,081,607</u>	<u>\$ 2,948,415</u>	<u>\$ 2,923,503</u>

2010	2011	2012	2013	2014	2015
\$ (57,348,597)	\$ (59,239,641)	\$ (64,201,029)	\$ (69,366,743)	\$ (74,049,321)	\$ (82,942,103)
(57,348,597)	(59,239,641)	(64,201,029)	(69,366,743)	(74,049,321)	(82,942,103)

12,234,521	13,132,037	13,874,294	14,801,948	15,185,360	16,143,277
1,894,544	1,863,558	2,041,676	1,836,256	1,881,331	1,881,206
48,243,225	-	-	-	-	-
-	54,671,371	54,336,114	56,997,255	61,043,029	65,876,594
349,117	159,413	157,667	130,049	81,588	69,982
527,813	1,420,825	(350,309)	(130,660)	920,205	84,443
-	-	(4,639)	-	-	-
-	-	-	-	-	-
-	804	(26,000)	-	-	-
\$ 63,249,220	\$ 71,248,008	\$ 70,028,803	\$ 73,634,848	\$ 79,111,513	\$ 84,055,502

\$ 5,900,623	\$ 12,008,367	\$ 5,827,774	\$ 4,268,105	\$ 5,062,192	\$ 1,113,399
\$ 5,900,623	\$ 12,008,367	\$ 5,827,774	\$ 4,268,105	\$ 5,062,192	\$ 1,113,399

SAN FELIPE DEL RIO CISD
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009
General Fund				
Nonspendable	\$ 737,737	\$ 601,763	\$ 609,229	\$ 623,044
Restricted	560,275	406,481	269,314	449,054
Comitted	-	1,769,919	920,000	1,654,208
Assigned	2,806,622	2,375,467	435,792	
Unassigned	15,848,761	20,144,367	25,815,375	27,881,507
Total General Fund	<u>\$ 19,953,395</u>	<u>\$ 25,297,997</u>	<u>\$ 28,049,710</u>	<u>\$ 30,607,813</u>
All Other Governmental Funds				
Nonspendable	\$ 457,480	\$ 543,334	\$ 499,602	\$ 572,668
Restricted	2,188,937	1,968,578	1,647,130	1,157,517
Comitted	-	-	-	-
Assigned	-	-	-	-
Unassigned	639,728	22,539,554	14,558,913	16,781,895
Total All Other Governmental Funds	<u>\$ 3,286,145</u>	<u>\$ 25,051,466</u>	<u>\$ 16,705,645</u>	<u>\$ 18,512,080</u>

Note: During the fiscal year 2011, the District adopted GASB Statement No. 54. Implementing this standard affected the presentation of fund balance on the governmental funds balance sheet.

2010	2011	2012	2013	2014	2015
\$ 782,891	\$ 600,000	\$ 715,699	\$ 627,311	\$ 563,193	\$ 486,633
469,501	-	-	-	-	-
2,000,000	2,088,425	794,063	28,703,461	27,362,867	22,913,460
30,313,071	38,980,447	45,836,950	20,127,659	26,290,904	28,570,268
<u>\$ 33,565,463</u>	<u>\$ 41,668,872</u>	<u>\$ 47,346,712</u>	<u>\$ 49,458,431</u>	<u>\$ 54,216,964</u>	<u>\$ 51,970,361</u>
\$ 591,544	\$ -	\$ 261,539	\$ 342,712	\$ 418,077	\$ 176,436
12,836,952	13,246,293	6,086,628	4,590,666	3,034,028	2,802,852
-	-	-	-	-	-
-	-	-	-	-	-
277,731	(1,225,757)	168,688	169,244	-	-
<u>\$ 13,706,227</u>	<u>\$ 12,020,536</u>	<u>\$ 6,516,855</u>	<u>\$ 5,102,622</u>	<u>\$ 3,452,105</u>	<u>\$ 2,979,288</u>

SAN FELIPE DEL RIO CISD
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009
Revenues:				
Local and Intermediate Sources	\$ 18,735,381	\$ 19,037,092	\$ 16,707,196	\$ 17,070,448
State Program Revenues	45,353,186	53,663,114	57,274,980	57,217,211
Federal Program Revenues	15,048,287	14,440,024	14,924,471	15,444,904
Total Revenues	79,136,854	87,140,230	88,906,647	89,732,563
Expenses:				
Instruction	41,648,424	43,209,172	47,156,064	49,577,849
Instructional Resource & Media Services	1,626,135	1,516,644	1,575,651	1,539,162
Curriculum/Instructional Staff Devel	1,928,632	1,675,260	1,373,853	950,376
Instructional Leadership	1,422,183	1,510,512	1,731,593	1,476,086
School Leadership	3,250,330	3,424,427	3,523,299	3,547,766
Guidance/Counseling/Evaluation Serv	2,487,466	2,686,188	2,929,041	2,237,205
Social Work Services	172,216	181,930	188,268	205,496
Health Services	665,677	622,804	678,429	702,090
Student (Pupil) Transportation	1,600,987	1,603,068	1,565,129	1,198,212
Food Services	3,971,257	3,948,834	4,216,990	4,599,294
Cocurricular/Extracurricular Activities	2,099,460	2,269,288	2,480,712	2,590,615
General Administration	2,400,798	2,372,411	1,950,201	2,385,359
Plant Maintenance & Operations	6,919,637	7,495,332	7,453,508	8,142,837
Security & Monitoring Services	607,496	683,324	766,925	946,203
Data Processing Services	1,443,039	1,477,341	1,138,044	601,046
Community Services	1,018,051	1,002,280	960,201	1,006,634
Debt Service - Principal on long-term debt	1,560,000	2,205,000	1,675,000	1,755,000
Debt Service - Interest on Long Term Debt	1,246,983	2,102,966	1,901,418	2,686,338
Debt Service - Bond Issuance Cost and Fees	12,908	279,780	667,380	198,397
Capital Outlay	3,137,128	1,835,741	10,446,830	10,788,169
Other Intergovernmental Charges	-	-	545,753	664,232
Total Expenditures	79,218,807	82,102,302	94,924,289	97,798,366
Excess of Revenues Over (Under) Expenditures	(81,953)	5,037,928	(6,017,642)	(8,065,803)
Other Financing Sources (Uses)				
Refunding Bonds Issued	-	-	-	-
Capital Related Debt Issued (Regular Bonds)	-	21,915,000	6,469,993	12,285,000
Sale of Real and Personal Property	4,757	2,034	7,605	1,657
Transfers In	871,965	-	215,832	7,071
Premium or Discount on Issuance of Bonds	-	268,700	653,895	186,728
Other Resources	1,046	-	-	-
Transfers Out	(871,965)	-	(215,832)	(7,071)
Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
Other (Uses)	(7,419)	(69,109)	(6,458,124)	(30,382)
Total Other Financing Sources (Uses)	(1,616)	22,116,625	673,369	12,443,003
Extraordinary Item - Resource	-	195	-	-
Special Item (Use)	-	(44,825)	(65,975)	(12,662)
Net Change in Fund Balances	\$ (83,569)	\$ 27,109,923	\$ (5,410,248)	\$ 4,364,538
Debt Service as a Percentage of Noncapital Expenditures	3.7%	5.7%	5.0%	5.3%

	2010	2011	2012	2013	2014	2015
\$	17,463,909	\$ 17,854,444	\$ 18,331,315	\$ 18,723,408	\$ 19,766,588	\$ 19,922,879
	53,048,871	58,160,468	56,825,613	58,814,168	63,684,437	67,414,547
	24,665,430	23,278,257	19,509,244	19,292,464	17,626,002	17,030,268
	95,178,210	99,293,169	94,666,172	96,830,040	101,077,027	104,367,694
	51,692,658	48,291,897	48,468,485	47,883,956	47,726,117	52,559,176
	1,563,399	1,933,609	1,821,565	1,638,584	1,656,424	1,484,321
	1,692,320	1,215,612	1,197,809	1,357,109	2,936,483	3,292,763
	1,630,271	1,689,350	1,706,061	1,936,244	1,891,299	2,095,945
	3,601,596	3,516,258	3,556,728	3,932,140	3,885,252	4,036,000
	3,026,883	3,203,068	3,154,598	3,322,241	3,436,910	3,922,167
	205,386	195,398	209,869	213,831	224,606	218,354
	730,866	679,349	657,066	763,971	820,669	932,336
	1,279,018	2,301,517	1,454,474	2,196,430	2,438,109	2,326,542
	4,484,395	4,637,792	4,916,982	6,012,183	6,542,226	6,439,884
	2,445,772	2,601,318	2,702,985	2,740,562	2,939,558	3,139,512
	2,655,765	2,647,977	2,861,299	2,656,101	2,679,955	2,817,363
	8,479,896	8,259,323	8,398,388	10,837,578	9,303,981	10,129,641
	955,212	1,097,229	1,019,356	1,254,009	1,437,722	1,420,728
	763,496	966,801	856,879	1,348,568	1,760,508	1,796,699
	978,478	976,567	926,671	823,652	929,881	1,037,664
	2,110,000	1,159,444	1,155,548	2,315,000	2,565,000	2,560,000
	2,318,724	3,276,440	3,287,095	2,123,346	1,741,418	1,702,647
	29,834	21,476	28,494	28,055	19,107,555	225,133
	5,899,808	3,614,127	7,385,049	2,179,809	2,546,971	4,673,558
	713,133	564,448	512,947	570,341	491,024	492,199
	97,256,910	92,849,000	96,278,348	96,133,710	117,061,668	107,302,632
	(2,078,700)	6,444,169	(1,612,176)	696,330	(15,984,641)	(2,934,938)
	-	-	-	-	17,430,000	-
	-	-	-	-	-	9,055,000
	3,383	2,743	38,319	3,397	14,104	10,164
	-	17,779	792,784	-	-	-
	-	-	-	-	1,648,553	919,006
	-	5,064	-	-	-	-
	-	(17,779)	(818,784)	-	-	-
	(7,610)	-	-	-	-	-
	-	(34,258)	(4,684)	(2,241)	-	(9,768,652)
	(4,227)	(26,451)	7,635	1,156	19,092,657	215,518
	-	-	-	-	-	-
	-	-	(4,639)	-	-	-
\$	(2,082,927)	\$ 6,417,718	\$ (1,609,180)	\$ 697,486	\$ 3,108,016	\$ (2,719,420)
	4.9%	5.0%	5.0%	4.9%	4.6%	4.6%

SAN FELIPE DEL RIO CISD
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year Ending August 31	2006	2007	2008	2009
Tax Year	2005	2006	2007	2008
Real Property:				
Residential Property	\$ 570,431,630	\$ 619,949,104	\$ 688,606,340	\$ 773,258,410
Commercial Property	451,102,151	499,810,361	576,484,653	631,740,682
Agricultural Property	88,296,057	86,755,377	89,863,290	89,937,780
Personal Property	218,185,450	212,812,420	213,370,230	251,791,820
Mineral Property	47,767,270	55,583,530	45,307,430	51,790,680
Less: Ag & Homestead Cap	87,283,164	92,467,752	93,916,572	105,224,642
Total Taxable Assessed Value	\$ 1,288,499,394	\$ 1,382,443,040	\$ 1,519,715,371	\$ 1,693,294,730
Total Direct Tax Rate	1.5120	1.4318	1.1390	1.1667
Estimated Actual Taxable Value	\$ 930,906,932	\$ 970,501,572	\$ 1,071,520,897	\$ 1,229,793,198
Taxable Assessed Value as a Percentage of Actual Taxable Value	138.4133%	142.4462%	141.8279%	137.6894%

SAN FELIPE DEL RIO CISD
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014
\$	811,523,340	\$ 896,510,137	\$ 948,139,169	\$ 933,518,899	\$ 946,825,353	\$ 958,315,767
	607,942,702	659,998,461	691,843,898	743,690,669	962,249,233	1,009,313,050
	93,133,980	107,188,790	105,202,670	282,162,699	285,741,369	282,051,789
	193,912,170	202,584,730	212,634,940	259,892,520	285,373,810	313,806,460
	38,869,460	36,012,490	27,356,510	19,554,730	15,463,270	15,084,520
	103,193,162	127,878,512	116,337,676	288,272,395	292,355,426	283,425,536
\$	1,642,188,490	\$ 1,774,416,096	\$ 1,868,839,511	\$ 1,950,547,122	\$ 2,203,297,609	\$ 2,295,146,050
	1.1994	1.1994	1.1887	1.1795	1.1724	1.1679
\$	1,152,226,110	\$ 1,256,170,243	\$ 1,291,843,692	\$ 1,310,225,721	\$ 1,415,546,931	\$ 1,455,744,210
	142.5231%	141.2560%	144.6645%	148.8711%	155.6499%	157.6614%

SAN FELIPE DEL RIO CISD
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

Fiscal Year	District Direct Rates			Overlapping Rates				Total Direct and Overlapping Debt
	General Purposes	Capital Purposes	Total	City of Del Rio	Val Verde County	Val Verde Regional Hospital	Farm-to- Market	
2006	1.440000	0.072000	1.512000	0.520550	0.448000	0.146300	0.018000	2.644850
2007	1.316848	0.115000	1.431848	0.520550	0.448000	0.138000	0.018000	2.556398
2008	1.040048	0.099000	1.139048	0.540550	0.448000	0.134200	0.018000	2.279798
2009	1.040000	0.126700	1.166700	0.560550	0.445700	0.128400	0.018000	2.319350
2010	1.040000	0.159415	1.199415	0.557550	0.445700	0.128400	0.018000	2.349065
2011	1.040000	0.145000	1.185000	0.575550	0.445700	0.124581	0.018000	2.348831
2012	1.040000	0.148720	1.188720	0.575550	0.445700	0.124200	0.018000	2.352170
2013	1.040000	0.139500	1.179500	0.575550	0.445700	0.125134	0.018000	2.343884
2014	1.040000	0.132400	1.172400	0.578808	0.445700	0.119200	0.018000	2.334108
2015	1.040000	0.127900	1.167900	0.588810	0.481800	0.116500	0.018000	2.373010

Source: Val Verde County Tax Office

San Felipe Del Rio CISD
Principal Property Tax Payers
Current Year and Ten Years Ago

Tax Payer	Fiscal Year 2015 Tax Year 2014			Fiscal Year 2006 Tax Year 2005		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Electric Transmission of Texas	33,883,570	1	2.33%			
AEP Texas Central Co.	23,442,310	2	1.61%	18,952,940	3	2.04%
GEO Group Inc.	23,081,360	3	1.59%			
Union Pacific Railroad Co.	15,106,210	4	1.04%	7,120,350	9	0.76%
Plaza-Al LLC	12,463,700	5	0.86%			
San Antonio Shoe Inc.	10,775,900	6	0.74%			
Wal Mart Real Estate	8,984,600	7	0.62%	8,716,290	7	0.94%
Wal-Mart Stores #01-0447	8,593,170	8	0.59%	8,895,350	5	0.96%
Verizon Southwest	7,814,980	9	0.54%	15,448,390	4	1.66%
Lone Star NGL Pipeline LLC	7,144,150	10	0.49%			
Conoco Phillips Company				25,917,360	1	2.78%
Wackenhut Corrections				19,529,790	2	2.10%
DL Del Rio ILP				8,835,890	6	0.95%
Mall Shopping Ctr Inc				744,920	8	0.08%
Irvin Automotive Productst Inc				6,642,850	10	0.71%

Source: Val Verde County Appraisal District

SAN FELIPE DEL RIO CISD
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Rate	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Total Collections to Date	
			Amount	Percent of Levy	Amount	Percent of Levy
2006	1.512000	13,808,162	12,927,377	93.62%	13,654,369	98.89%
2007	1.431848	14,345,885	13,886,915	96.80%	14,225,520	99.16%
2008	1.139048	12,650,582	11,626,866	91.91%	12,549,006	99.20%
2009	1.166700	14,834,655	12,872,113	86.77%	14,698,871	99.08%
2010	1.199415	15,157,709	13,980,696	92.23%	14,711,523	97.06%
2011	1.185000	15,986,462	14,856,191	92.93%	15,579,359	97.45%
2012	1.188720	16,243,357	15,277,345	94.05%	16,235,894	99.95%
2013	1.179500	16,425,943	15,502,822	94.38%	16,333,087	99.43%
2014	1.172400	17,347,321	16,511,976	95.18%	17,292,819	99.69%
2015	1.167900	17,958,054	17,167,837	95.60%	17,773,919	98.97%

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago

Employer	2015			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Laughlin Air Force Base (2013 data)	3,420	1	18.69%	2,782	1	17.58%
Government Agencies	2,063	2	11.28%	1,955	2	12.35%
San Felipe Del Rio CISD	1,394	3	7.62%	1,567	3	9.90%
Retail	1,216	4	6.65%	N/A		
Manufacturers	1,104	5	6.03%	N/A		
Val Verde Regional Medical Center	525	6	2.87%	500	4	3.16%
City of Del Rio	450	7	2.46%	485	5	3.06%
The GEO Group Correctional Facility	301	8	1.65%	198	10	1.25%
Financial Institutions	257	9	1.40%	N/A		
Val Verde County	207	10	1.13%	206	9	1.30%
Union Pacific Railroad	150	11	0.82%	N/A		
Wal-Mart Supercenter	N/A			473	6	2.99%
Plaza Del Sol Mall	N/A			445	7	2.81%
H.E.B. Grocery	N/A			256	8	1.62%
Total	11,087			8,867		

Source: Del Rio Chamber of Commerce

Note: Some employer data is not updated on an annual basis

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



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

January 14, 2016

To the Board of Trustees of the
San Felipe Del Rio Consolidated Independent School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Felipe Del Rio Consolidated Independent School District (the "District"), as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 14, 2016.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas



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

January 14, 2016

To the Board of Trustees of the
San Felipe Del Rio Consolidated Independent School District:

Report on Compliance for Each Major Federal Program

We have audited San Felipe Del Rio Consolidated Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

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

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended August 31, 2015

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2015

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of San Felipe Del Rio Consolidated Independent School District (the "District").
2. Significant deficiencies in internal control were not disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies in internal control over major federal award programs were not disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the District are reported in Part C of this schedule.
7. The programs included as major programs are:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
84.011	Migrant Education
84.048	Career and Technical Education

8. The threshold for distinguishing Type A and B programs was \$477,391.
9. The District did qualify as a low-risk auditee.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None Noted

C. FINDINGS – FEDERAL AWARDS

None Noted

NOTE 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of San Felipe Del Rio Consolidated Independent School District, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SAN FELIPE DEL RIO CISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL COMMUNICATIONS COMMISSION			
<u>Direct Programs</u>			
Universal E-Rate	32.000		\$ 83,469
Total Direct Programs			\$ 83,469
TOTAL FEDERAL COMMUNICATIONS COMMISSION			\$ 83,469
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000		\$ 88,704
Total Direct Programs			\$ 88,704
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 88,704
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		\$ 197,066
Total Direct Programs			\$ 197,066
<u>Passed Through State Department of Education</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101233901	\$ 3,286,856
ESEA, Title I, Part A - Improving Basic Programs	84.010A	16610101233901	106,747
ESEA, Title I, Priority & Focus School Grant	84.010A	15610112233901043	72,199
ESEA, Title I, Priority & Focus School Grant	84.010A	14610112233901102	1,667
ESEA, Title I, Priority & Focus School Grant	84.010A	15610112233901102	17,154
ESEA, Title I, Priority & Focus School Grant	84.010A	14610112233901103	893
ESEA, Title I, Priority & Focus School Grant	84.010A	15610112233901103	24,272
ESEA, Title I, Priority & Focus School Grant	84.010A	14610112233901104	1,661
ESEA, Title I, Priority & Focus School Grant	84.010A	15610112233901104	15,783
ESEA, Title I, Priority & Focus School Grant	84.010A	14610112233901112	773
ESEA, Title I, Priority & Focus School Grant	84.010A	15610112233901112	20,558
Total CFDA Number 84.010A			3,548,563
ESEA, Title I, Part C - Migratory Children	84.011	14615001233901	2,029
ESEA, Title I, Part C - Migratory Children	84.011	15615001233901	1,168,737
ESEA, Title I, Part C - Migratory Children	84.011	16615001233901	46,759
Total CFDA Number 84.011			1,217,525
*IDEA - Part B, Formula	84.027	156600012339016600	1,670,168
*IDEA - Part B, Formula	84.027	166600012339016600	86,090
Total CFDA Number 84.027			1,756,258
*IDEA - Part B, Preschool	84.173	156610012339016610	57,168
*IDEA - Part B, Preschool	84.173	166610012339016610	1,975
Total CFDA Number 84.173			59,143
Total Special Education Cluster (IDEA)			1,815,401
Career and Technical - Basic Grant	84.048	15420006233901	131,932
Career and Technical - Basic Grant	84.048	16420006233901	7,102
Total CFDA Number 84.048			139,034
Title III, Part A - Immigrant	84.365A	15671003233901	35,761
Title III, Part A - LEP	84.365A	14671001233901	170
Title III, Part A - LEP	84.365A	15671001233901	153,009
Total CFDA Number 84.365A			188,940

SAN FELIPE DEL RIO CISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501233901	20,652
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501233901	733,331
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	16694501233901	17,233
Total CFDA Number 84.367A			771,216
Summer School - LEP	FD289	69551402	6,638
Total Passed Through State Department of Education			\$ 7,687,317
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 7,884,383
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778		\$ 20,862
Total Passed Through Texas Dept of Human Services			\$ 20,862
<u>Passed Through State Department of Education</u>			
Head Start	93.600	06CH7135/01	\$ 2,064,743
Head Start	93.600	06CH7135/02	106,675
Total CFDA Number 93.600			2,171,418
Total Passed Through State Department of Education			\$ 2,171,418
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 2,192,280
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553		\$ 1,633,773
*National School Lunch Program - Cash Assistance	10.555		3,502,218
*National School Lunch Prog - Non-Cash Assistance	10.555		417,958
Total CFDA Number 10.555			3,920,176
*Summer Feeding Program - Cash Assistance	10.559		110,244
Total Child Nutrition Cluster			5,664,193
Total Passed Through the State Department of Agriculture			\$ 5,664,193
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 5,664,193
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 15,913,029

*Clustered Programs

SAN FELIPE DEL RIO CISD

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2015

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 were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. All federal grant funds with the exception of the Impact Aid and indirect cost revenues were accounted for in a Special Revenue Fund, which is a Governmental Fund type.

The modified accrual basis of accounting is used for the Governmental Fund types. 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.

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. Expenditures for the National School Lunch and Breakfast Program, and the Medicaid Administrative Claiming program are not specifically attributable to a federal revenue source and are shown on this schedule in an amount equal to revenue earned.
5. Federal Assistance Reconciliation

Federal Revenues:

Federal Revenue per Exhibit K-1	\$15,913,029
Title I, Building Capacity in Rural Schools Grant	1,837
SHARS Revenue	<u>1,115,402</u>
Exhibit C-3 Federal Revenue	\$17,030,268

SCHOOLS FIRST QUESTIONNAIRE

San Felipe Del Rio CISD

Fiscal Year 2015

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF4	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF8	Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?	Yes
SF10	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	\$1,131,321
SF11	Net Pension Assets (1920) at fiscal year-end.	\$0
SF12	Net Pension Liabilities (2540) at fiscal year-end.	\$11,436,077
SF13	Pension Expense (6147) at fiscal year-end.	\$2,684,531