



SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report

For the Year Ended

August 31, 2014

Del Rio, Texas

<http://www.sfdr-cisd.org>



SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Comprehensive Annual Financial Report
For the Year Ended
August 31, 2014



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, 2014

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SAN FELIPE DEL RIO CISD

COMPREHENSIVE ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2014

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SAN FELIPE DEL RIO
Consolidated Independent School District



P.O. DRAWER 428002

DEL RIO, TEXAS 78842

December 15, 2014

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, 2014 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 three sections:

- The Introductory Section, includes this transmittal letter, which highlights significant aspects of financial operations during the year, and the District’s organizational chart.
- The Financial Section, includes the independent auditor’s report, Management’s Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, and detailed combining and individual statements and supporting schedules for the District’s funds. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements and can be found immediately following the independent auditor’s report. This transmittal letter is designed to complement MD&A and should be read in conjunction with it.
- The Statistical Section, includes unaudited data tables, which summarize the financial and statistical history of the District as well as demographic and other useful information.
- The Compliance Section, includes the single audit reports that 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 school district in Texas that serves Val Verde County and was consolidated in 1971. The San Felipe Del Rio CISD Board of Trustees consists of seven members who are elected at-large to four-year terms with the elections conducted biennially. The District maintains a total of 12 campus and auxiliary facilities, and serves an enrollment of over 10,600 students. According to the United States Census Bureau 2013 estimate, the county’s population is approximately 48,623.

The Board of Trustees 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 of Trustees 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 & 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. 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 of Trustees. 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 of Trustee 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. 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 & 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.

Internal Control. To 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 GAAP.

Independent Audit

Belt, Harris, Pechacek LLP, 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, 2014, are free of 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended August 31, 2014, are fairly presented in conformity with GAAP.

The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements 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 auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports may be found in the Federal Awards section of this report.

Awards and Acknowledgements

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 current rating system utilizes 20 indicators to determine the rating for school districts statewide. The system is designed to encourage districts to improve the management of their financial resources to maximize the funds allocated for direct instructional purposes. For the twelfth year, the District received a rating of **Superior, the State's highest possible rating for financial accountability.** The rating was based on budgetary and financial data for the 2013 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 2013-2014 school year, San Felipe Del Rio CISD was awarded its first **Leadership Circle Platinum Award, the State Comptroller's highest recognition which indicates entities that go above and beyond providing financial transparency.**

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

**Principal Officials
2013 - 2014**

Board of Trustees

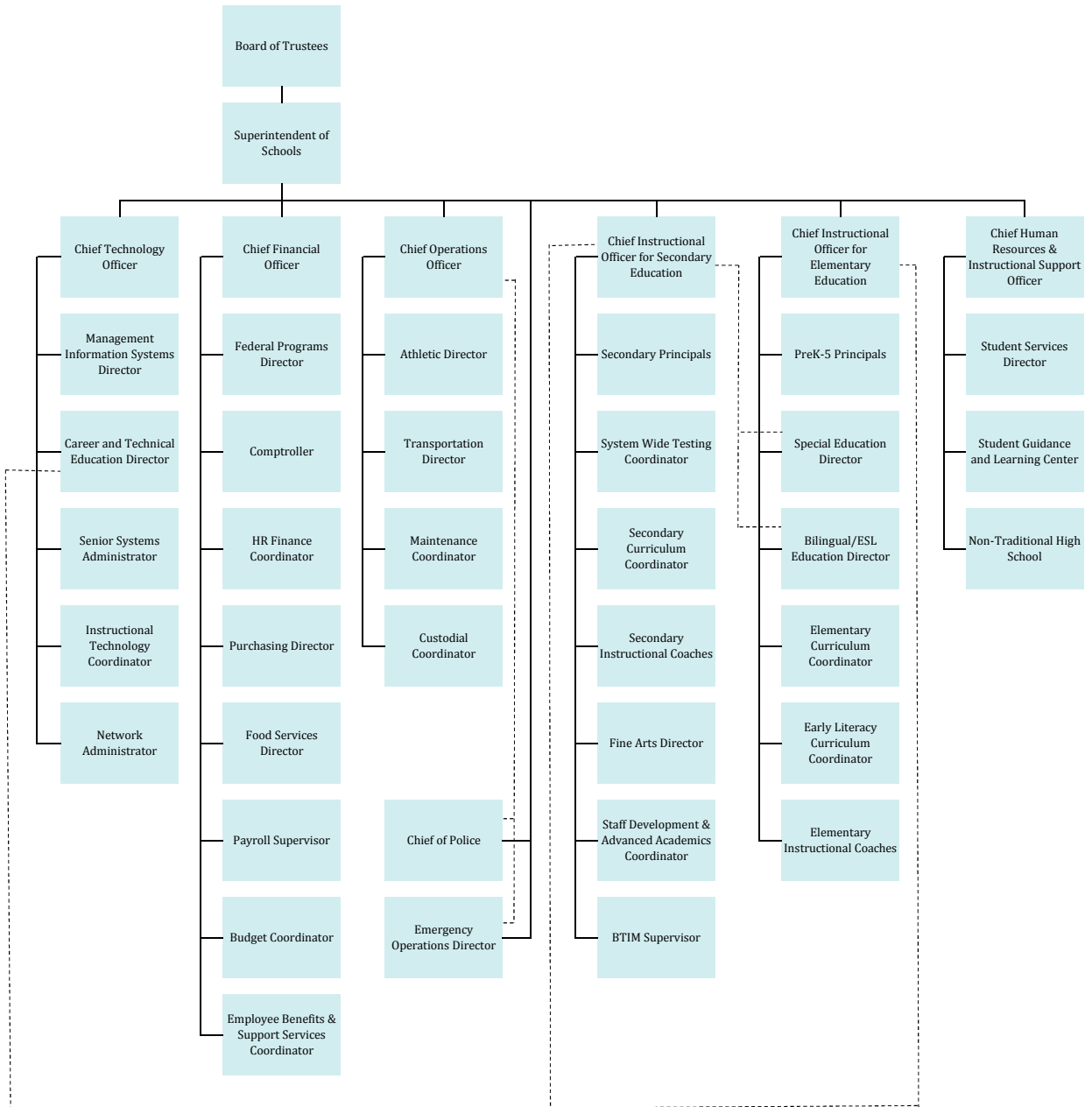
<u>Trustee</u>	<u>Office</u>
Charles Garabedian	President
Cecilia Martinez-Lozano	Vice President
Joshua Overfelt	Secretary
Roberto Chavira	Board Member
Dr. Fernando Quiz	Board Member
Ramon Meza	Board Member
Amy Haynes	Board Member

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
Abelardo Casillas	Chief Technology Officer

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SAN FELIPE DEL RIO CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Organization Chart
2013 - 2014



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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) X approved _____ disapproved for the year ended August 31, 2014 at a meeting of the Board of Trustees of such school district on the 15th day of December, 2014.

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, 2014, 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.

Partners

Robert Belt, CPA
Stephanie E. Harris, CPA
Nathan Krupke, CPA

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information, 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, schedule labeled as "unaudited", 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 November 25, 2014 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
November 25, 2014



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

In this section of the Annual Financial and Compliance Report, we, the managers of **San Felipe Del Rio Consolidated Independent School District**, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2014. 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 2013 – 2014 and the prior year 2012 – 2013 is provided.

FINANCIAL HIGHLIGHTS

- The District's Total Net Position increased by \$5,062,192. The total net position as of August 31, 2014 was \$98,200,821 compared to last year at \$93,138,629. This is discussed in more detail under Government Wide Financial Analysis and Tables I & II. (Exhibit A-1)
- The General Fund ended this year with an overall fund balance of \$54,216,964. The unassigned fund balance is \$26,290,904, or 35.7% (4.3 months) of the total general fund expenditures. The non-spendable and committed fund balance total is \$27,926,060 and consists of \$562,433 in inventories; \$760 non-spendable; \$1,785,933 in equipment and other commitments; and \$25,576,934 reserved for district wide construction, renovations, and/or repair projects. The Board of Trustees approved a resolution at the August 28, 2014 special called meeting committing the general fund balance. (Exhibit C-1)
- The General Fund recorded total revenues of \$78,504,289 and total expenses of \$73,759,860. The excess of revenues over expenses was \$4,744,429 plus other resources of \$14,104 total a net increase of \$4,758,533 to the General Fund Balance. General Fund revenues increased by \$5,913,965 and expenditures increased by \$3,280,099 when compared to audit year August 31, 2013. (Exhibit C-3)
- The District's Internal Service Fund (self-funded health insurance) ended with a Net Position of \$3,143,898, this was a decrease of (\$215,828) compared to last year. (Exhibit D-2)
- The fund balance in the Debt Service Fund (511) is \$1,268,891; this is an increase of \$202,959 for fiscal year 2014. The refinancing of the Series 2005 debt resulted in a net interest savings of \$2,179,309 or approximately \$185,034 per year. The Interest and Sinking tax rate for fiscal year 2014 was \$0.132400 for the purpose of payment of principal and interest on debts. (Exhibit J-4)
- The fund balance in the Child Nutrition Program (Food Service 240 – National Breakfast and Lunch Program) is \$823,996; this is a decrease of (\$167,848) for fiscal year 2014. (Exhibit H-2) (Exhibit J-3)
- The 2004 Bond Issue was sold in two series, each having its own fund: 1) The 2006 Bond Capital Projects (617) fund balance is \$843,295 includes expenditures of \$1,788,828. 2) The 2008 Bond Capital Projects (618) fund balance is \$2,690 includes expenditures of \$24,960. (Exhibit H-2)
- The 2014 fiscal year tax collection rate is 99.69%, with a current year collection of 95.18% plus prior years at 4.50%. Tax collections increased by \$959,732 from 2013 and the tax levy increased by \$921,378. (Exhibit J-1)



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

USING THIS ANNUAL REPORT

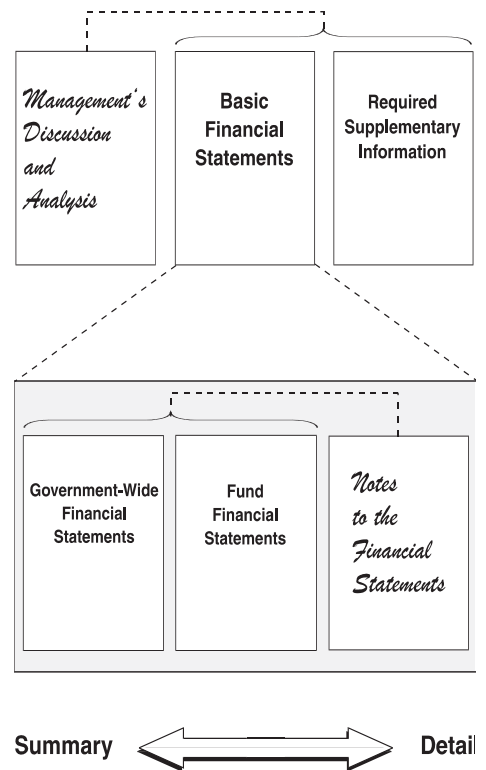
This annual report consists of a series of financial statements and is in three parts — *management’s discussion and analysis*, the *basic financial statements*, and required *supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *Government-Wide Financial Statements*, 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 presents a longer-term view of the District’s property and debt obligations and other financial matters. 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.

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



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 non-major 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.

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



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

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 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 them. 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 assets 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 the 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 2013-2014, fiscal year was the self-funded health insurance fund.



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

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 Assets 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.

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 assets. Over time, increases or decreases in net assets (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 2013-2014 year.

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

The District's total combined assets were \$149,160,466 plus Deferred outflows of Resources were \$1,383,863. Capital assets, such as land, buildings and improvements, vehicles, furniture, equipment, and construction in progress comprise \$78,842,462 of this amount. Cash/cash equivalents and current investments comprise \$57,391,919 and \$2,884,262 is Property Taxes Receivable less allowance for uncollectible taxes (Exhibit A-1). Approximately 4.45% of total assets or \$6,644,777 is in the form of Due from Other Governments.

The total combined liabilities were \$52,343,508. The non-current liabilities (Exhibit A-1) total \$47,728,468; \$2,425,000 of that is due within one year and the long-term liabilities amount is \$45,303,468.

Total assets exceeded total liabilities making a total net position of \$98,200,821 as of August 31, 2014. Net Investment in capital assets (e.g., land, buildings, etc.) is \$34,585,522. 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 4.57%) represent resources subject to external restrictions on how they may be used. The remaining balance of \$59,129,601 unrestricted net assets (approximately 60.21%) may be used to meet the District's ongoing obligations. Unrestricted net assets represents any net assets not classified in accounts 3200 (Capital Assets net of related debt and depreciation) and 3800 (Restricted Assets – restricted by a source external to the district). The District's governmental activities net position increased from \$93,138,629 to \$98,200,821.



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

Total Program Revenue – Exhibit C-3

The District's combined governmental funds revenue increased by \$4,246,987. This consisted of an increase of \$1,043,181 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 \$4,870,269 from state funding based on changes to the foundation school program and an increase in the average daily attendance. A decrease of \$1,666,462 in federal revenue due to non-recurring grant funding (i.e. Texas Cool Schools and Texas Title I Priority Schools – TTIPS). The total combined revenue was \$101,077,027 this year compared to \$96,830,040 last year.

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 21.23% of the General Fund compared to 21.57% last year. State revenue made up the largest component of the general fund, which was 77.19% compared to 76.24% last year. The major revenue sources of the Non-major Governmental Funds were the Child Nutrition Program (National Breakfast and Lunch Program) in the amount of \$6,598,321; Title 1, Part A in the amount of \$3,930,125; Head Start in the amount of \$1,946,838; and IDEA B Formula in the amount of \$2,102,607. The information is reported in Exhibit H-2.

Total Program Expenditure

The District's total combined governmental funds expenditures were \$117,061,668 compared to \$96,133,710 last year. This was an increase in total expenditure of \$20,927,958. This comprised of an increase in General Fund expenditures of \$3,280,099 and an increase of \$17,647,859 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 \$44,165,017 (59.88%) compared to \$41,978,242 (59.56%) for last year. The instructional and school leadership expenditure in general fund for this year was \$4,928,743 (6.68%) compared to \$4,948,344 (7.02%) for last year. The overall combined expenditure for instructional related and school leadership was \$49,093,760 (66.56%). Support services such as guidance and counseling, social work services, health services, pupil transportation, food services and co-curricular activities expended \$8,751,833 from the general fund, which was 11.87% of the actual general fund budget expenditure. Last year's expenditure was \$7,878,574, which was 11.18% of last year's general fund actual expenditures. Support Services – non-student based - had a general fund expenditure of \$14,535,897 (19.71%) compared to \$14,305,787 (20.30%) last year. Non-student based are programs such as plant maintenance operations, security and monitoring services, and data processing services. Community services, which include parental involvement programs, spent \$154,163 (0.21%) this year compared to \$80,907 (0.11%) last year. Construction costs spent from the general fund were \$733,183 (0.99%) this year compared to \$717,566 (1.02%) 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 \$17,066,691 because some of the costs were paid by those who directly benefited from the programs \$1,485,742 or by other governments and organizations that subsidized certain programs with grants and contributions \$20,267,748. 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, revenue and expenditure 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



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\$3,108,016. This includes the General Fund net change in fund balance of \$4,758,533. The Debt Service Fund net change of \$202,959 which includes the refinancing of the Series 2005 debt. The major portion of the Other Funds deficit is from Construction Funds with a deficit of \$1,788,090 in the series 2006 Construction Fund (bond money) because the money was received in 2006. This fund has only received interest revenue since that time. Therefore, any expenditure shows a deficit due to lack of revenue; however, the money was available from bond proceeds. The Administration shows an on-going budget in the Construction Funds which shows that Fund Balance is being used to offset any deficit during the year, accordingly, the financial statements report a fund balance of \$843,295 in Series 2006 as of August 31, 2014.

Table I San Felipe Del Rio CISD Net Position					
	Governmental Activities		Total Change	Percent of Total	
	2014	2013	2014-2013	2014	2013
Current and Other Assets	\$ 70,318,004	\$ 68,326,105	\$ 1,991,899	47.14%	46.43%
Capital Assets	78,842,462	78,819,666	22,796	52.86%	53.57%
Total Assets	<u>\$ 149,160,466</u>	<u>\$ 147,145,771</u>	<u>\$ 2,014,695</u>	100.00%	100.00%
Deferred Outflows of Resources	<u>\$ 1,383,863</u>	<u>\$ 1,415,941</u>	<u>\$ (32,078)</u>	100.00%	100.00%
Long-Term Liabilities	\$ 45,303,468	\$ 47,723,083	\$ (2,419,615)	86.55%	86.11%
Other Liabilities	7,040,040	7,700,000	\$ (659,960)	13.45%	13.89%
Total Liabilities	<u>52,343,508</u>	<u>55,423,083</u>	<u>\$ (3,079,575)</u>	100.00%	100.00%
Net Position:					
Net Invested in Capital Assets	34,585,522	32,853,555	\$ 1,731,967	35.22%	35.27%
Restricted	4,485,698	6,548,900	\$ (2,063,202)	4.57%	7.03%
Unrestricted	59,129,601	53,736,174	\$ 5,393,427	60.21%	57.69%
Total Net Position	<u>\$ 98,200,821</u>	<u>\$ 93,138,629</u>	<u>\$ 5,062,192</u>	100.00%	100.00%



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San Felipe Del Rio CISD Statement of Activities in thousands					
	Governmental Activities		Total Change 2014-2013	Percent of Rev/Exp/Net Assets	
	2014	2013		2014	2013
Revenues:					
Program revenues:					
Charges for services	\$ 1,486	\$ 1,328	\$ 157	1.47%	1.37%
Operating grants and contributions	20,268	22,175	(1,908)	20.09%	22.83%
General revenues:					
Maintenance and operations taxes	15,185	14,802	383	15.06%	15.24%
Debt service taxes	1,881	1,836	45	1.87%	1.89%
Grants, contributions not restricted to specific functions (including state aid)	61,043	56,997	4,046	60.52%	58.68%
Investment earnings	82	130	(48)	0.08%	0.13%
Miscellaneous	920	(131)	1,051	0.91%	-0.13%
Total revenue and transfers	100,865	97,139	3,726	100.00%	100.00%
Expenses:					
Instruction, curriculum and media services	54,981	53,062	1,919	57.39%	57.14%
Instructional/school leadership	5,873	5,961	(88)	6.13%	6.42%
Guidance, social work, health, transportation	6,946	6,736	210	7.25%	7.25%
Food services	6,502	5,988	514	6.79%	6.45%
Co-curricular activities	3,196	2,993	203	3.34%	3.22%
General administration	2,686	2,667	19	2.80%	2.87%
Plant maintenance and security	10,710	10,465	245	11.18%	11.27%
Data processing	1,432	1,298	134	1.49%	1.40%
Community services	932	827	105	0.97%	0.89%
Debt service	1,962	2,259	(297)	2.05%	2.43%
Facilities acq and const	92	44	48	0.10%	0.05%
Other Intergovernmental Changes	491	570	(79)	0.51%	0.61%
Total expenses	95,803	92,870	2,932	100.00%	100.00%
Increase in net assets before					
Change in Net Assets	5,062	4,268	794	5.15%	4.58%
Prior Period adjustments		1,310	(1,310)	0.00%	1.41%
Increase in net assets	5,062	5,578	(516)	5.15%	5.99%
Net assets, beginning of year	93,139	87,561	5,578	94.85%	94.01%
Net assets, end of year	\$ 98,201	\$ 93,139	\$ 5,062	100.00%	100.00%

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds as presented in Exhibit C-1, Balance Sheet reported a combined fund balance of \$57,669,069, which is greater than last year's total of \$54,561,053. This is an increase of \$3,108,016. This consists of an increase of \$4,758,533 in the General Fund where total revenues of \$78,504,289 exceeded total expenses of \$73,759,860 plus other resources of \$14,104 and a combined decrease of \$1,650,517 for Capital Projects and 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, 2014, 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 \$968,826 while actual expenditures were \$2,876,657 below budgeted amounts (Exhibit G-1).

Over the course of the year, the Board of Trustees 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 of Trustees meetings. Budget amendments included adjustments to revenues totaling



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\$2,093,074 primarily from the state foundation program due to an increase in average daily attendance. Expenditures budget increased by \$1,194,126 primarily to student transportation, facility and maintenance, data processing services, and facility construction.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the District had \$78,842,462 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This was an increase of \$22,796 over the previous year of \$78,819,666. More detailed information about the District's capital assets is presented in Note F – Capital Asset Activity of the financial statements.

Debt

The District had a total Principal of \$44,319,993 of the general obligation bonds outstanding as of August 31, 2014. The amount of \$2,425,000 is due in less than one year and the balance of \$41,894,993 is due in more than one year. This is explained in more detail in Note G – Long Term Liabilities – Bonds Payable. As reflected in Note G the District's long term liability balance as of August 31, 2014 include issuance premiums of \$2,391,083; issuance discounts of \$(49,618) and accreted interest on Capital Appreciation Bonds of \$1,067,010.

The District's general obligation bond rating has been very high since 1998. In 2013, Standard & Poor's Ratings Services affirmed its 'AAA' enhanced rating and 'A' issuer credit rating (ICR) on San Felipe Del Rio Consolidated Independent School District, Texas' general obligation (GO) bonds. The outlook on all ratings is stable. More detailed information about the District's commitments and contingencies is presented in Note P to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2014-2015 year, the Board of Trustees approved the tax rate of \$1.04, which is the rate that the District can levy without a Tax Ratification Election for maintenance and operation and the I&S Tax Rate at \$0.127900 for a total tax rate of \$1.167900.

There were no new bonds issued during the 2013-2014 fiscal year.

The 2014-2015 General Fund revenue and expenditure budget was approved at \$79,883,201.35. The Food Service revenue and expenditure budget was approved at \$6,578,378.55. The Debt Service revenue and expenditure budget was approved at \$4,305,520.02. The total Combined District Official Budget revenue of \$90,767,099.92.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at 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, 2014

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 52,391,919
1120 Current Investments	5,000,000
1220 Property Taxes Receivable (Delinquent)	3,039,636
1230 Allowance for Uncollectible Taxes	(155,374)
1240 Due from Other Governments	6,644,777
1290 Other Receivables, net	2,415,776
1300 Inventories	980,510
1410 Prepayments	760
Capital Assets:	
1510 Land	3,684,804
1520 Buildings, Net	68,282,847
1530 Furniture and Equipment, Net	4,781,104
1580 Construction in Progress	2,093,707
1000 Total Assets	149,160,466
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,383,863
1700 Total Deferred Outflows of Resources	1,383,863
LIABILITIES	
2110 Accounts Payable	665,641
2120 Short Term Debt Payable	1,636,775
2150 Payroll Deductions & Withholdings	98,573
2160 Accrued Wages Payable	1,989,473
2180 Due to Other Governments	194,000
2300 Unearned Revenue	30,578
Noncurrent Liabilities	
2501 Due Within One Year	2,425,000
2502 Due in More Than One Year	45,303,468
2000 Total Liabilities	52,343,508
NET POSITION	
3200 Net Investment in Capital Assets	34,585,522
3820 Restricted for Federal and State Programs	1,244,311
3850 Restricted for Debt Service	1,268,891
3860 Restricted for Capital Projects	938,903
3890 Restricted for Other Purposes	1,033,593
3900 Unrestricted	59,129,601
3000 Total Net Position	\$ 98,200,821

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, 2014

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	\$ 50,344,197	\$ 742,876	\$ 8,666,120	\$ (40,935,201)
12 Instructional Resources and Media Services	1,692,666	29,714	119,213	(1,543,739)
13 Curriculum and Staff Development	2,943,711	44,572	1,630,214	(1,268,925)
21 Instructional Leadership	1,916,368	29,714	830,113	(1,056,541)
23 School Leadership	3,956,282	59,430	269,673	(3,627,179)
31 Guidance, Counseling and Evaluation Services	3,447,120	59,430	990,332	(2,397,358)
32 Social Work Services	225,240	-	32,677	(192,563)
33 Health Services	823,082	14,856	129,892	(678,334)
34 Student (Pupil) Transportation	2,450,995	44,572	175,057	(2,231,366)
35 Food Services	6,502,345	104,001	5,448,070	(950,274)
36 Extracurricular Activities	3,195,689	44,572	61,209	(3,089,908)
41 General Administration	2,686,158	148,575	115,935	(2,421,648)
51 Facilities Maintenance and Operations	9,293,088	118,860	885,854	(8,288,374)
52 Security and Monitoring Services	1,416,688	14,856	81,686	(1,320,146)
53 Data Processing Services	1,431,846	29,714	50,047	(1,352,085)
61 Community Services	932,392	-	781,656	(150,736)
72 Debt Service - Interest on Long Term Debt	1,804,591	-	-	(1,804,591)
73 Debt Service - Bond Issuance Cost and Fees	157,492	-	-	(157,492)
81 Facilities Acquisition and Construction	91,837	-	-	(91,837)
99 Other Intergovernmental Charges	491,024	-	-	(491,024)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 95,802,811	\$ 1,485,742	\$ 20,267,748	(74,049,321)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			15,185,360
DT	Property Taxes, Levied for Debt Service			1,881,331
GC	Grants and Contributions not Restricted			61,043,029
IE	Investment Earnings			81,588
MI	Miscellaneous Local and Intermediate Revenue			920,205
TR	Total General Revenues			79,111,513
CN	Change in Net Position			5,062,192
NB	Net Position - Beginning			93,138,629
NE	Net Position - Ending			\$ 98,200,821

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

SAN FELIPE DEL RIO CISD
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 44,979,679	\$ 1,208,256	\$ 1,751,057	\$ 47,938,992
1120 Investments - Current	5,000,000	-	-	5,000,000
1220 Property Taxes - Delinquent	2,579,784	459,852	-	3,039,636
1230 Allowance for Uncollectible Taxes (Credit)	(131,868)	(23,506)	-	(155,374)
1240 Receivables from Other Governments	5,013,845	60,636	1,570,296	6,644,777
1260 Due from Other Funds	1,131,119	-	-	1,131,119
1290 Other Receivables	2,112,338	303,438	-	2,415,776
1300 Inventories	562,433	-	418,077	980,510
1410 Prepayments	760	-	-	760
1000 Total Assets	<u>\$ 61,248,090</u>	<u>\$ 2,008,676</u>	<u>\$ 3,739,430</u>	<u>\$ 66,996,196</u>
LIABILITIES				
2110 Accounts Payable	\$ 500,811	\$ -	\$ 164,830	\$ 665,641
2120 Short Term Debt Payable - Current	327,745	-	-	327,745
2150 Payroll Deductions and Withholdings Payable	98,573	-	-	98,573
2160 Accrued Wages Payable	1,730,151	-	259,322	1,989,473
2170 Due to Other Funds	-	-	1,131,119	1,131,119
2180 Due to Other Governments	194,000	-	-	194,000
2300 Unearned Revenues	29,633	-	945	30,578
2000 Total Liabilities	<u>2,880,913</u>	<u>-</u>	<u>1,556,216</u>	<u>4,437,129</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	4,150,213	739,785	-	4,889,998
2600 Total Deferred Inflows of Resources	<u>4,150,213</u>	<u>739,785</u>	<u>-</u>	<u>4,889,998</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	562,433	-	418,077	980,510
3445 Other Non-Spendable Fund Balance	760	-	-	760
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	714,611	714,611
3470 Capital Acquisition and Contractual Obligation	-	-	938,903	938,903
3480 Retirement of Long-Term Debt	-	1,268,891	-	1,268,891
3490 Other Restricted Fund Balance	-	-	111,623	111,623
Committed Fund Balance:				
3510 Construction	25,576,934	-	-	25,576,934
3530 Capital Expenditures for Equipment	1,315,533	-	-	1,315,533
3545 Other Committed Fund Balance	470,400	-	-	470,400
3600 Unassigned Fund Balance	26,290,904	-	-	26,290,904
3000 Total Fund Balances	<u>54,216,964</u>	<u>1,268,891</u>	<u>2,183,214</u>	<u>57,669,069</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 61,248,090</u>	<u>\$ 2,008,676</u>	<u>\$ 3,739,430</u>	<u>\$ 66,996,196</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, 2014

Total Fund Balances - Governmental Funds	\$	57,669,069
1 Internal Service Fund		3,143,898
2 Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds.		78,842,462
3 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(46,344,605)
4 Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		4,889,997
19 Net Position of Governmental Activities	<u>\$</u>	<u>98,200,821</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, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 16,669,224	\$ 2,026,896	\$ 1,070,468	\$ 19,766,588
5800 State Program Revenues	60,595,772	2,511,483	577,182	63,684,437
5900 Federal Program Revenues	1,239,293	-	16,386,709	17,626,002
5020 Total Revenues	<u>78,504,289</u>	<u>4,538,379</u>	<u>18,034,359</u>	<u>101,077,027</u>
EXPENDITURES:				
Current:				
0011 Instruction	41,260,944	-	6,465,173	47,726,117
0012 Instructional Resources and Media Services	1,532,978	-	123,446	1,656,424
0013 Curriculum and Instructional Staff Development	1,371,095	-	1,565,388	2,936,483
0021 Instructional Leadership	1,110,675	-	780,624	1,891,299
0023 School Leadership	3,818,068	-	67,184	3,885,252
0031 Guidance, Counseling and Evaluation Services	2,592,532	-	844,378	3,436,910
0032 Social Work Services	204,050	-	20,556	224,606
0033 Health Services	737,353	-	83,316	820,669
0034 Student (Pupil) Transportation	2,338,243	-	99,866	2,438,109
0035 Food Services	39,717	-	6,502,509	6,542,226
0036 Extracurricular Activities	2,839,938	-	99,620	2,939,558
0041 General Administration	2,679,955	-	-	2,679,955
0051 Facilities Maintenance and Operations	8,661,764	-	642,217	9,303,981
0052 Security and Monitoring Services	1,433,670	-	4,052	1,437,722
0053 Data Processing Services	1,760,508	-	-	1,760,508
0061 Community Services	154,163	-	775,718	929,881
Debt Service:				
0071 Principal on Long Term Debt	-	2,565,000	-	2,565,000
0072 Interest on Long Term Debt	-	1,741,418	-	1,741,418
0073 Bond Issuance Cost and Fees	-	256,841	-	256,841
0074 Payment to Escrow Agent	-	18,850,714	-	18,850,714
Capital Outlay:				
0081 Facilities Acquisition and Construction	733,183	-	1,813,788	2,546,971
Intergovernmental:				
0099 Other Intergovernmental Charges	491,024	-	-	491,024
6030 Total Expenditures	<u>73,759,860</u>	<u>23,413,973</u>	<u>19,887,835</u>	<u>117,061,668</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,744,429</u>	<u>(18,875,594)</u>	<u>(1,853,476)</u>	<u>(15,984,641)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	17,430,000	-	17,430,000
7912 Sale of Real and Personal Property	14,104	-	-	14,104
7916 Premium or Discount on Issuance of Bonds	-	1,648,553	-	1,648,553
7080 Total Other Financing Sources (Uses)	<u>14,104</u>	<u>19,078,553</u>	<u>-</u>	<u>19,092,657</u>
1200 Net Change in Fund Balances	4,758,533	202,959	(1,853,476)	3,108,016
0100 Fund Balance - September 1 (Beginning)	<u>49,458,431</u>	<u>1,065,932</u>	<u>4,036,690</u>	<u>54,561,053</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 54,216,964</u>	<u>\$ 1,268,891</u>	<u>\$ 2,183,214</u>	<u>\$ 57,669,069</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, 2014

Total Net Change in Fund Balances - Governmental Funds	\$	3,108,016
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.		(215,828)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to increase (decrease) net position.		6,042,826
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.		(3,646,692)
Revenues in the Statement of Activities that do not provide current financial resources are not reported in the funds.		(226,130)
Change in Net Position of Governmental Activities	<u>\$</u>	<u>5,062,192</u>

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

SAN FELIPE DEL RIO CISD
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 4,452,928
Total Assets	<u>4,452,928</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	136,724
Short Term Debt Payable	<u>1,172,306</u>
Total Liabilities	<u>1,309,030</u>
NET POSITION	
Unrestricted Net Position	<u>3,143,898</u>
Total Net Position	<u><u>\$ 3,143,898</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, 2014

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 7,710,112
Total Operating Revenues	<u>7,710,112</u>
OPERATING EXPENSES:	
Professional and Contracted Services	470,124
Other Operating Costs	7,458,318
Total Operating Expenses	<u>7,928,442</u>
Operating Income (Loss)	<u>(218,330)</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>2,502</u>
Total Nonoperating Revenues (Expenses)	<u>2,502</u>
Change in Net Position	(215,828)
Total Net Position - September 1 (Beginning)	<u>3,359,726</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 3,143,898</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, 2014

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 8,131,357
Cash Payments for Insurance Claims	(7,724,648)
Cash Payments for Professional and Contracted Serv	(470,124)
Net Cash Used for Operating Activities	<hr/> <u>(63,415)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	<hr/> 2,502
Net Decrease in Cash and Cash Equivalents	(60,913)
Cash and Cash Equivalents at Beginning of Year	<hr/> 4,513,841
Cash and Cash Equivalents at End of Year	\$ <hr/> <u>4,452,928</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income (Loss):	\$ (218,330)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	5,269
Increase (decrease) in Accounts Payable	135,352
Increase (decrease) in Other Liabilities - Current	14,294
Net Cash Used for Operating Activities	<hr/> <u>\$ (63,415)</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, 2014

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 437,011
Total Assets	<u>\$ 437,011</u>
LIABILITIES	
Accounts Payable	\$ 4,725
Due to Student Groups	432,286
Total Liabilities	<u>\$ 437,011</u>

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

SAN FELIPE DEL RIO CISD
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2014

	Agency Funds
<hr/>	
ADDITIONS	
Other	\$ 524,732
Total Additions	<u>524,732</u>
DEDUCTIONS	
Other	<u>524,732</u>
Total Deductions	<u>524,732</u>
Change in Net Position	-
Beginning Net Position	-
Ending Net Position	<u>\$ -</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, 2014

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 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

B. GOVERNMENT WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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.

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 does 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 un-matured 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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

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.

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.

Additionally, the District reports the following fund types:

Governmental Funds:

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 the 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

D. FUND ACCOUNTING (Continued)

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 Fund.

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 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

F. OTHER ACCOUNTING POLICIES (Continued)

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. *Compensated Absences* – The District’s policy permits certain employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee retirements not to exceed ten days.
5. *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*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

F. OTHER ACCOUNTING POLICIES (Continued)

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 in-tact.
 - 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 of Trustees 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.
 - 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

F. OTHER ACCOUNTING POLICIES (Continued)

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 IRS. As of August 31, 2014 the District did not have an estimated arbitrage liability.
14. *Deferred Outflows/Inflows of Resources* – In accordance with GASB 65 in addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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 \$78,842,462 are as follows:

Land	\$ 3,684,804
Construction in Progress	2,093,707
Buildings	114,530,686
Less: Accumulated depreciation - buildings	(46,247,839)
Furniture & Equipment	14,095,399
Less: Accumulated depreciation - furniture & equipment	(9,314,295)
	78,842,462
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	78,842,462

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 \$46,344,605 difference are as follows:

Bonds Payable	44,319,993
Add: Issuance premium	2,391,083
Less: Issuance discount	(49,618)
Add: Accreted Interest	1,067,010
Less: Deferred charge on refunding	(1,383,863)
	\$ 46,344,605
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ 46,344,605

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

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 state 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 \$6,042,826 difference are as follows:

Capital outlay:		
Buildings	\$	2,351,675
Furniture & equipment		<u>1,317,814</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities		3,669,489
Bond Series 2013 issuance		(17,430,000)
Payment to refunding bond’s escrow agent		18,850,714
Premium on new bond issuance		(1,648,553)
Bond principal repayments		2,565,000
Amortization of premiums		183,875
Less: Amortization of discounts		(2,919)
Less: Amortization of loss on refundings		(113,685)
Less: Accreted interest		<u>(31,095)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities		<u>2,373,337</u>
The net effect of including the 2014 capital outlays and debt principal payments is to increase net position		<u><u>\$ 6,042,826</u></u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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. However, none of these were significant.
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 Appropriation		Increase (Decrease)		Amended Budget Appropriation
General Fund	\$ 75,442,389	\$	1,194,128	\$	76,636,517
Child Nutrition Program Fund	6,275,323		502,001		6,777,324
Debt Service Fund	4,496,891		18,965,077		23,461,968
	\$ 86,214,603	\$	20,661,206	\$	106,875,809

The increase in the General Fund is due to construction projects and increase in average daily attendance, the increase in the Child Nutrition Program Fund is due to increased revenues of meals served and the increase in the Debt Service Fund is due to the issuance of Unlimited Tax Refunding Bond Series 2013.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

A. BUDGETARY DATA (continued)

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 Program Fund	\$	823,996
Non-Appropriated Budget Funds		<u>1,359,218</u>
Total Fund Balances for Non Major Governmental Funds	\$	<u>2,183,214</u>

5. *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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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, 2014 are as follows:

Cash in bank or on hand - primary government		\$	7,558,805
TexPool	\$	39,620,261	
LoneStar		207,369	
Comerica Premium Business Money Market		5,005,485	
Total Cash Equivalents			<u>44,833,115</u>
Total Cash and Cash Equivalents		\$	<u>52,391,920</u>

Deposits

At August 31, 2014, the carrying amount of the District's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$7,636,908 and the bank balance was \$10,159,532.

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 \$14,875,922.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$9,842,889.09 and occurred during the month of December 2013.
- 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) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable 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

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

A. DEPOSITS AND INVESTMENTS (Continued)

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, 2014 which had maturity a date greater than 90 days, as of the end of fiscal year 2014. The District's Certificate of Deposit and money market investment fund were fully collateralized as of the end of the fiscal year 2014.

Name	Fair Value	Maturity less than one (1) year
Southside Bank Certificate of Deposit greater than 90 days	<u>\$5,000,000</u>	<u>\$5,000,000</u>

Investments in Government Investment Pools

The Districts investments in investment 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 investment 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 is governed by an 11-member board, all of whom are participants in the Pool. 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 the pool's assets. Additionally, an independent third party CAPTRUST Financial Advisors that reports directly to the Board of Trustees reviews the Pool's daily operations; makes sure investment transactions fit with the Pool'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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

A. DEPOSITS AND INVESTMENTS (Continued)

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 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 yearend.

Concentration of Credit Risk and Interest Rate Risk. The District places no limit on the amount the District 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, 2014 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

D. INTERFUND RECEIVABLES AND PAYABLES

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,131,119	\$ -
Other Non-Major Funds:		
Special Revenue Funds	-	1,131,119
Total	\$ 1,131,119	\$ 1,131,119

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.

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 Grant	Total
General Fund	\$ 5,013,845	\$ -	\$ 5,013,845
Debt Service Fund	60,636		60,636
Other Non-Major Funds	175,941	1,394,355	1,570,296
Total	\$ 5,250,422	\$ 1,394,355	\$ 6,644,777

Other Receivables

Other receivables as of August 31, 2014, 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	Debt Service Fund	Total
Penalties and Interest Receivable For Delinquent Property Taxes	\$ 1,702,298	\$ 303,438	\$ 2,005,736
Other	410,040	-	410,040
Total	\$ 2,112,338	\$ 303,438	\$ 2,415,776

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District's governmental activities for the year ended August 31, 2014 follows.

	Beginning Balance	Additions	Deletions	Transfers		Ending Balance
				In	Out	
<u>Nondepreciable Capital Assets</u>						
Land	\$ 3,684,804	\$ -	\$ -	\$ -	\$ -	\$ 3,684,804
Construction in Progress	9,849,532	2,032,824	-	-	(9,788,649)	2,093,707
Total Nondepreciable Assets	13,534,336	2,032,824	-	-	(9,788,649)	5,778,511
<u>Depreciable Capital Assets</u>						
Buildings & Improvements	104,423,187	318,850	-	9,788,649	-	114,530,686
Vehicles, Furniture & Equipment	12,847,347	1,317,814	69,762	-	-	14,095,399
Total Depreciable Assets	117,270,534	1,636,664	69,762	9,788,649	-	128,626,085
Total	130,804,870	3,669,488	69,762	9,788,649	(9,788,649)	134,404,596
<u>Less Accumulated Depreciation for:</u>						
Buildings	43,813,923	2,433,916	-	-	-	46,247,839
Vehicles, Furniture & Equipment	8,171,281	1,212,776	69,762	-	-	9,314,295
Total Accumulated Depreciation	51,985,204	3,646,692	69,762	-	-	55,562,134
<u>Capital Assets</u>	\$ 78,819,666	\$ 22,796	\$ -	\$ 9,788,649	\$ (9,788,649)	\$ 78,842,462

Depreciation expense was charged to governmental functions as follows:

Instructional	\$2,780,494
Instructional Resources and Media Services	32,181
Instructional Leadership	19,816
School Leadership	59,447
Student (Pupil) Transportation	346,228
Food Services	48,588
Co-curricular/Extracurricular Activities	262,183
Facilities Maintenance & Operations	49,243
Security & Monitoring	24,256
Data Processing	24,256
Total	<u>\$3,646,692</u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

G. LONG-TERM LIABILITIES – BONDS PAYABLE

A summary of changes in bonds payable for the year ended August 31, 2014 follows:

Description	Rates Payable	Original Issue	Outstanding 09/01/13	Issued	Retired/ Refunded	Outstanding 08/31/14
Unlimited Tax Refunding Bonds, Series 2005 (Includes \$254,992 of Principal on Capital Appreciation Bonds)	2.50 - 5%	\$ 22,369,992	\$ 19,725,000	\$ -	\$ 19,725,000	\$ -
Unlimited Tax School Building Bonds, Series 2006	4.00 - 4.50%	21,915,000	11,360,000	-	675,000	\$ 10,685,000
Unlimited Tax Refunding Bonds, Series 2007 (Includes \$339,993 of Principal on Capital Appreciation Bonds)	3.55 - 4.53%	6,469,993	5,929,993	-	90,000	\$ 5,839,993
Unlimited Tax School Building Bonds, Series 2008	4.50 - 5.00%	12,285,000	10,885,000	-	365,000	10,520,000
Unlimited Tax Refunding Bonds, Series 2013	2.00 - 3.25%	17,430,000	-	17,430,000	155,000	17,275,000
Issuance Premiums			1,250,512	1,648,553	(507,982)	2,391,083
Issuance Discounts			(52,537)	-	2,919	(49,618)
Total Bonds Payable			<u>\$ 49,097,968</u>	<u>\$ 19,078,553</u>	<u>\$ 20,344,099</u>	<u>\$ 46,661,458</u>
Accreted Interest on Capital Appreciation Bonds						\$ 1,067,010
Total Bonds Payable						<u>47,728,468</u>
						2,425,000
						<u>\$ 45,303,468</u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

G. LONG-TERM LIABILITIES – BOND PAYABLE (Continued)

Debt service requirements are as follows:

General Obligations			
Year Ending August 31,	Principal	Interest	Total Requirements
2015	\$ 2,425,000	\$ 1,842,420	\$ 4,267,420
2016	2,515,000	1,759,360	4,274,360
2017	2,600,000	1,666,600	4,266,600
2018	2,715,000	1,560,360	4,275,360
2019	2,840,000	1,441,535	4,281,535
2020-2024	16,315,000	5,163,838	21,478,838
2025-2029	9,114,993	2,250,894	11,365,887
2030-2033	5,795,000	561,490	6,356,490
Total	\$ 44,319,993	\$ 16,246,496	\$ 60,566,490

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.

Bond 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 Texas Education Agency 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 Texas Education Agency’s Instructional Facilities Allotment Program (IFA) and Existing Debt Allotment Program (EDA) continued funding in fiscal year 2014 whereby the District received state funds of \$2,511,483 or approximately fifty-seven (57%) percent of its general obligation annual debt service requirements. State Statues 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.

Current Refunding

During the fiscal year 2014, the District issued \$17,430,000 of unlimited tax refunding bonds, Series 2013 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 \$18,445,000 of unlimited tax refunding bonds, Series 2005. 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 \$1,097,551. 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 11 years by \$2,179,309 and resulted in an economic gain of \$1,891,587.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

G. LONG-TERM LIABILITIES – BOND PAYABLE (Continued)

Defeased Bonds Outstanding

In prior years, the District defeased Series 2006 Unlimited Tax School Building General Obligation Bonds by placing the proceeds of the Series 2007 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly the trust account assets and the liability for the defeased bonds are not included in the financial statements. On August 31, 2014, \$6,470,000 of refunded bonds considered to be defeased are outstanding.

H. OPERATING LEASES

The District has entered into a lease agreement for two-thousand one hundred fifty (2,150) laptop computers for students at Del Rio High School. The lease agreement is a four year payment term with \$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 \$818,073.

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

Year Ending August 31,	Future Minimum Lease Payments
2015	820,289
2016	717,749
2017	573,897
Total Future Minimum Lease Payment Due	\$ 2,111,935

I. DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

I. DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member’s annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a 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.

Contribution rates and contributions for fiscal years 2014–2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state’s and/or member’s contribution and on the portion of the employees’ salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

Year	State Rate	State Amount	Member Rate	Member Amount	Statutory Minimum Amount
2014	6.800%	\$ 3,303,518	6.4%	\$ 3,532,431	\$ 403,798
2013	6.400%	2,880,404	6.4%	3,443,962	337,897
2012	6.000%	2,689,822	6.4%	3,300,282	341,092

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 Teacher Retirement System of Texas. TRS–Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS–Care. That report may be obtained by visiting the TRS Web site 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

J. Retiree Health Care Plans (Continued)

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. 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 2014–2012.

Contribution Rates and Contribution Amounts							
Year	Rate	Active		State	Rate	District	
		Member	Rate				
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	
2012	0.65%	335,186	1.000%	79,043	0.550%	283,618	

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 the Texas Public School Retired Employee Group Insurance Program (TRS-CARE) to receive retiree drug subsidy payments from the Federal Government to offset certain prescription drug expenditures for eligible TRS-Care participants. 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 \$152,779 \$141,810, and \$140,759 for the fiscal years 2014, 2013, and 2012 respectively.

K. RISK MANAGEMENT

The District is exposed to 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 for and pays the contribution for all employees. The employee pays for any family member coverage. This is provided through a self-insured plan 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 of the District.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

K. RISK MANAGEMENT (Continued)

Health Care Coverage

In 2014, 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 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 \$8,267,625.

Claims payable including an estimate for claims incurred, but not reported at August 31, 2014 are \$1,102,306 plus \$70,000 for administrative expenses. The plan is funded to discharge liabilities for the Fund as they become due. Changes in the Fund’s claims liability amount in fiscal 2012, 2013 and 2014 were:

Year Ending August 31,	Fiscal Year Liability	Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2012	\$ 916,394	\$ 6,402,496	\$ 6,294,019	\$ 1,024,871
2013	\$ 1,024,871	\$ 7,897,116	\$ 7,763,975	\$ 1,158,012
2014	\$ 1,158,012	\$ 7,102,195	\$ 7,157,901	\$ 1,102,306

L. UNEARNED REVENUE

Unearned revenue at year-end consisted of other (including unearned grant revenues in the Non-major Special Revenue Funds) comprised as follows:

Fund	Other
General Fund	\$ 29,633
Other Non-Major Special Revenue Funds	945
Total	<u>\$ 30,578</u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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	Debt Service Fund	Non Major Governmental Funds	Total
Property Taxes	\$ 15,321,281	\$ 1,971,538	\$ -	\$ 17,292,819
Penalties, Interest and Other				
Tax Related Income	479,917	54,272	-	534,189
Investment Income	79,642	1,086	1,198	81,926
Food Sales	-		891,846	891,846
Tuition & Fees	54,105		-	54,105
Co-Curricular Student Activities	434,224		6,638	440,862
Other	300,055		170,683	470,738
	<u>\$ 16,669,224</u>	<u>\$ 2,026,896</u>	<u>\$ 1,070,365</u>	<u>\$ 19,766,485</u>

During the current fiscal year, revenues from local and intermediate sources in the Proprietary Fund Types consisted of the following:

	Internal Service Fund
Investment Income	\$ 2,502
Interfund Provided Self-Insurance	7,710,112
	<u>\$ 7,712,614</u>

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	Debt Service Fund	Non Major Governmental Fund	Total
School Program Act Entitlements	\$ 54,722,146	\$ -	\$ -	\$ 54,722,146
Per Capita Apportionment	2,577,659	-	-	2,577,659
State Program Revenue - TEA	-	2,511,483	569,798	3,081,281
TRS On-Behalf	3,295,967		7,384	3,303,351
	<u>\$ 60,595,772</u>	<u>\$ 2,511,483</u>	<u>\$ 577,182</u>	<u>\$ 63,684,437</u>

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

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:

Fund	State Entitlements	Total
General Fund	\$ 194,000	\$ 194,000
Total	<u>\$ 194,000</u>	<u>\$ 194,000</u>

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, 2014 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 three and a half to four days of local sick leave each year without limit. State personal and local sick leave do not vest under the District policy and accordingly, 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

P. COMMITMENTS AND CONTINGENCIES (Continued)

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, 2014. At year end the District's outstanding commitments on remaining contracts consisted of the following amounts:

Project	Amount
Conversion of old DRMS to Fine Arts/Admin - Architect fees	\$ 422,160
Conversion of old North Heights to CTE facility - Architect fees	372,750
Buena Vista Elementary Gymnasium	141,707
	<u>\$ 936,617</u>

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.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2014

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	\$ 16,125,978	\$ 16,521,384	\$ 16,669,224	\$ 147,840
5800	State Program Revenues	58,111,411	59,801,701	60,595,772	794,071
5900	Federal Program Revenues	1,205,000	1,212,378	1,239,293	26,915
5020	Total Revenues	75,442,389	77,535,463	78,504,289	968,826
EXPENDITURES:					
Current:					
0011	Instruction	42,894,104	42,301,312	41,260,944	1,040,368
0012	Instructional Resources and Media Services	1,581,253	1,587,969	1,532,978	54,991
0013	Curriculum and Instructional Staff Development	1,160,161	1,430,314	1,371,095	59,219
0021	Instructional Leadership	1,186,251	1,253,084	1,110,675	142,409
0023	School Leadership	4,067,370	3,959,388	3,818,068	141,320
0031	Guidance, Counseling and Evaluation Services	2,669,435	2,679,551	2,592,532	87,019
0032	Social Work Services	196,583	209,589	204,050	5,539
0033	Health Services	726,818	762,035	737,353	24,682
0034	Student (Pupil) Transportation	2,187,526	2,403,668	2,338,243	65,425
0035	Food Services	25,672	41,845	39,717	2,128
0036	Extracurricular Activities	3,398,081	3,115,758	2,839,938	275,820
0041	General Administration	3,223,369	2,953,597	2,679,955	273,642
0051	Facilities Maintenance and Operations	8,417,663	9,060,366	8,661,764	398,602
0052	Security and Monitoring Services	1,454,822	1,477,172	1,433,670	43,502
0053	Data Processing Services	1,386,329	1,830,283	1,760,508	69,775
0061	Community Services	191,952	166,995	154,163	12,832
Capital Outlay:					
0081	Facilities Acquisition and Construction	60,000	797,836	733,183	64,653
Intergovernmental:					
0099	Other Intergovernmental Charges	615,000	605,755	491,024	114,731
6030	Total Expenditures	75,442,389	76,636,517	73,759,860	2,876,657
1100	Excess of Revenues Over Expenditures	-	898,946	4,744,429	3,845,483
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	-	14,104	14,104
1200	Net Change in Fund Balances	-	898,946	4,758,533	3,859,587
0100	Fund Balance - September 1 (Beginning)	49,458,431	49,458,431	49,458,431	-
3000	Fund Balance - August 31 (Ending)	\$ 49,458,431	\$ 50,357,377	\$ 54,216,964	\$ 3,859,587

SAN FELIPE DEL RIO CISD
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2014

- I. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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COMBINING AND OTHER STATEMENTS

SAN FELIPE DEL RIO CISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

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	\$ -	\$ -	\$ -	\$ -
1240 Receivables from Other Governments	106,486	627,649	106,438	226,240
1300 Inventories	-	-	-	-
1000 Total Assets	<u>\$ 106,486</u>	<u>\$ 627,649</u>	<u>\$ 106,438</u>	<u>\$ 226,240</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ 120	\$ -
2160 Accrued Wages Payable	65,469	98,668	3,302	66,868
2170 Due to Other Funds	41,017	528,981	103,016	159,372
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>106,486</u>	<u>627,649</u>	<u>106,438</u>	<u>226,240</u>
FUND BALANCES				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 106,486</u>	<u>\$ 627,649</u>	<u>\$ 106,438</u>	<u>\$ 226,240</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
\$ -	\$ 349,460	\$ 83,848	\$ -	\$ -	\$ -	\$ 41,458	\$ -
7,550	138,011	-	5,773	70,068	35,236	-	18,087
-	418,077	-	-	-	-	-	-
<u>\$ 7,550</u>	<u>\$ 905,548</u>	<u>\$ 83,848</u>	<u>\$ 5,773</u>	<u>\$ 70,068</u>	<u>\$ 35,236</u>	<u>\$ 41,458</u>	<u>\$ 18,087</u>
\$ -	\$ 80,607	\$ -	\$ -	\$ 2,351	\$ -	\$ -	\$ -
757	-	-	2,978	18,990	-	-	-
6,793	-	-	2,795	48,727	35,236	-	18,087
-	945	-	-	-	-	-	-
<u>7,550</u>	<u>81,552</u>	<u>-</u>	<u>5,773</u>	<u>70,068</u>	<u>35,236</u>	<u>-</u>	<u>18,087</u>
-	418,077	-	-	-	-	-	-
-	405,919	83,848	-	-	-	41,458	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>823,996</u>	<u>83,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,458</u>	<u>-</u>
<u>\$ 7,550</u>	<u>\$ 905,548</u>	<u>\$ 83,848</u>	<u>\$ 5,773</u>	<u>\$ 70,068</u>	<u>\$ 35,236</u>	<u>\$ 41,458</u>	<u>\$ 18,087</u>

SAN FELIPE DEL RIO CISD
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	276 Title I - SIP Academy Grant	289 Summer School LEP	386 Regional Day School for the Deaf	410 Instructional Materials Allotment	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 2,175	\$ 2,290	\$ 139,548
1240	Receivables from Other Governments	52,817	-	-	41,663
1300	Inventories	-	-	-	-
1000	Total Assets	<u>\$ 52,817</u>	<u>\$ 2,175</u>	<u>\$ 2,290</u>	<u>\$ 181,211</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	2,290	-
2170	Due to Other Funds	52,817	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>52,817</u>	<u>-</u>	<u>2,290</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	2,175	-	181,211
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>2,175</u>	<u>-</u>	<u>181,211</u>
4000	Total Liabilities and Fund Balances	<u>\$ 52,817</u>	<u>\$ 2,175</u>	<u>\$ 2,290</u>	<u>\$ 181,211</u>

429 Educator Excellence Innovation	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	616 Capital Projects - 2000 Bond	617 Capital Projects - 2006 Bond	618 Capital Projects - 2008 Bond	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 111,623	\$ 730,402	\$ 92,918	\$ 925,047	\$ 2,690	\$ 1,020,655	\$ 1,751,057
134,278	-	1,570,296	-	-	-	-	1,570,296
-	-	418,077	-	-	-	-	418,077
<u>\$ 134,278</u>	<u>\$ 111,623</u>	<u>\$ 2,718,775</u>	<u>\$ 92,918</u>	<u>\$ 925,047</u>	<u>\$ 2,690</u>	<u>\$ 1,020,655</u>	<u>\$ 3,739,430</u>
\$ -	\$ -	\$ 83,078	\$ -	\$ 81,752	\$ -	\$ 81,752	\$ 164,830
-	-	259,322	-	-	-	-	259,322
134,278	-	1,131,119	-	-	-	-	1,131,119
-	-	945	-	-	-	-	945
<u>134,278</u>	<u>-</u>	<u>1,474,464</u>	<u>-</u>	<u>81,752</u>	<u>-</u>	<u>81,752</u>	<u>1,556,216</u>
-	-	418,077	-	-	-	-	418,077
-	-	714,611	-	-	-	-	714,611
-	-	-	92,918	843,295	2,690	938,903	938,903
-	111,623	111,623	-	-	-	-	111,623
<u>-</u>	<u>111,623</u>	<u>1,244,311</u>	<u>92,918</u>	<u>843,295</u>	<u>2,690</u>	<u>938,903</u>	<u>2,183,214</u>
<u>\$ 134,278</u>	<u>\$ 111,623</u>	<u>\$ 2,718,775</u>	<u>\$ 92,918</u>	<u>\$ 925,047</u>	<u>\$ 2,690</u>	<u>\$ 1,020,655</u>	<u>\$ 3,739,430</u>

SAN FELIPE DEL RIO CISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

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	1,946,838	3,930,125	801,135	2,102,607
5020 Total Revenues	<u>1,946,838</u>	<u>3,930,125</u>	<u>801,135</u>	<u>2,102,607</u>
EXPENDITURES:				
Current:				
0011 Instruction	1,275,165	2,025,943	288,752	1,630,918
0012 Instructional Resources and Media Services	42,070	-	-	-
0013 Curriculum and Instructional Staff Development	39,332	767,577	-	35,013
0021 Instructional Leadership	123,418	347,965	230,125	58,691
0023 School Leadership	(510)	13,282	-	-
0031 Guidance, Counseling and Evaluation Services	71,521	194,933	93,130	377,985
0032 Social Work Services	-	-	-	-
0033 Health Services	52,033	9,774	7,181	-
0034 Student (Pupil) Transportation	40,121	59,745	-	-
0035 Food Services	20,589	-	1,948	-
0036 Extracurricular Activities	1,268	-	-	-
0051 Facilities Maintenance and Operations	167,510	25,972	25,265	-
0052 Security and Monitoring Services	-	244	156	-
0061 Community Services	114,321	484,690	154,578	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>1,946,838</u>	<u>3,930,125</u>	<u>801,135</u>	<u>2,102,607</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>

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
\$ -	\$ 888,546	\$ 3,638	\$ -	\$ -	\$ -	\$ -	\$ -
-	36,694	3,029	-	-	-	-	-
64,700	5,673,081	123,532	112,749	511,527	141,813	17,902	-
64,700	6,598,321	130,199	112,749	511,527	141,813	17,902	-
64,700	-	-	54,045	25,778	36,118	-	-
-	-	-	-	-	-	-	-
-	-	-	-	481,679	84,811	-	-
-	-	-	-	4,070	16,355	-	-
-	-	-	-	-	-	-	-
-	-	-	58,704	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	13,719	-
-	-	-	-	-	-	-	-
-	6,364,016	113,727	-	-	-	-	-
-	-	-	-	-	-	-	-
-	402,153	14,570	-	-	1,679	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,850	-	-
-	-	-	-	-	-	-	-
64,700	6,766,169	128,297	112,749	511,527	141,813	13,719	-
-	(167,848)	1,902	-	-	-	4,183	-
-	991,844	81,946	-	-	-	37,275	-
\$ -	\$ 823,996	\$ 83,848	\$ -	\$ -	\$ -	\$ 41,458	\$ -

SAN FELIPE DEL RIO CISD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	276 Title I - SIP Academy Grant	289 Summer School LEP	386 Regional Day School for the Deaf	410 Instructional Materials Allotment	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 160
5800	State Program Revenues	-	-	53,718	311,871
5900	Federal Program Revenues	954,022	6,678	-	-
5020	Total Revenues	<u>954,022</u>	<u>6,678</u>	<u>53,718</u>	<u>312,031</u>
EXPENDITURES:					
Current:					
0011	Instruction	799,577	4,432	53,718	172,645
0012	Instructional Resources and Media Services	2,536	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	52,411	71	-	-
0031	Guidance, Counseling and Evaluation Services	48,105	-	-	-
0032	Social Work Services	20,556	-	-	-
0033	Health Services	609	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	2,229	-	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	5,068	-	-	-
0052	Security and Monitoring Services	3,652	-	-	-
0061	Community Services	19,279	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	<u>954,022</u>	<u>4,503</u>	<u>53,718</u>	<u>172,645</u>
1200	Net Change in Fund Balance	-	2,175	-	139,386
0100	Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,825</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 2,175</u>	<u>\$ -</u>	<u>\$ 181,211</u>

429 Educator Excellence Innovation	461 Campus Activity Funds	Total Nonmajor Special Revenue Funds	616 Capital Projects - 2000 Bond	617 Capital Projects - 2006 Bond	618 Capital Projects - 2008 Bond	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ -	\$ 177,264	\$ 1,069,608	\$ 49	\$ 738	\$ 73	\$ 860	\$ 1,070,468
171,780	90	577,182	-	-	-	-	577,182
-	-	16,386,709	-	-	-	-	16,386,709
171,780	177,354	18,033,499	49	738	73	860	18,034,359
14,804	18,578	6,465,173	-	-	-	-	6,465,173
-	78,840	123,446	-	-	-	-	123,446
156,976	-	1,565,388	-	-	-	-	1,565,388
-	-	780,624	-	-	-	-	780,624
-	1,930	67,184	-	-	-	-	67,184
-	-	844,378	-	-	-	-	844,378
-	-	20,556	-	-	-	-	20,556
-	-	83,316	-	-	-	-	83,316
-	-	99,866	-	-	-	-	99,866
-	-	6,502,509	-	-	-	-	6,502,509
-	98,352	99,620	-	-	-	-	99,620
-	-	642,217	-	-	-	-	642,217
-	-	4,052	-	-	-	-	4,052
-	-	775,718	-	-	-	-	775,718
-	-	-	-	1,788,828	24,960	1,813,788	1,813,788
171,780	197,700	18,074,047	-	1,788,828	24,960	1,813,788	19,887,835
-	(20,346)	(40,548)	49	(1,788,090)	(24,887)	(1,812,928)	(1,853,476)
-	131,969	1,284,859	92,869	2,631,385	27,577	2,751,831	4,036,690
\$ -	\$ 111,623	\$ 1,244,311	\$ 92,918	\$ 843,295	\$ 2,690	\$ 938,903	\$ 2,183,214

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T.E.A REQUIRED SCHEDULES

SAN FELIPE DEL RIO CISD
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2014

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	Various	Various	\$ 3,935,111,813
2006	1.440000	0.072000	913,238,222
2007	1.316848	0.115000	1,001,913,955
2008	1.040048	0.099000	1,110,627,675
2009	1.040048	0.126700	1,271,453,258
2010	1.040048	0.159415	1,263,758,458
2011	1.040000	0.159415	1,332,854,958
2012	1.040000	0.148720	1,302,100,021
2013	1.040000	0.139500	1,392,619,198
2014 (School year under audit)	1.040000	0.132400	1,495,975,941
1000 TOTALS			

(10) Beginning Balance 9/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2014
\$ 563,815	\$ -	\$ 24,495	\$ 4,662	\$ (20,666)	\$ 513,992
165,469	-	8,534	1,093	(2,049)	153,793
137,008	-	12,945	1,656	(2,042)	120,365
117,692	-	12,830	1,648	(1,638)	101,576
165,800	-	30,342	3,892	4,218	135,784
227,097	-	51,741	6,633	6,569	175,292
316,471	-	82,592	10,575	9,003	232,307
469,597	-	139,963	17,957	9,194	320,871
839,636	-	327,194	42,091	(20,040)	450,311
-	17,347,321	14,630,645	1,881,331	-	835,345
<u>\$ 3,002,585</u>	<u>\$ 17,347,321</u>	<u>\$ 15,321,281</u>	<u>\$ 1,971,538</u>	<u>\$ (17,451)</u>	<u>\$ 3,039,636</u>

SAN FELIPE DEL RIO CISD
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
 GENERAL FUND AS OF AUGUST 31, 2014

EXHIBIT J-2

UNAUDITED

1	Total General Fund Balance as of 8/31/14 (Exhibit C-1 object 3000 for the General Fund Only)		\$ 54,216,964
2	Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)	\$ 563,193	
3	Total Restricted Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
4	Total Committed Fund Balance (from Exhibit C-1 - for the General Fund Only)	27,362,867	
5	Total Assigned Fund Balance (from Exhibit C-1 - for the General Fund Only)	-	
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-	
7	Estimate of two month's average cash disbursements during the fiscal year.	13,313,867	
8	Estimate of delayed payments from state sources (58xx).	-	
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	2,470,058	
10	Estimate of delayed payments from federal sources (59xx)	2,227,515	
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-	
12	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)		<u>45,937,500</u>
13	Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 12)		<u><u>\$ 8,279,464</u></u>

Explanation of need for and/or projected use of net positive Unassigned General Fund Fund Balance:

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, 2014

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	\$ 876,830	\$ 861,291	\$ 888,546	\$ 27,255
5800 State Program Revenues	34,726	36,694	36,694	-
5900 Federal Program Revenues	5,363,767	5,735,071	5,673,081	(61,990)
5020 Total Revenues	6,275,323	6,633,055	6,598,321	(34,734)
EXPENDITURES:				
Current:				
0035 Food Services	5,861,946	6,369,814	6,364,016	5,798
0051 Facilities Maintenance and Operations	413,377	407,510	402,153	5,357
6030 Total Expenditures	6,275,323	6,777,324	6,766,169	11,155
1200 Net Change in Fund Balances	-	(144,269)	(167,848)	(23,579)
0100 Fund Balance - September 1 (Beginning)	991,844	991,844	991,844	-
3000 Fund Balance - August 31 (Ending)	\$ 991,844	\$ 847,575	\$ 823,996	\$ (23,579)

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, 2014

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	\$ 2,029,361	\$ 2,029,361	\$ 2,026,896	\$ (2,465)
5800 State Program Revenues	2,467,530	2,467,530	2,511,483	43,953
5020 Total Revenues	4,496,891	4,496,891	4,538,379	41,488
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	2,410,000	2,565,000	2,565,000	-
0072 Interest on Long Term Debt	2,040,349	1,780,361	1,741,418	38,943
0073 Bond Issuance Cost and Fees	46,542	265,893	256,841	9,052
0074 Payment to Escrow Agent	-	18,850,714	18,850,714	-
6030 Total Expenditures	4,496,891	23,461,968	23,413,973	47,995
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(18,965,077)	(18,875,594)	89,483
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	17,430,000	17,430,000
7916 Premium or Discount on Issuance of Bonds	-	-	1,648,553	1,648,553
7080 Total Other Financing Sources (Uses)	-	-	19,078,553	19,078,553
1200 Net Change in Fund Balances	-	(18,965,077)	202,959	19,168,036
0100 Fund Balance - September 1 (Beginning)	1,065,932	1,065,932	1,065,932	-
3000 Fund Balance - August 31 (Ending)	\$ 1,065,932	\$ (17,899,145)	\$ 1,268,891	\$ 19,168,036

Statistical Section

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

	2005	2006	2007	2008
Governmental Activities				
Net Investment in Capital Assets	\$ 22,046,707	\$ 20,965,032	\$ 22,864,581	\$ 21,624,572
Restricted	2,062,526	2,860,747	3,184,929	2,507,568
Unrestricted	19,224,347	22,671,302	28,529,178	33,211,103
Total Governmental Activities Net Position	<u>\$ 43,333,580</u>	<u>\$ 46,497,081</u>	<u>\$ 54,578,688</u>	<u>\$ 57,343,243</u>

2009	2010	2011	2012	2013	2014
\$ 20,162,593	\$ 14,640,249	\$ 18,422,633	\$ 26,470,340	\$ 32,853,555	\$ 34,585,522
18,512,080	15,428,495	13,246,293	5,963,912	6,548,900	4,485,698
21,592,075	36,333,351	46,837,114	56,436,272	53,736,174	59,129,601
<u>\$ 60,266,748</u>	<u>\$ 66,402,095</u>	<u>\$ 78,506,040</u>	<u>\$ 88,870,524</u>	<u>\$ 93,138,629</u>	<u>\$ 98,200,821</u>

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

	2005	2006	2007	2008
Expenses:				
Governmental Activities				
Instruction	\$ 41,694,357	\$ 42,641,871	\$ 44,024,878	\$ 48,488,905
Instructional Resource & Media Services	1,623,762	1,657,027	1,539,994	1,617,799
Curriculum/Instructional Staff Devel	1,756,387	1,934,024	1,662,269	1,385,582
Instructional Leadership	1,617,823	1,436,322	1,518,421	1,754,956
School Leadership	3,267,739	3,276,393	3,436,907	3,580,673
Guidance/Counseling/Evaluation Serv	2,405,479	2,485,497	2,670,548	2,939,606
Social Work Services	181,163	172,080	180,871	189,611
Health Services	693,158	665,150	619,178	682,500
Student (Pupil) Transportation	1,423,414	1,626,317	1,641,405	1,638,864
Food Services	3,869,246	3,935,631	3,837,247	4,198,993
Cocurricular/Extracurricular Activities	2,062,162	2,157,535	2,307,533	2,556,609
General Administration	2,278,072	2,418,308	2,371,420	1,981,577
Facilities Maintenance & Operations	6,530,780	6,975,048	7,477,235	7,493,439
Security & Monitoring Services	627,577	631,906	705,011	751,175
Data Processing Services	1,337,293	1,515,659	1,541,169	1,227,170
Community Services	1,004,298	1,017,245	996,445	960,560
Debt Service - Interest on Long Term Debt	1,808,688	1,343,113	2,218,477	2,739,240
Debt Service - Bond Issuance Cost and Fees	11,739	12,908	42,015	36,208
Capital Outlay	35,015	151,311	185,361	967,052
Other Intergovernmental Charges	-	-	-	545,753
Total Governmental Activities Expenses	\$ 74,228,152	\$ 76,053,345	\$ 78,976,384	\$ 85,736,272
Program Revenues:				
Governmental Activities				
Charges for Services:				
Instruction	\$ 622,139	\$ 683,736	\$ 701,456	\$ 968,362
Food Services	54,574	58,943	61,531	-
Extracurricular Activities	32,744	35,366	36,917	60,523
Facilities Maintenance and Operations	98,232	106,096	12,306	166,438
Other Activities	283,777	294,712	418,417	317,738
Operating Grants and Contributions	19,109,110	19,758,798	19,674,107	20,235,161
Total Governmental Activities Program Revenues	\$ 20,200,576	\$ 20,937,651	\$ 20,904,734	\$ 21,748,222
Total Governmental Activities Net Expense	\$ (54,027,576)	\$ (55,115,694)	\$ (58,071,650)	\$ (63,988,050)

	2009	2010	2011	2012	2013	2014
\$	50,706,225	\$ 51,764,977	\$ 48,387,010	\$ 48,372,502	\$ 50,022,828	\$ 50,342,995
	1,568,540	1,573,767	1,930,741	1,833,772	1,678,082	1,692,666
	952,670	1,675,524	1,204,917	1,193,561	1,360,768	2,943,711
	1,490,770	1,624,468	1,673,854	1,707,916	1,961,197	1,916,368
	3,573,739	3,580,045	3,484,329	3,561,130	3,999,679	3,956,282
	2,234,403	2,983,260	3,132,972	3,098,961	3,336,876	3,447,120
	205,496	205,386	177,874	195,960	217,490	225,240
	700,689	719,960	661,825	643,157	767,630	823,082
	1,474,242	1,533,097	1,675,768	1,964,113	2,414,063	2,450,995
	4,620,191	4,450,532	4,558,913	4,876,566	5,988,138	6,502,345
	2,648,626	2,476,516	2,624,882	2,715,001	2,992,960	3,195,689
	2,395,034	2,638,097	2,590,927	2,848,554	2,667,078	2,686,158
	8,173,993	8,099,340	8,137,198	8,335,148	9,214,945	9,294,290
	965,174	964,371	1,107,022	1,044,091	1,250,329	1,416,688
	678,701	759,484	1,040,407	979,968	1,297,626	1,431,846
	1,006,634	978,478	959,043	912,762	827,311	932,392
	2,809,452	2,443,474	3,396,399	3,398,738	2,231,194	2,948,081
	228,013	59,450	47,798	55,015	28,055	(985,998)
	28,023	186,030	71,383	275,288	43,860	91,837
	664,232	713,133	564,446	512,947	570,341	491,024
<u>\$</u>	<u>87,124,847</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>
\$	500,656	\$ 469,625	\$ 272,274	\$ 191,318	\$ 174,223	\$ 742,876
	814,346	781,311	816,772	832,301	897,192	104,001
	145,643	197,690	192,921	212,744	146,940	44,572
	86,051	80,718	46,797	32,883	52,744	118,860
	164,276	154,097	89,342	62,772	57,168	475,433
	21,527,680	30,397,351	26,769,961	22,992,103	22,175,440	20,267,748
<u>\$</u>	<u>23,238,652</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>\$</u>	<u>(63,886,195)</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>

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

	2005	2006	2007	2008
Net (Expense)/Revenue				
Governmental Activities	\$ (54,027,576)	\$ (55,115,694)	\$ (58,071,650)	\$ (63,988,050)
Total Primary Government Program Revenues	<u>(54,027,576)</u>	<u>(55,115,694)</u>	<u>(58,071,650)</u>	<u>(63,988,050)</u>
General Revenues & Other Changes in Net Position				
Governmental Activities				
Property Taxes				
Levied for General Purposes	12,509,680	13,090,736	13,305,065	11,218,743
Levied for Debt Service	622,643	662,768	1,161,160	1,067,888
State Aid - Formula Grants	42,203,690	40,822,011	-	52,024,588
Unrestricted Grants and Contributions	2,009,896	-	48,693,585	-
Investment Earnings	1,230,399	1,631,671	2,669,186	2,163,183
Miscellaneous Local and Intermediate Revenue	2,063,156	2,073,624	458,797	516,162
Special Items	19,379	4,757	(65,622)	(65,975)
Extraordinary Item - resource	-	-	195	-
Transfers	94,340	(6,373)	(69,109)	11,876
Total Governmental Activities	<u>\$ 60,753,183</u>	<u>\$ 58,279,194</u>	<u>\$ 66,153,257</u>	<u>\$ 66,936,465</u>
Changes in Net Position				
Governmental Activities	\$ 6,725,607	\$ 3,163,500	\$ 8,081,607	\$ 2,948,415
Total Primary Government	<u>\$ 6,725,607</u>	<u>\$ 3,163,500</u>	<u>\$ 8,081,607</u>	<u>\$ 2,948,415</u>

2009	2010	2011	2012	2013	2014
\$ (63,886,195)	\$ (57,348,597)	\$ (59,239,641)	\$ (64,201,029)	\$ (69,366,743)	\$ (74,049,321)
(63,886,195)	(57,348,597)	(59,239,641)	(64,201,029)	(69,366,743)	(74,049,321)

12,273,413	12,234,521	13,132,037	13,874,294	14,801,948	15,185,360
1,517,701	1,894,544	1,863,558	2,041,676	1,836,256	1,881,331
52,147,416	48,243,225	-	-	-	-
-	-	54,671,371	54,336,114	56,997,255	61,043,029
800,932	349,117	159,413	157,667	130,049	81,588
113,280	527,813	1,420,825	(350,309)	(130,660)	920,205
(12,662)	-	-	(4,639)	-	-
-	-	-	-	-	-
(30,382)	-	804	(26,000)	-	-
\$ 66,809,698	\$ 63,249,220	\$ 71,248,008	\$ 70,028,803	\$ 73,634,848	\$ 79,111,513

\$ 2,923,503	\$ 5,900,623	\$ 12,008,367	\$ 5,827,774	\$ 4,268,105	\$ 5,062,192
\$ 2,923,503	\$ 5,900,623	\$ 12,008,367	\$ 5,827,774	\$ 4,268,105	\$ 5,062,192

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

	2005	2006	2007	2008
General Fund				
Nonspendable	\$ 687,073	\$ 737,737	\$ 601,763	\$ 609,229
Restricted	122,242	560,275	406,481	269,314
Comitted	-	-	1,769,919	920,000
Assigned	3,737,055	2,806,622	2,375,467	435,792
Unassigned	13,668,649	15,848,761	20,144,367	25,815,375
Total General Fund	<u>\$ 18,215,019</u>	<u>\$ 19,953,395</u>	<u>\$ 25,297,997</u>	<u>\$ 28,049,710</u>
All Other Governmental Funds				
Nonspendable	\$ 354,557	\$ 457,480	\$ 543,334	\$ 499,602
Restricted	4,676,062	2,188,937	1,968,578	1,647,130
Comitted	-	-	-	-
Assigned	-	-	-	-
Unassigned	77,470	639,728	22,539,554	14,558,913
Total All Other Governmental Funds	<u>\$ 5,108,089</u>	<u>\$ 3,286,145</u>	<u>\$ 25,051,466</u>	<u>\$ 16,705,645</u>

2009	2010	2011	2012	2013	2014
\$ 623,044	\$ 782,891	\$ 600,000	\$ 715,699	\$ 627,311	\$ 563,193
449,054	469,501	-	-	-	-
1,654,208	2,000,000	2,088,425	794,063	28,703,461	27,362,867
27,881,507	30,313,071	38,980,447	45,836,950	20,127,659	26,290,904
<u>\$ 30,607,813</u>	<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>
\$ 572,668	\$ 591,544	\$ -	\$ 261,539	\$ 342,712	\$ 418,077
1,157,517	12,836,952	13,246,293	6,086,628	4,590,666	3,034,028
-	-	-	-	-	-
-	-	-	-	-	-
16,781,895	277,731	(1,225,757)	168,688	169,244	-
<u>\$ 18,512,080</u>	<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>

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

	2005	2006	2007	2008
Revenues:				
Local and Intermediate Sources	\$ 17,818,454	\$ 18,735,381	\$ 19,037,092	\$ 16,707,196
State Program Revenues	47,985,412	45,353,186	53,663,114	57,274,980
Federal Program Revenues	15,153,879	15,048,287	14,440,024	14,924,471
Total Revenues	80,957,745	79,136,854	87,140,230	88,906,647
Expenses:				
Instruction	40,659,209	41,648,424	43,209,172	47,156,064
Instructional Resource & Media Services	1,588,824	1,626,135	1,516,644	1,575,651
Curriculum/Instructional Staff Devel	1,746,494	1,928,632	1,675,260	1,373,853
Instructional Leadership	1,599,622	1,422,183	1,510,512	1,731,593
School Leadership	3,232,208	3,250,330	3,424,427	3,523,299
Guidance/Counseling/Evaluation Serv	2,399,963	2,487,466	2,686,188	2,929,041
Social Work Services	179,784	172,216	181,930	188,268
Health Services	691,779	665,677	622,804	678,429
Student (Pupil) Transportation	1,331,393	1,600,987	1,603,068	1,565,129
Food Services	3,845,225	3,971,257	3,948,834	4,216,990
Cocurricular/Extracurricular Activities	1,994,244	2,099,460	2,269,288	2,480,712
General Administration	2,253,920	2,400,798	2,372,411	1,950,201
Plant Maintenance & Operations	6,482,465	6,919,637	7,495,332	7,453,508
Security & Monitoring Services	600,532	607,496	683,324	766,925
Data Processing Services	1,261,027	1,443,039	1,477,341	1,138,044
Community Services	1,002,919	1,018,051	1,002,280	960,201
Debt Service - Principal on long-term debt	1,450,000	1,560,000	2,205,000	1,675,000
Debt Service - Interest on Long Term Debt	1,399,422	1,246,983	2,102,966	1,901,418
Debt Service - Bond Issuance Cost and Fees	288,188	12,908	279,780	667,380
Capital Outlay	1,916,010	3,137,128	1,835,741	10,446,830
Other Intergovernmental Charges	-	-	-	545,753
Total Expenditures	75,923,228	79,218,807	82,102,302	94,924,289
Excess of Revenues Over (Under) Expenditures	5,034,517	(81,953)	5,037,928	(6,017,642)
Other Financing Sources (Uses)				
Refunding Bonds Issued	22,369,992	-	-	-
Capital Related Debt Issued (Regular Bonds)	-	-	21,915,000	6,469,993
Sale of Real and Personal Property	19,379	4,757	2,034	7,605
Transfers In	880,921	871,965	-	215,832
Premium or Discount on Issuance of Bonds	2,165,239	-	268,700	653,895
Other Resources	111,970	1,046	-	-
Transfers Out	(880,921)	(871,965)	-	(215,832)
Payment to Bond Refunding Escrow Agent (Use)	(24,136,861)	-	-	-
Other (Uses)	(17,630)	(7,419)	(69,109)	(6,458,124)
Total Other Financing Sources (Uses)	512,089	(1,616)	22,116,625	673,369
Extraordinary Item - Resource	-	-	195	-
Special Item (Use)	-	-	(44,825)	(65,975)
Net Change in Fund Balances	\$ 5,546,606	\$ (83,569)	\$ 27,109,923	\$ (5,410,248)
Debt Service as a Percentage of Noncapital Expenditures	4.2%	3.7%	5.7%	5.0%

	2009	2010	2011	2012	2013	2014
\$	17,070,448	\$ 17,463,909	\$ 17,854,444	\$ 18,331,315	\$ 18,723,408	\$ 19,766,588
	57,217,211	53,048,871	58,160,468	56,825,613	58,814,168	63,684,437
	15,444,904	24,665,430	23,278,257	19,509,244	19,292,464	17,626,002
	89,732,563	95,178,210	99,293,169	94,666,172	96,830,040	101,077,027
	49,577,849	51,692,658	48,291,897	48,468,485	47,883,956	47,726,117
	1,539,162	1,563,399	1,933,609	1,821,565	1,638,584	1,656,424
	950,376	1,692,320	1,215,612	1,197,809	1,357,109	2,936,483
	1,476,086	1,630,271	1,689,350	1,706,061	1,936,244	1,891,299
	3,547,766	3,601,596	3,516,258	3,556,728	3,932,140	3,885,252
	2,237,205	3,026,883	3,203,068	3,154,598	3,322,241	3,436,910
	205,496	205,386	195,398	209,869	213,831	224,606
	702,090	730,866	679,349	657,066	763,971	820,669
	1,198,212	1,279,018	2,301,517	1,454,474	2,196,430	2,438,109
	4,599,294	4,484,395	4,637,792	4,916,982	6,012,183	6,542,226
	2,590,615	2,445,772	2,601,318	2,702,985	2,740,562	2,939,558
	2,385,359	2,655,765	2,647,977	2,861,299	2,656,101	2,679,955
	8,142,837	8,479,896	8,259,323	8,398,388	10,837,578	9,303,981
	946,203	955,212	1,097,229	1,019,356	1,254,009	1,437,722
	601,046	763,496	966,801	856,879	1,348,568	1,760,508
	1,006,634	978,478	976,567	926,671	823,652	929,881
	1,755,000	2,110,000	1,159,444	1,155,548	2,315,000	2,565,000
	2,686,338	2,318,724	3,276,440	3,287,095	2,123,346	1,741,418
	198,397	29,834	21,476	28,494	28,055	19,107,555
	10,788,169	5,899,808	3,614,127	7,385,049	2,179,809	2,546,971
	664,232	713,133	564,448	512,947	570,341	491,024
	97,798,366	97,256,910	92,849,000	96,278,348	96,133,710	117,061,668
	(8,065,803)	(2,078,700)	6,444,169	(1,612,176)	696,330	(15,984,641)
	-	-	-	-	-	17,430,000
	12,285,000	-	-	-	-	-
	1,657	3,383	2,743	38,319	3,397	14,104
	7,071	-	17,779	792,784	-	-
	186,728	-	-	-	-	1,648,553
	-	-	5,064	-	-	-
	(7,071)	-	(17,779)	(818,784)	-	-
	-	(7,610)	-	-	-	-
	(30,382)	-	(34,258)	(4,684)	(2,241)	-
	12,443,003	(4,227)	(26,451)	7,635	1,156	19,092,657
	-	-	-	-	-	-
	(12,662)	-	-	(4,639)	-	-
\$	4,364,538	\$ (2,082,927)	\$ 6,417,718	\$ (1,609,180)	\$ 697,486	\$ 3,108,016
	5.3%	4.9%	5.0%	5.0%	4.9%	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	2005	2006	2007	2008
Tax Year	2004	2005	2006	2007
Real Property:				
Residential Property	\$ 546,301,180	\$ 570,431,630	\$ 619,949,104	\$ 688,606,340
Commercial Property	436,268,641	451,102,151	499,810,361	576,484,653
Agricultural Property	87,412,857	88,296,057	86,755,377	89,863,290
Personal Property	207,693,970	218,185,450	212,812,420	213,370,230
Mineral Property	48,127,180	47,767,270	55,583,530	45,307,430
Less: Ag & Homestead Cap	94,940,917	87,283,164	92,467,752	93,916,572
Total Taxable Assessed Value	\$ 1,230,862,911	\$ 1,288,499,394	\$ 1,382,443,040	\$ 1,519,715,371
Total Direct Tax Rate	1.5127	1.5120	1.4318	1.1390
Estimated Actual Taxable Value	\$ 880,529,316	\$ 930,906,932	\$ 970,501,572	\$ 1,071,520,897
Taxable Assessed Value as a Percentage of Actual Taxable Value	139.7867%	138.4133%	142.4462%	141.8279%

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

	2009 2008	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013
\$	773,258,410	\$ 811,523,340	\$ 896,510,137	\$ 948,139,169	\$ 933,518,899	\$ 946,825,353
	631,740,682	607,942,702	659,998,461	691,843,898	743,690,669	962,249,233
	89,937,780	93,133,980	107,188,790	105,202,670	282,162,699	285,741,369
	251,791,820	193,912,170	202,584,730	212,634,940	259,892,520	285,373,810
	51,790,680	38,869,460	36,012,490	27,356,510	19,554,730	15,463,270
	105,224,642	103,193,162	127,878,512	116,337,676	288,272,395	292,355,426
\$	1,693,294,730	\$ 1,642,188,490	\$ 1,774,416,096	\$ 1,868,839,511	\$ 1,950,547,122	\$ 2,203,297,609
	1.1667	1.1994	1.1994	1.1887	1.1795	1.1724
\$	1,229,793,198	\$ 1,152,226,110	\$ 1,256,170,243	\$ 1,291,843,692	\$ 1,310,225,721	\$ 1,415,546,931
	137.6894%	142.5231%	141.2560%	144.6645%	148.8711%	155.6499%

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	
2005	1.440000	0.072700	1.512700	0.50555	0.46600	0.14630	2.63055
2006	1.440000	0.072000	1.512000	0.52055	0.46600	0.13800	2.63655
2007	1.316848	0.115000	1.431848	0.52055	0.46600	0.13420	2.55260
2008	1.040048	0.099000	1.139048	0.54055	0.46600	0.13420	2.27980
2009	1.040048	0.126700	1.166748	0.56055	0.44570	0.12840	2.30140
2010	1.040048	0.159415	1.199463	0.56055	0.44570	0.12840	2.33411
2011	1.040000	0.159415	1.199415	0.57555	0.44570	0.12458	2.34525
2012	1.040000	0.148720	1.188720	0.57555	0.44570	0.12420	2.33417
2013	1.040000	0.139500	1.179500	0.57881	0.44570	0.11920	2.32321
2014	1.040000	0.132400	1.172400	0.05788	0.44570	0.11920	1.79518

Source: City of Del Rio and Val Verde County Tax Assessor

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

Tax Payer	Fiscal Year 2014 Tax Year 2013			Fiscal Year 2005 Tax Year 2004		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
GEO Group Inc.	24,175,850	1	1.71%			
AEP Texas Central Co.	21,889,270	2	1.55%	17,764,230	3	2.02%
Electric Transmission of Texas	17,250,100	3	1.22%			
Union Pacific Railroad Co.	13,515,760	4	0.95%	7,120,350	8	0.81%
Plaza-Al LLC	12,787,390	5	0.90%			
Lone Star NGL Pipeline LLC	9,431,920	6	0.67%			
Wal Mart Real Estate	8,984,600	7	0.63%	8,822,960	5	1.00%
Wal-Mart Stores #01-0447	8,485,250	8	0.60%	8,526,700	6	0.97%
San Antonio Shoe Inc.	8,339,060	9	0.59%			
Verizon Soutwest	7,470,970	10	0.53%	18,474,910	2	2.10%
Wackenhut Corrections				18,962,870	1	2.15%
Conoco Phillips Company				17,238,980	4	1.96%
Newfield Exploration Co.				7,649,730	7	0.87%
Mall Shopping Ctr Inc				6,907,010	9	0.78%
Thompson J. Cleo				6,028,190	10	0.68%

Source: Val Verde County Appraisal District

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

<u>Fiscal Year</u>	<u>Tax Rate</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Total Collections to Date</u>	
			<u>Amount</u>	<u>Percent of Levy</u>	<u>Amount</u>	<u>Percent of Levy</u>
2005	1.5127	13,451,018	12,456,341	92.61%	13,303,160	98.90%
2006	1.5120	13,808,162	12,927,377	93.62%	13,654,369	98.89%
2007	1.4318	14,345,885	13,886,915	96.80%	14,225,520	99.16%
2008	1.1390	12,650,582	11,626,866	91.91%	12,549,006	99.20%
2009	1.1667	14,834,655	12,872,113	86.77%	14,698,871	99.08%
2010	1.1994	15,157,709	13,707,832	90.43%	14,982,417	98.84%
2011	1.1994	15,986,462	14,639,225	91.57%	15,754,155	98.55%
2012	1.1887	16,243,357	15,178,203	93.44%	15,922,486	98.02%
2013	1.1795	16,425,943	15,419,337	93.87%	15,975,632	97.26%
2014	1.1724	17,347,321	16,511,976	95.18%	16,511,976	95.18%

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

Employer	2014			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Laughlin Air Force Base	3,420	1	17.96%	2,782	1	17.58%
San Felipe Del Rio CISD	2,718	2	14.28%	1,567	3	9.90%
Government Agencies	2,063	3	10.84%	1,955	2	12.35%
Retail	1,216	4	6.39%	N/A		
Manufacturers	1,104	5	5.80%	N/A		
Wal-Mart Supercenter	N/A			473	6	2.99%
City of Del Rio	450	6	2.36%	485	5	3.06%
Plaza Del Sol Mall	N/A			445	7	2.81%
Val Verde Regional Medical Center	430	7	2.26%	500	4	3.16%
Medical Clinics	412	8	2.16%	N/A		
The GEO Group Correctional Facility	301	9	1.58%	198	10	1.25%
Financial Institutions	257	10	1.35%	N/A		
H.E.B. Grocery	N/A			256	8	1.62%
Val Verde County	207	11	1.09%	206	9	1.30%
Union Pacific Railroad	150	12	0.79%	N/A		
Total	<u>12,728</u>			<u>8,867</u>		

Source: Del Rio Chamber of Commerce

Note: Comparative information for nine years ago is not available; 2006 data was used for comparative data

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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**

November 25, 2014

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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 25, 2014.

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.

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.

*B*ELT *H*ARRIS *P*ECHACEK, 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**

November 25, 2014

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, 2014. 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, 2014.

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, 2014

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, 2014

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>
10.553, 10.555, & 10.559	Child Nutrition Cluster

8. The threshold for distinguishing Type A and B programs was \$506,259.
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, 2014

(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		\$ 177,259
Total Direct Programs			\$ 177,259
TOTAL FEDERAL COMMUNICATIONS COMMISSION			\$ 177,259
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000		\$ 72,475
Total Direct Programs			\$ 72,475
TOTAL DEPARTMENT OF DEFENSE			\$ 72,475
U.S. DEPARTMENT OF EDUCATION			
<u>Direct Programs</u>			
Impact Aid - P.L. 81.874 (Note A)	84.041		\$ 22,725
Total Direct Programs			\$ 22,725
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610101233901	\$ 1,476
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101233901	3,869,710
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101233901	101,199
ESA, Title I Part D, Subpart 2 - Delinquent Prg	84.010A	14610103223901	27,321
ESA, Title I, Priority & Focus School Grant	84.010A	14610112233901102	9,858
ESA, Title I, Priority & Focus School Grant	84.010A	14610112233901103	6,585
ESA, Title I, Priority & Focus School Grant	84.010A	14610112233901104	8,193
ESA, Title I, Priority & Focus School Grant	84.010A	14610112233901112	5,748
Total CFDA Number 84.010A			4,030,090
Total Title I, Part A Cluster			4,030,090
ESEA, Title I, Part C - Migratory Children	84.011	13615001233901	266
ESEA, Title I, Part C - Migratory Children	84.011	14615001233901	817,855
ESEA, Title I, Part C - Migratory Children	84.011	15615001233901	3,387
Total CFDA Number 84.011			821,508
*IDEA - Part B, Formula	84.027	146600012339016600	1,930,343
*IDEA - Part B, Formula	84.027	156600012339016600	225,681
Total CFDA Number 84.027			2,156,024
*IDEA - Part B, Preschool	84.173	146610012339016610	62,233
*IDEA - Part B, Preschool	84.173	156610012339016610	4,111
Total CFDA Number 84.173			66,344
Total Special Education Cluster (IDEA)			2,222,368
Career and Technical - Basic Grant	84.048	14420006233901	109,698
Career and Technical - Basic Grant	84.048	15420006233901	5,911
Total CFDA Number 84.048			115,609
Title III, Part A - English Language Acquisition	84.365A	14671001233901	144,650
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501233901	505,050
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501233901	19,477
Total CFDA Number 84.367A			524,527
Summer School LEP	84.369A	69551302	6,678

SAN FELIPE DEL RIO CISD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Title I SIP Academy Grant	84.377A	S377A120044	976,058
Total Passed Through State Department of Education			\$ 8,841,488
TOTAL DEPARTMENT OF EDUCATION			\$ 8,864,213
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778		\$ 17,902
Total Passed Through Texas Dept of Human Services			\$ 17,902
<u>Passed Through State Department of Education</u>			
Head Start	93.600	06CH6041/42	\$ 1,840,351
Head Start	93.600	06CH7135/01	106,487
Total CFDA Number 93.600			1,946,838
Total Passed Through State Department of Education			\$ 1,946,838
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,964,740
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553		\$ 1,659,456
*National School Lunch Program - Cash Assistance	10.555		3,597,093
*National School Lunch Prog. - Non-Cash Assistance	10.565		416,532
*Summer Feeding Program - Cash Assistance	10.559		123,532
Total Child Nutrition Cluster			5,796,613
Total Passed Through the State Department of Agriculture			\$ 5,796,613
TOTAL DEPARTMENT OF AGRICULTURE			\$ 5,796,613
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 16,875,300

*Clustered Programs

SAN FELIPE DEL RIO CISD

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2014

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	\$16,875,300
SHARS Revenue	<u>750,702</u>
Exhibit C-3 Federal Revenue	\$17,626,002

SCHOOLS FIRST QUESTIONNAIRE

San Felipe Del Rio CISD

Fiscal Year 2014

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the district receive a clean audit? - Was there an unqualified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year end.	1,067,010