

The background of the entire page is a dark blue gradient with a complex, abstract pattern of curved, overlapping lines that create a sense of depth and movement, resembling a tunnel or a series of concentric, flowing shapes.

# San Felipe Del Rio Consolidated Independent School District

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2013

DEL RIO, TEXAS  
[HTTP://WWW.SFDR-CISD.ORG](http://www.sfdr-cisd.org)

SAN FELIPE DEL RIO CISD  
 COMPREHENSIVE ANNUAL FINANCIAL AND COMPLIANCE REPORT  
 FOR THE YEAR ENDED AUGUST 31, 2013

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SAN FELIPE DEL RIO CISD

COMPREHENSIVE ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2013

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

**Principal Officials**

**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   |

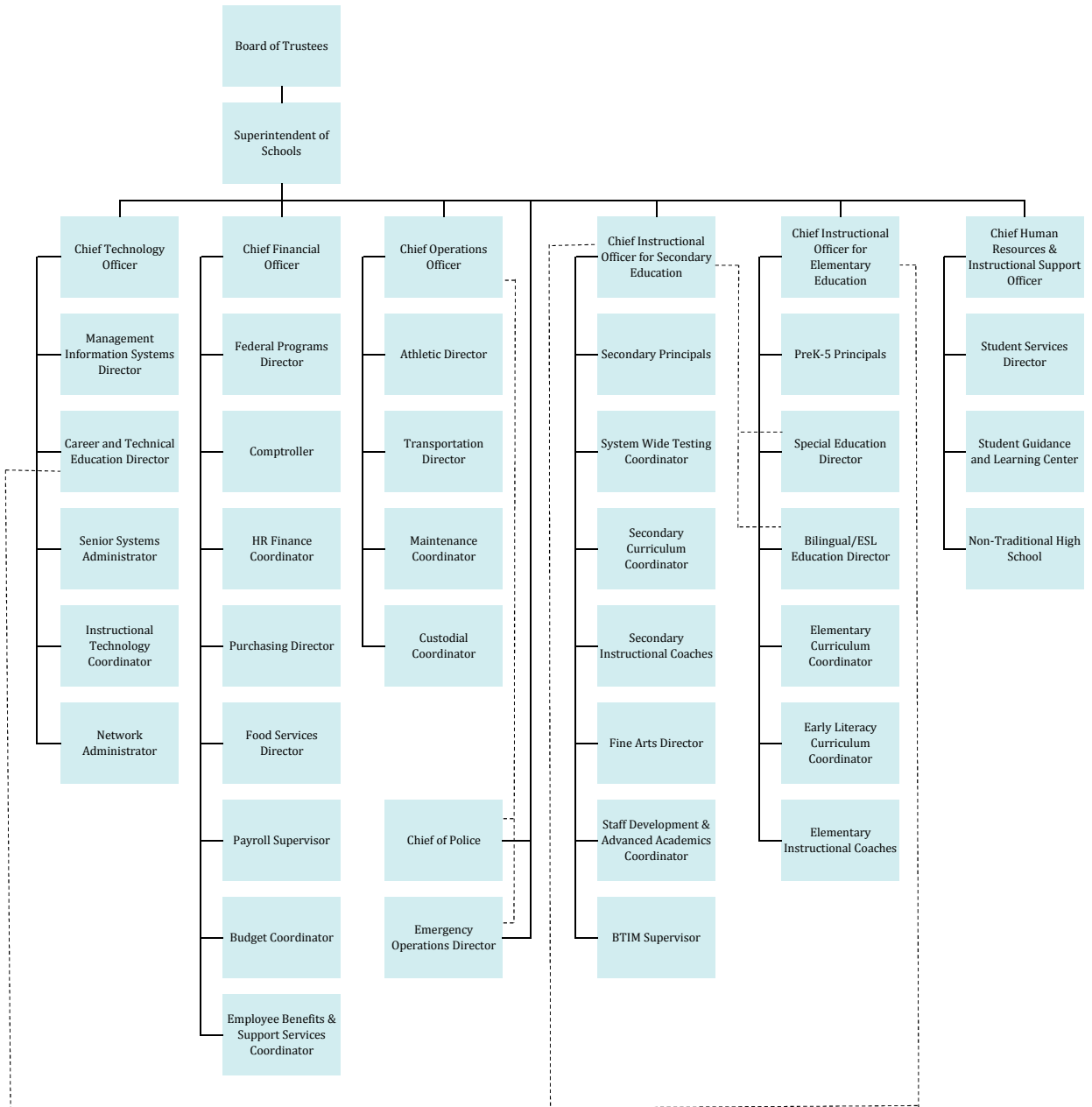
**Administrative Officials**

---

| <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**



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**CERTIFICATE OF BOARD**

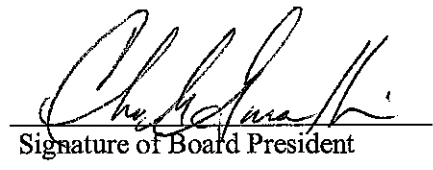
San Felipe Del Rio Consolidated  
Independent School District  
Name of School District

Val Verde  
County

233901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2013 at a meeting of the Board of Trustees of such school district on the 20<sup>th</sup> day of January, 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):





## 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, 2013, 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

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Stephanie E. Harris, CPA  
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#### All Offices

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info@txauditors.com  
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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, 2013, 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 combining statements and other schedules 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 required TEA schedules are presented for purposes of additional analysis and are also not a required part of the financial statements.

The combining statements and other schedules, the schedule of expenditures of federal awards, and the required TEA schedules 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 statements and other schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013 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  
December 10, 2013



**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 CISD**, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2013. 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 2012 – 2013 and the prior year 2011 – 2012 is provided.

### **Financial Highlights**

- The District's Total Net Position increased by \$4,268,105. The total net position as of August 31, 2013 was \$93,138,629 compared to last year at \$88,870,524 (includes various prior period adjustments of \$1,309,752). This is discussed in more detail on under Government Wide Financial Analysis in MD&A Tables I & II. (Exhibit A-1)
- The General Fund ended this year with an overall fund balance of \$49,458,431. The unassigned fund balance is \$20,127,659, or 28.6% (3.4 months) of the total general fund expenditures. The non-spendable and committed fund balance total is \$29,330,772 and consists of \$626,551 in inventories; \$760 non-spendable; \$3,703,461 in commitments; and \$25,000,000 reserved for district wide construction, renovations, and/or repair projects. (Exhibit C-1)
- For the fiscal year ended August 31, 2013, the General Fund recorded total revenues of \$72,590,324 and total expenses of \$70,479,761. The excess of revenues over expenses is \$2,110,563; plus other resources of \$1,156; total for a net increase of \$2,111,719 to the General Fund Balance. Applying the prior period adjustment of \$2,280,698 due to an overpayment recorded as revenue in the 2010-2011 fiscal year, results in a net change in General Fund Balance of (\$168,979). (Exhibit C-3)
- The Major Special Revenue Fund reported in Exhibit C-1 is for the Texas Cool Schools grants awarded by the Comptroller's State Energy Conservation Office intended to help our schools lower their operating costs by purchasing new and more energy-efficient heating, ventilation and air conditioning (HVAC) systems. The total award of \$1,121,399 benefited the Del Rio High School, Freshman School, Ruben Chavira and Buena Vista campus. (Exhibit C-1)
- The District's Internal Service Fund (self-funded health insurance) ended with a Net Position of \$3,359,726. This was a decrease of \$365,883 compared to last year. For the year ended August 31, 2013, the Internal Service Fund recorded total revenues of \$7,763,966 and total operating expenses of \$8,129,849. (Exhibit D-2)
- The fund balance in the Debt Service Fund (511) is \$1,065,932; this is an increase of \$34,004 for fiscal year 2013. The Interest and Sinking tax rate for fiscal year 2013 was \$0.139500 for the purpose of payment of principal and interest on debts. (Exhibit J-5)
- The 2004 Bond Issue was sold in two series, each having its own fund: 1) The 2006 Bond Capital Projects (617) fund balance is \$2,631,385 includes expenditures of \$227,411. 2) The 2008 Bond Capital Projects (618) fund balance is \$27,577 includes expenditures of \$1,234,832. (Exhibit H-2)
- The 2013 fiscal year tax collection rate is 99.43%, with a current year collection of 94.38% plus prior years at 5.05%. Tax collections increased by \$96,785 from 2012 and the tax levy increased by \$182,586. (Exhibit J-1)



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

**USING THIS ANNUAL REPORT**

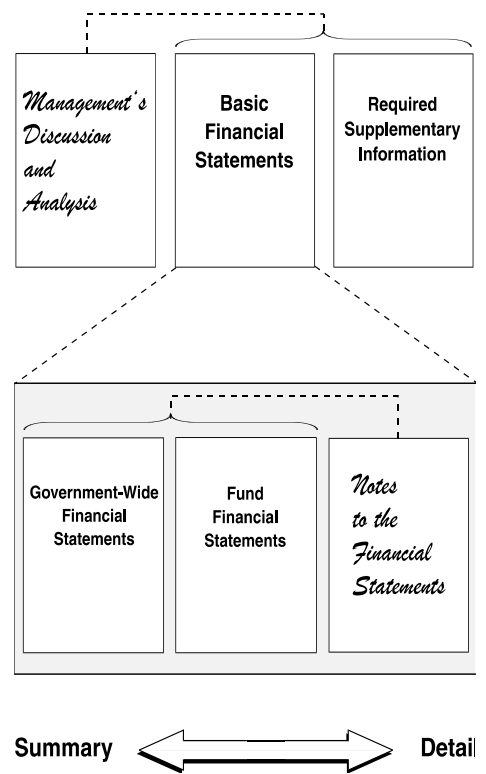
This annual report consists of a series of financial statements and is in three parts — *management’s discussion and analysis*, the *basic financial statements*, and required *supplementary information*. The basic financial statements include two kinds of statements that present different views of the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

The first two statements are *Government-Wide Financial Statements*, Exhibit A-1 and B-1, 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 Statement of Net Position includes all the District's assets and liabilities at the end of the year, while the



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

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 position are one indicator of whether its financial health is improving or declining. To fully assess the overall health of the District, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

- Governmental activities—Most of the District's basic services are reported here, including 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 2012-2013, 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 raised by campus and student activities. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position in Exhibit E. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

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

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenue (*government activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District had no *business-type activity* for the 2012-2013 year.

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

The District's total combined assets were \$147,145,771 plus deferred outflows of resources were \$1,415,941. Capital assets, such as land, buildings and improvements, vehicles, furniture, equipment, and construction in progress comprise \$78,819,666 of this amount. Cash/cash equivalents and current investments comprise \$55,887,773 and \$2,849,104 is Property Taxes Receivable less allowance for uncollectible taxes (Exhibit A-1). Approximately 4.26% of total assets or \$6,271,186 is in the form of Due from Other Governments.

The total combined liabilities were \$55,423,083. The non-current liabilities (Exhibit A-1) total \$50,133,883; \$2,410,000 of that is due within one year and the long-term liabilities amount is \$47,723,883.

Total assets exceeded total liabilities making a total net position of \$93,138,629 as of August 31, 2013. Net Investment in capital assets (e.g., land, buildings, etc.) is \$32,853,555. 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 36.97%) represent resources subject to external restrictions on how they may be used. The remaining balance of \$25,852,439 unrestricted net assets (approximately 27.76%) 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 \$88,870,524 to 93,138,629.



**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 \$2,163,868. This consisted of an increase of \$392,093 in the local and intermediate sources, an increase of \$1,988,555 in state programs and a decrease of \$216,780 in federal revenue. The total combined revenue was \$96,830,040 this year compared to \$94,666,172 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 21.57% of the General Fund compared to 21.87% last year. State revenue made up the largest component of the general fund, which was 76.24% compared to 75.81% last year. The major revenue sources of the Non-major Governmental Funds were the National School Breakfast and Lunch Program in the amount of \$6,224,115; Debt Service Fund in the amount of \$4,500,405; Title 1, Part A in the amount of \$3,425,325; Head Start in the amount of \$2,208,727; and IDEA B Formula in the amount of \$2,066,149. The information was taken from Exhibit H-2.

**Total Program Expenditure**

The District's total combined governmental funds expenditures were \$96,133,710 compared to \$96,278,348 last year. This was a decrease in total expenditure of \$144,638. This comprised of an increase in General Fund expenditures of \$4,157,885 and a decrease of \$4,302,523 in Capital Projects and all other expenditures from last year. Instructional related expenditures in the general fund for this year was \$41,978,242 (59.56%) compared to \$39,619,433 (59.74%) for last year. The overall combined expenditure for instructional related activities was \$50,879,649. The instructional and school leadership expenditure in general fund for this year was \$4,948,344 (7.02%) compared to \$4,500,845 (6.79%) for last year. The overall combined expenditure for instructional and school leadership was \$5,868,384.

Support services such as guidance and counseling, social work services, health services, pupil transportation, food services and co-curricular activities expended \$7,878,574 from the general fund, which was 11.18% of the actual general fund budget expenditure. Last year's expenditure was \$7,159,282, which was 10.79% of last year's general fund actual expenditures. Support Services – non-student based - had a general fund expenditure of \$14,305,787 (20.3%) compared to \$12,308,346 (18.56%) 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 \$80,907 (0.11%) this year compared to \$163,856 (0.25%) last year. Construction costs spent from the general fund were \$717,566 (1.02%) this year compared to \$2,057,167 (3.10%) spent last year. This information was taken from Exhibit C-3.

The cost of all governmental activities this year was \$92,870,450 compared to \$88,525,150 last year. As shown in Table II and Exhibit B-1 the amount that taxpayers financed for these activities through District taxes was \$16,638,204 because some of the costs were paid by those who directly benefited from the programs \$1,328,267 or by other governments and organizations that subsidized certain programs with grants and contributions \$22,175,440. 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 combined excess in revenue to expenditure of \$696,330. The General Fund shows excess revenue in the amount of \$2,110,563. The difference in those two amounts of \$1,414,233 was a deficit in Other Funds and the Construction Fund. The major portion of the Other Funds deficit is from Construction Funds with a deficit of \$1,233,748 in the series 2008 Construction Fund (bond money) because the money was received in 2008. This fund has only





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

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 \$27,577 in Series 2008 as of August 31, 2013.

**Table I  
San Felipe Del Rio CISD  
Net Position**

|                                | <b>Governmental Activities</b> |                       | <b>Percent of Total</b> |                |
|--------------------------------|--------------------------------|-----------------------|-------------------------|----------------|
|                                | <b>2013</b>                    | <b>2012</b>           | <b>2013</b>             | <b>2012</b>    |
| Current and Other Assets       | \$ 68,326,105                  | \$ 69,119,880         | 46.43%                  | 47.18%         |
| Capital Assets                 | 78,819,666                     | 77,395,434            | 53.57%                  | 52.82%         |
| <b>Total Assets</b>            | <b>\$ 147,145,771</b>          | <b>\$ 146,515,314</b> | <b>100.00%</b>          | <b>100.00%</b> |
| Deferred Outflows of Resources | \$ 1,415,941                   | \$ 1,526,506          | 100.00%                 | 100.00%        |
| Long-Term Liabilities          | \$ 50,133,883                  | \$ 50,136,600         | 90.46%                  | 84.73%         |
| Other Liabilities              | 5,289,200                      | 9,034,696             | 9.54%                   | 15.27%         |
| <b>Total Liabilities</b>       | <b>55,423,083</b>              | <b>59,171,296</b>     | <b>100.00%</b>          | <b>100.00%</b> |
| Net Position:                  |                                |                       |                         |                |
| Net Invested in Capital Assets | 32,853,555                     | 26,470,340            | 35.27%                  | 29.79%         |
| Restricted                     | 34,432,635                     | 5,963,912             | 36.97%                  | 6.71%          |
| Unrestricted                   | 25,852,439                     | 56,436,272            | 27.76%                  | 63.50%         |
| <b>Total Net Position</b>      | <b>\$ 93,138,629</b>           | <b>\$ 88,870,524</b>  | <b>100.00%</b>          | <b>100.00%</b> |



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

**Table II  
San Felipe Del Rio CISD  
Statement of Activities  
in thousands**

|  | Governmental Activities |                  | Percent of Rev/Exp/Net Position |                |
|--|-------------------------|------------------|---------------------------------|----------------|
|  | 2013                    | 2012             | 2013                            | 2012           |
| <b>Revenues:</b>   |                         |                  |                                 |                |
| Program revenues:  |                         |                  |                                 |                |
| Charges for services   | \$ 1,328                | \$ 1,332         | 1.37%                           | 1.38%          |
| Operating grants and contributions   | 22,175                  | 22,992           | 22.83%                          | 23.88%         |
| General revenues:  |                         |                  |                                 |                |
| Maintenance and operations taxes   | 14,802                  | 15,661           | 15.24%                          | 16.27%         |
| Debt service taxes   | 1,836                   | 2,042            | 1.89%                           | 2.12%          |
| State aid formula grants   | -                       | -                | 0.00%                           | 0.00%          |
| Grants, contributions not restricted to specific functions (including state aid) | 56,997                  | 54,459           | 58.68%                          | 56.57%         |
| Investment earnings  | 130                     | 158              | 0.13%                           | 0.16%          |
| Miscellaneous  | (131)                   | (350)            | -0.13%                          | -0.36%         |
| Transfers  |                         | (31)             | 0.00%                           | -0.03%         |
| Total revenue and transfers  | <u>97,139</u>           | <u>96,263</u>    | <u>100.00%</u>                  | <u>100.00%</u> |
| <b>Expenses:</b>   |                         |                  |                                 |                |
| Instruction, curriculum and media services                                       | 53,062                  | 51,400           | 57.14%                          | 58.06%         |
| Instructional/school leadership  | 5,961                   | 5,269            | 6.42%                           | 5.95%          |
| Guidance, social work, health, transportation                                    | 6,736                   | 5,902            | 7.25%                           | 6.67%          |
| Food services  | 5,988                   | 4,877            | 6.45%                           | 5.51%          |
| Co-curricular activities   | 2,993                   | 2,715            | 3.22%                           | 3.07%          |
| General administration   | 2,667                   | 2,849            | 2.87%                           | 3.22%          |
| Plant maintenance and security   | 10,465                  | 9,379            | 11.27%                          | 10.59%         |
| Data processing  | 1,298                   | 980              | 1.40%                           | 1.11%          |
| Community services   | 827                     | 913              | 0.89%                           | 1.03%          |
| Debt service   | 2,259                   | 3,454            | 2.43%                           | 3.90%          |
| Facilities acq and const   | 44                      | 275              | 0.05%                           | 0.31%          |
| Other Intergovernmental Changes  | 570                     | 513              | 0.61%                           | 0.58%          |
| Total expenses   | <u>92,870</u>           | <u>88,525</u>    | <u>100.00%</u>                  | <u>100.00%</u> |
| Change in Net Position   | 4,268                   | 7,738            | 4.58%                           | 8.71%          |
| Net position, beginning of year  | 88,871                  | 81,733           | 95.42%                          | 91.97%         |
| Prior period adjustments   | -                       | (600)            | 0.00%                           | -0.68%         |
| Net position, end of year  | <u>\$ 93,139</u>        | <u>\$ 88,871</u> | <u>95.42%</u>                   | <u>91.97%</u>  |

## 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 \$54,561,053, which is less than last year's total of \$56,021,540. This is a decrease of \$1,460,487. This consists of an increase of \$2,111,719, in the General Fund and a combined decrease of \$1,414,233 for Capital Projects and Other Funds. This is also shown Exhibit C-3.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of fiscal year 2013, the District had \$78,819,666 invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This was an increase of \$1,424,232 over the previous year of \$77,395,434.



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

**Debt**

The District had a total Principal of \$47,899,993 of the general obligation bonds outstanding as of August 31, 2013. The amount of \$2,410,000 is due in less than one year and the balance of \$47,723,883 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, 2013 include issuance premiums of \$1,250,512; issuance discounts of \$(52,537) and accreted interest on Capital Appreciation Bonds of \$1,035,915.

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 2013-2014 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.

There were no new bonds issued during the 2012-2013 fiscal year.

**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](http://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, 2013

| Data<br>Control<br>Codes                       | Primary Government         |
|--|----------------------------|
|  | Governmental<br>Activities |
| <b>ASSETS</b>                                  |                            |
| 1110 Cash and Cash Equivalents                 | \$ 45,887,773              |
| 1120 Current Investments                       | 10,000,000                 |
| 1220 Property Taxes Receivable (Delinquent)    | 3,002,585                  |
| 1230 Allowance for Uncollectible Taxes         | (153,481)                  |
| 1240 Due from Other Governments                | 6,271,186                  |
| 1290 Other Receivables, net                    | 2,348,019                  |
| 1300 Inventories                               | 969,263                    |
| 1410 Prepayments                               | 760                        |
| Capital Assets:                                |                            |
| 1510 Land                                      | 3,684,804                  |
| 1520 Buildings, Net                            | 60,609,264                 |
| 1530 Furniture and Equipment, Net              | 4,574,130                  |
| 1550 Leased Property Under Capital Leases, Net | 101,936                    |
| 1580 Construction in Progress                  | 9,849,532                  |
| 1000 Total Assets                              | 147,145,771                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |
| 1701 Deferred Charge for Refunding             | 1,415,941                  |
| 1700 Total Outflows of Resources               | 1,415,941                  |
| <b>LIABILITIES</b>                             |                            |
| 2110 Accounts Payable                          | 1,626,676                  |
| 2120 Short Term Debt Payable                   | 1,460,212                  |
| 2150 Payroll Deductions & Withholdings         | 18,328                     |
| 2160 Accrued Wages Payable                     | 1,952,920                  |
| 2180 Due to Other Governments                  | 202,212                    |
| 2300 Unearned Revenue                          | 28,852                     |
| Noncurrent Liabilities                         |                            |
| 2501 Due Within One Year                       | 2,410,000                  |
| 2502 Due in More Than One Year                 | 47,723,883                 |
| 2000 Total Liabilities                         | 55,423,083                 |
| <b>NET POSITION</b>                            |                            |
| 3200 Net Investment in Capital Assets          | 32,853,555                 |
| 3820 Restricted for Federal and State Programs | 1,284,860                  |
| 3850 Restricted for Debt Service               | 1,065,932                  |
| 3860 Restricted for Capital Projects           | 30,707,566                 |
| 3890 Restricted for Other Purposes             | 1,374,277                  |
| 3900 Unrestricted                              | 25,852,439                 |
| 3000 Total Net Position                        | \$ 93,138,629              |

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, 2013

| Data<br>Control<br>Codes                        | 1   | Program Revenues        |  | Net (Expense)<br>Revenue and<br>Changes in Net<br>Position |
|---|---|-------------------------|--|--|
|   |   | 3                       | 4  | 6  |
|   | Expenses                                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Primary Gov.<br>Governmental<br>Activities                 |
| <b>Primary Government:</b>                      |   |                         |  |  |
| GOVERNMENTAL ACTIVITIES:                        |   |                         |  |  |
| 11 Instruction                                  | \$ 50,022,828                                 | \$ 174,223              | \$ 10,239,300                            | \$ (39,609,305)  |
| 12 Instructional Resources and Media Services   | 1,678,082                                     | 5,445                   | 232,218                                  | (1,440,419)  |
| 13 Curriculum and Staff Development             | 1,360,768                                     | 2,722                   | 347,916                                  | (1,010,130)  |
| 21 Instructional Leadership                     | 1,961,197                                     | 2,722                   | 806,380                                  | (1,152,095)  |
| 23 School Leadership                            | 3,999,679                                     | 16,333                  | 324,552                                  | (3,658,794)  |
| 31 Guidance, Counseling and Evaluation Services | 3,336,876                                     | 5,445                   | 1,167,643                                | (2,163,788)  |
| 32 Social Work Services                         | 217,490                                       | -                       | 60,825                                   | (156,665)  |
| 33 Health Services                              | 767,630                                       | 2,722                   | 114,076                                  | (650,832)  |
| 34 Student (Pupil) Transportation               | 2,414,063                                     | 5,445                   | 195,229                                  | (2,213,389)  |
| 35 Food Services                                | 5,988,138                                     | 897,192                 | 5,657,819                                | 566,873  |
| 36 Extracurricular Activities                   | 2,992,960                                     | 146,940                 | 120,448                                  | (2,725,572)  |
| 41 General Administration                       | 2,667,078                                     | 8,167                   | 94,255                                   | (2,564,656)  |
| 51 Facilities Maintenance and Operations        | 9,214,945                                     | 52,744                  | 1,984,119                                | (7,178,082)  |
| 52 Security and Monitoring Services             | 1,250,329                                     | 2,722                   | 57,406                                   | (1,190,201)  |
| 53 Data Processing Services                     | 1,297,626                                     | 5,445                   | 25,876                                   | (1,266,305)  |
| 61 Community Services                           | 827,311                                       | -                       | 747,378                                  | (79,933)   |
| 72 Debt Service - Interest on Long Term Debt    | 2,231,194                                     | -                       | -  | (2,231,194)  |
| 73 Debt Service - Bond Issuance Cost and Fees   | 28,055  | -                       | -  | (28,055)   |
| 81 Capital Outlay                               | 43,860  | -                       | -  | (43,860)   |
| 99 Other Intergovernmental Charges              | 570,341                                       | -                       | -  | (570,341)  |
| [TP] TOTAL PRIMARY GOVERNMENT:                  | \$ 92,870,450                                 | \$ 1,328,267            | \$ 22,175,440                            | (69,366,743)   |
| Data<br>Control<br>Codes                        | General Revenues:                             |                         |  |  |
|   | Taxes:  |                         |  |  |
| MT  | Property Taxes, Levied for General Purposes   |                         |  | 14,801,948   |
| DT  | Property Taxes, Levied for Debt Service       |                         |  | 1,836,256  |
| GC  | Grants and Contributions not Restricted       |                         |  | 56,997,255   |
| IE  | Investment Earnings                           |                         |  | 130,049  |
| MI  | Miscellaneous Local and Intermediate Revenue  |                         |  | (130,660)  |
| TR  | Total General Revenues                        |                         |  | 73,634,848   |
| CN  | Change in Net Position                        |                         |  | 4,268,105  |
| NB  | Net Position - Beginning                      |                         |  | 87,560,772   |
| PA  | Prior Period Adj & Reclass Debt Issuance Cost |                         |  | 1,309,752  |
| NE  | Net Position--Ending                          |                         |  | \$ 93,138,629  |

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

SANFELIPE DEL RIO CSD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2013

| Data Control Codes                                       | 10<br>General<br>Fund | Major<br>Special<br>Revenue Fund | Other<br>Funds      | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------------------|---------------------|--------------------------------|
| <b>ASSETS</b>  |                       |                                  |                     |                                |
| 1110 Cash and Cash Equivalents                           | \$ 36,550,200         | \$ -                             | \$ 4,823,732        | \$ 41,373,932                  |
| 1120 Investments - Current                               | 10,000,000            | -                                | -                   | 10,000,000                     |
| 1220 Property Taxes - Delinquent                         | 2,546,690             | -                                | 455,895             | 3,002,585                      |
| 1230 Allowance for Uncollectible Taxes (Credit)          | (130,177)             | -                                | (23,304)            | (153,481)                      |
| 1240 Receivables from Other Governments                  | 3,864,723             | 1,121,399                        | 1,285,064           | 6,271,186                      |
| 1260 Due from Other Funds                                | 770,956               | -                                | -                   | 770,956                        |
| 1290 Other Receivables                                   | 1,994,142             | -                                | 348,608             | 2,342,750                      |
| 1300 Inventories   | 626,551               | -                                | 342,712             | 969,263                        |
| 1410 Prepayments   | 760                   | -                                | -                   | 760                            |
| 1000 Total Assets  | <u>\$ 56,223,845</u>  | <u>\$ 1,121,399</u>              | <u>\$ 7,232,707</u> | <u>\$ 64,577,951</u>           |
| <b>LIABILITIES</b>                                       |                       |                                  |                     |                                |
| 2110 Accounts Payable                                    | \$ 205,805            | \$ 1,121,399                     | \$ 299,472          | \$ 1,626,676                   |
| 2120 Claims Payable                                      | 300,828               | -                                | -                   | 300,828                        |
| 2150 Payroll Deductions and Withholdings Payable         | 18,328                | -                                | -                   | 18,328                         |
| 2160 Accrued Wages Payable                               | 1,685,499             | -                                | 267,421             | 1,952,920                      |
| 2170 Due to Other Funds                                  | -                     | -                                | 770,956             | 770,956                        |
| 2180 Due to Other Governments                            | 194,000               | -                                | 8,212               | 202,212                        |
| 2300 Unearned Revenues                                   | 21,632                | -                                | 7,220               | 28,852                         |
| 2000 Total Liabilities                                   | <u>2,426,092</u>      | <u>1,121,399</u>                 | <u>1,353,281</u>    | <u>4,900,772</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                       |                                  |                     |                                |
| 2601 Unavailable Revenue - Property Taxes                | 4,339,322             | -                                | 776,804             | 5,116,126                      |
| 2600 Total Inflows of Resources                          | <u>4,339,322</u>      | <u>-</u>                         | <u>776,804</u>      | <u>5,116,126</u>               |
| <b>FUND BALANCES</b>                                     |                       |                                  |                     |                                |
| Nonspendable Fund Balance:                               |                       |                                  |                     |                                |
| 3410 Inventories   | 626,551               | -                                | 342,712             | 969,263                        |
| 3445 Other Non-Spendable Fund Balance                    | 760                   | -                                | -                   | 760                            |
| Restricted Fund Balance:                                 |                       |                                  |                     |                                |
| 3450 Federal or State Funds Grant Restriction            | -                     | -                                | 700,903             | 700,903                        |
| 3470 Capital Acquisition and Contractual Obligation      | -                     | -                                | 2,823,831           | 2,823,831                      |
| 3480 Retirement of Long-Term Debt                        | -                     | -                                | 1,065,932           | 1,065,932                      |
| Committed Fund Balance:                                  |                       |                                  |                     |                                |
| 3510 Construction  | 26,157,500            | -                                | -                   | 26,157,500                     |
| 3520 Claims and Judgements                               | 497,000               | -                                | -                   | 497,000                        |
| 3530 Capital Expenditures for Equipment                  | 668,123               | -                                | -                   | 668,123                        |
| 3545 Other Committed Fund Balance                        | 1,380,838             | -                                | -                   | 1,380,838                      |
| 3600 Unassigned Fund Balance                             | 20,127,659            | -                                | 169,244             | 20,296,903                     |
| 3000 Total Fund Balances                                 | <u>49,458,431</u>     | <u>-</u>                         | <u>5,102,622</u>    | <u>54,561,053</u>              |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 56,223,845</u>  | <u>\$ 1,121,399</u>              | <u>\$ 7,232,707</u> | <u>\$ 64,577,951</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, 2013

|  |    |              |
|--|----|--------------|
| <b>Total Fund Balances - Governmental Funds</b>  | \$ | 54,561,053   |
| Amounts reported for governmental activities in the Statement of Net Position are difference because:  |    |              |
| 1 Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.   |    | 78,819,666   |
| 2 Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.      |    | 5,116,126    |
| 3 Internal service fund  |    | 3,359,726    |
| 4 Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. |    | (48,717,942) |
| <b>19 Net Position of Governmental Activities</b>  | \$ | 93,138,629   |

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, 2013

| Data Control Codes   | 10<br>General<br>Fund | Major<br>Special<br>Revenue Fund | Other<br>Funds      | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------------------|---------------------|--------------------------------|
| <b>REVENUES:</b>   |                       |                                  |                     |                                |
| 5700 Total Local and Intermediate Sources                      | \$ 15,659,365         | \$ -                             | \$ 3,064,043        | \$ 18,723,408                  |
| 5800 State Program Revenues                                    | 55,346,421            | -                                | 3,467,747           | 58,814,168                     |
| 5900 Federal Program Revenues                                  | 1,584,538             | 1,121,399                        | 16,586,527          | 19,292,464                     |
| 5020 Total Revenues  | <u>72,590,324</u>     | <u>1,121,399</u>                 | <u>23,118,317</u>   | <u>96,830,040</u>              |
| <b>EXPENDITURES:</b>   |                       |                                  |                     |                                |
| <b>Current:</b>  |                       |                                  |                     |                                |
| 0011 Instruction   | 39,462,213            | -                                | 8,421,743           | 47,883,956                     |
| 0012 Instructional Resources and Media Services                | 1,462,434             | -                                | 176,150             | 1,638,584                      |
| 0013 Curriculum and Instructional Staff Development            | 1,053,595             | -                                | 303,514             | 1,357,109                      |
| 0021 Instructional Leadership                                  | 1,174,660             | -                                | 761,584             | 1,936,244                      |
| 0023 School Leadership   | 3,773,684             | -                                | 158,456             | 3,932,140                      |
| 0031 Guidance, Counseling and Evaluation Services              | 2,268,938             | -                                | 1,053,303           | 3,322,241                      |
| 0032 Social Work Services                                      | 161,174               | -                                | 52,657              | 213,831                        |
| 0033 Health Services   | 684,412               | -                                | 79,559              | 763,971                        |
| 0034 Student (Pupil) Transportation                            | 2,066,151             | -                                | 130,279             | 2,196,430                      |
| 0035 Food Services   | 27,674                | -                                | 5,984,509           | 6,012,183                      |
| 0036 Extracurricular Activities                                | 2,670,225             | -                                | 70,337              | 2,740,562                      |
| 0041 General Administration                                    | 2,651,135             | -                                | 4,966               | 2,656,101                      |
| 0051 Facilities Maintenance and Operations                     | 9,054,878             | 1,121,399                        | 661,301             | 10,837,578                     |
| 0052 Security and Monitoring Services                          | 1,251,206             | -                                | 2,803               | 1,254,009                      |
| 0053 Data Processing Services                                  | 1,348,568             | -                                | -                   | 1,348,568                      |
| 0061 Community Services  | 80,907                | -                                | 742,745             | 823,652                        |
| <b>Debt Service:</b>   |                       |                                  |                     |                                |
| 0071 Principal on Long Term Debt                               | -                     | -                                | 2,315,000           | 2,315,000                      |
| 0072 Interest on Long Term Debt                                | -                     | -                                | 2,123,346           | 2,123,346                      |
| 0073 Bond Issuance Cost and Fees                               | -                     | -                                | 28,055              | 28,055                         |
| <b>Capital Outlay:</b>   |                       |                                  |                     |                                |
| 0081 Facilities Acquisition and Construction                   | 717,566               | -                                | 1,462,243           | 2,179,809                      |
| <b>Intergovernmental:</b>                                      |                       |                                  |                     |                                |
| 0099 Other Intergovernmental Charges                           | 570,341               | -                                | -                   | 570,341                        |
| 6030 Total Expenditures  | <u>70,479,761</u>     | <u>1,121,399</u>                 | <u>24,532,550</u>   | <u>96,133,710</u>              |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>2,110,563</u>      | <u>-</u>                         | <u>(1,414,233)</u>  | <u>696,330</u>                 |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                       |                                  |                     |                                |
| 7912 Sale of Real and Personal Property                        | 3,397                 | -                                | -                   | 3,397                          |
| 8949 Other (Uses)  | (2,241)               | -                                | -                   | (2,241)                        |
| 7080 Total Other Financing Sources (Uses)                      | <u>1,156</u>          | <u>-</u>                         | <u>-</u>            | <u>1,156</u>                   |
| 1200 Net Change in Fund Balances                               | 2,111,719             | -                                | (1,414,233)         | 697,486                        |
| 0100 Fund Balance - September 1 (Beginning)                    | 49,627,410            | -                                | 6,394,139           | 56,021,549                     |
| 1300 Prior Period Adjustment                                   | (2,280,698)           | -                                | 122,716             | (2,157,982)                    |
| 3000 Fund Balance - August 31 (Ending)                         | <u>\$ 49,458,431</u>  | <u>\$ -</u>                      | <u>\$ 5,102,622</u> | <u>\$ 54,561,053</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, 2013

|   |        |                 |
|---|--------|-----------------|
| <b>Total Net Change in Fund Balances - Governmental Funds</b>   | \$     | 697,486         |
| <br>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.   |        | <br>(365,883)   |
| <br>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 2013 capital outlays and debt principal payments is to increase (decrease) net position. |        | <br>6,948,763   |
| <br>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.   |        | <br>(3,317,379) |
| <br>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.  |        | <br>305,118     |
| <br><b>Change in Net Position of Governmental Activities</b>  | <br>\$ | <br>4,268,105   |

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, 2013

|                           | Governmental<br>Activities -       |
|---------------------------|------------------------------------|
|                           | Total<br>Internal<br>Service Funds |
| <b>ASSETS</b>             |                                    |
| Current Assets:           |                                    |
| Cash and Cash Equivalents | \$ 4,513,841                       |
| Other Receivables         | 5,269                              |
| Total Assets              | <u>4,519,110</u>                   |
| <b>LIABILITIES</b>        |                                    |
| Current Liabilities:      |                                    |
| Accounts Payable          | 1,372                              |
| Claims                    | 1,158,012                          |
| Total Liabilities         | <u>1,159,384</u>                   |
| <b>NET POSITION</b>       |                                    |
| Unrestricted              | \$ 3,359,726                       |
| Total Net Position        | <u><u>\$ 3,359,726</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, 2013

|  | Governmental<br>Activities -       |
|--|------------------------------------|
|  | Total<br>Internal<br>Service Funds |
| <hr/>  |                                    |
| OPERATING REVENUES:                          |                                    |
| Local and Intermediate Sources               | \$ 7,763,966                       |
| Total Operating Revenues                     | <u>7,763,966</u>                   |
| OPERATING EXPENSES:                          |                                    |
| Professional and Contracted Services         | 604,125                            |
| Other Operating Costs                        | 7,525,724                          |
| Total Operating Expenses                     | <u>8,129,849</u>                   |
| Operating Income (Loss)                      | (365,883)                          |
| Total Net Position - September 1 (Beginning) | <u>3,725,609</u>                   |
| Total Net Position - August 31 (Ending)      | <u><u>\$ 3,359,726</u></u>         |

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

SANFELIPE DEL RIO CISD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013

|   | Governmental<br>Activities -       |
|---|------------------------------------|
|   | Total<br>Internal<br>Service Funds |
| <u>Cash Flows from Operating Activities:</u>                            |                                    |
| Cash Received from User Charges   | \$ 7,853,343                       |
| Cash Received from Interest   | 6,328                              |
| Cash Payments for Insurance Claims                                      | (7,453,414)                        |
| Cash Payments for Professional and Contracted Serv                      | (604,125)                          |
| Net Cash Used for Operating<br>Activities                               | <u>(197,868)</u>                   |
| Net Decrease in Cash and Cash Equivalents                               | (197,868)                          |
| Cash and Cash Equivalents at Beginning of Year                          | <u>4,711,709</u>                   |
| Cash and Cash Equivalents at End of Year                                | <u>\$ 4,513,841</u>                |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u>            |                                    |
| Used for Operating Activities:  |                                    |
| Operating Income (Loss):  | \$ (365,883)                       |
| Effect of Increases and Decreases in Current<br>Assets and Liabilities: |                                    |
| Decrease (increase) in Receivables                                      | (5,269)                            |
| Decrease (increase) in Prepaid Expenses                                 | 38,771                             |
| Increase (decrease) in Accounts Payable                                 | 1,372                              |
| Increase (decrease) in Other Liabilities - Current                      | <u>133,141</u>                     |
| Net Cash Used for Operating<br>Activities                               | <u>\$ (197,868)</u>                |

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

SANFELIPE DEL RIO CISD  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2013

|                           | Agency<br>Funds   |
|---------------------------|-------------------|
| <hr/>                     |                   |
| <b>ASSETS</b>             |                   |
| Cash and Cash Equivalents | \$ 399,406        |
| Other Receivables         | 244               |
| Total Assets              | <u>\$ 399,650</u> |
| <br><b>LIABILITIES</b>    |                   |
| Accounts Payable          | \$ 397            |
| Due to Student Groups     | 399,253           |
| Total Liabilities         | <u>\$ 399,650</u> |

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

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SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**A. REPORTING ENTITY**

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, 2013

**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 and the ARRA Comptroller’s State Energy Conservation Office Texas Cool Schools grant as major funds and reports the financial condition and results of operations for each major 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, 2013

**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 fund:

**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.

**ARRA, Comptroller's State Energy Conservation Office, Texas Cool Schools Grant:** This is a special revenue fund. This fund classification is to be used to account, on a project basis, for funds granted for energy conservation by the U.S. Department of Energy.

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.

**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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**D. FUND ACCOUNTING (Continued)**

*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.

*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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**F. OTHER ACCOUNTING POLICIES (Continued)**

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 over the term of the new debt on the straight-line basis.

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     |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**F. OTHER ACCOUNTING POLICIES (Continued)**

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.
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.
  - 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.
  - 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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**F. OTHER ACCOUNTING POLICIES (Continued)**

12. *Indirect expenses* – School districts are required to report all expenses by function, except certain indirect expenses. General administration and data processing service functions (data control codes 41 and 53, respectively) include expenses that are indirect expenses of other functions. These indirect expenses are not allocated to other functions.
13. *Arbitrage* – The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. The District's estimated arbitrage liability as of August 31, 2013 is \$30,817.
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, 2013

**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 \$78,819,666 are as follows:

|  |    |              |            |
|--|----|--------------|------------|
| Land   | \$ | 3,684,804    |            |
| Construction in Progress   |    | 9,849,532    |            |
| Buildings  |    | 104,423,187  |            |
| Less: Accumulated depreciation - buildings   |    | (43,813,923) |            |
| Furniture & Equipment  |    | 12,847,347   |            |
| Less: Accumulated depreciation - furniture & equipment   |    | (8,171,281)  |            |
|  |    | <hr/>        |            |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities |    |              | 78,819,666 |

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 \$48,717,941 difference are as follows:

|  |  |             |                      |
|--|--|-------------|----------------------|
| Bonds Payable  |  | 47,899,993  |                      |
| Add: Issuance premium  |  | 1,250,512   |                      |
| Less: Issuance discount  |  | (52,537)    |                      |
| Add: Accreted Interest   |  | 1,035,915   |                      |
| Less: Deferred charge on refunding   |  | (1,415,941) |                      |
|  |  | <hr/>       |                      |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities |  |             | <u>\$ 48,717,942</u> |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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 \$6,948,763 difference are as follows:

|  |    |              |
|--|----|--------------|
| Capital outlay:  |    |              |
| Buildings  | \$ | 2,138,824    |
| Furniture & equipment  |    | 2,500,850    |
| Capital lease  |    | 101,937      |
|  |    | 4,741,611    |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities |    | 4,741,611    |
| <br>   |    |              |
| Bond principal repayments  |    | 2,315,000    |
| Add: Amortization of premiums  |    | 65,779       |
| Less: Amortization of discounts  |    | (2,919)      |
| Less: Amortization of loss on refundings   |    | (110,565)    |
| Less: Accreted interest  |    | (60,143)     |
|  |    | 2,207,152    |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities |    | 2,207,152    |
| The net effect of including the 2013 capital outlays and debt principal payments is to increase net position           |    | \$ 6,948,763 |



SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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<br>Appropriation | Increase<br>(Decrease) | Amended<br>Budget<br>Appropriation |
|------------------------------|----------------------------------|------------------------|------------------------------------|
| General Fund                 | \$ 79,174,787                    | \$ (6,697,455)         | \$ 72,477,332                      |
| Child Nutrition Program Fund | 5,534,991                        | 449,943                | 5,984,934                          |
| Debt Service Fund            | 4,507,346                        | -                      | 4,507,346                          |
|                              | \$ 89,217,124                    | \$ (6,247,512)         | \$ 82,969,612                      |

The decrease in appropriations is due to the District’s efforts to control expenditures based on actual needs and adjustments in the budget. The increase in the Child Nutrition Program Fund is due to increased revenues of meals served.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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                         | \$ 991,844   |
| Debt Service Fund                                    | 1,065,932    |
| Non-Appropriated Budget Funds                        | 3,044,846    |
| Total Fund Balances for Non Major Governmental Funds | \$ 5,102,622 |

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.

**B. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

For the year ended August 31, 2013, expenditures exceeded appropriations at the legal level of control as follows:

|                         |           |
|-------------------------|-----------|
| General Fund            |           |
| Other (Uses)            | \$2,241   |
| Child Nutrition Program |           |
| Food Services           | \$279,198 |

**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, 2013 are as follows:

|  |               |
|--|---------------|
| Cash in bank or on hand - primary government | \$ 7,998,749  |
| TexPool                                      | \$ 37,681,955 |
| LoneStar                                     | 207,069       |
| Total Cash Equivalents                       | 37,889,024    |
| Total Cash and Cash Equivalents              | \$ 45,887,773 |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**A. DEPOSITS AND INVESTMENTS (Continued)**

Deposits

At August 31, 2013, the carrying amount of the District’s deposits (cash and interest-bearing savings accounts included in temporary investments) was \$7,998,749 and the bank balance was \$9,587,061. The District’s cash deposits at August 31, 2013 and during the year ended August 31, 2013 were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name.

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

- a. Depository: *The Bank & Trust*
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$11,148,027.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$10,223,098.81 and occurred during the month of November 2012.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$500,000.

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 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 certificates of deposit of \$10,000,000 at August 31, 2013 which had maturity dates greater than 90 days, as of the end of fiscal year 2013. The District’s Certificates of Deposit were also fully collateralized as of the end of the fiscal year 2013:

| Name   | Fair Value   | Maturity less than one (1)<br>year |
|--|--------------|------------------------------------|
| Certificates of Deposit greater than 90 days | \$10,000,000 | \$10,000,000                       |

SAN FELIPE DEL RIO CISD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013

**A. DEPOSITS AND INVESTMENTS (Continued)**

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 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.

*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, 2013 all of the District's investments in investment pools were rated AAA by Standards & Poor's.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**B. PROPERTY TAXES**

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

**C. DELINQUENT TAXES RECEIVABLE**

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

**D. INTERFUND RECEIVABLES AND PAYABLES**

|                        | Due From<br>Other Funds | Due To<br>Other Funds |
|------------------------|-------------------------|-----------------------|
| General Fund           | \$ 770,956              | \$ -                  |
| Other Non-Major Funds: |                         |                       |
| Special Revenue Funds  | -                       | 770,956               |
| Total                  | \$ 770,956              | \$ 770,956            |

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.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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       | Other Governments | Total               |
|----------------------------|---------------------|---------------------|-------------------|---------------------|
| General Fund               | \$ 3,864,723        | \$ -                | \$ -              | \$ 3,864,723        |
| Major Special Revenue Fund | -                   | 1,121,399           | -                 | 1,121,399           |
| Other Non-Major Funds      | 139,734             | 1,145,330           | -                 | 1,285,064           |
| <b>Total</b>               | <b>\$ 4,004,457</b> | <b>\$ 2,266,729</b> | <b>\$ -</b>       | <b>\$ 6,271,186</b> |

**Other Receivables**

Other receivables as of August 31, 2013, for the District's major and non-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<br>Fund     | Other<br>Non-Major<br>Fund | Total               |
|--|---------------------|----------------------------|---------------------|
| Penalties and Interest Receivable For<br>Delinquent Property Taxes | \$ 1,922,809        | \$ 344,212                 | \$ 2,267,021        |
| Other  | 71,333              | 4,396                      | 75,729              |
| <b>Total</b>   | <b>\$ 1,994,142</b> | <b>\$ 348,608</b>          | <b>\$ 2,342,750</b> |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**F. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District's governmental activities for the year ended August 31, 2013 follows.

|   | Beginning<br>Balance | Additions    | Deletions | Transfers    |                | Ending<br>Balance |
|---|----------------------|--------------|-----------|--------------|----------------|-------------------|
|   |                      |              |           | In           | Out            |                   |
| <u>Nondepreciable Capital Assets</u>      |                      |              |           |              |                |                   |
| Land                                      | \$ 3,684,804         | \$ -         | \$ -      | \$ -         | \$ -           | \$ 3,684,804      |
| Construction in Progress                  | 10,084,815           | 2,138,824    | -         | -            | (2,374,107)    | 9,849,532         |
| Total Nondepreciable Assets               | 13,769,619           | 2,138,824    | -         | -            | (2,374,107)    | 13,534,336        |
| <u>Depreciable Capital Assets</u>         |                      |              |           |              |                |                   |
| Buildings & Improvements                  | 102,049,080          | -            | -         | 2,374,107    | -              | 104,423,187       |
| Vehicles, Furniture & Equipment           | 10,244,560           | 2,602,787    | -         | -            | -              | 12,847,347        |
| Total Depreciable Assets                  | 112,293,640          | 2,602,787    | -         | 2,374,107    | -              | 117,270,534       |
| Total                                     | 126,063,259          | 4,741,611    | -         | 2,374,107    | (2,374,107)    | 130,804,870       |
| <u>Less Accumulated Depreciation for:</u> |                      |              |           |              |                |                   |
| Buildings                                 | 41,607,312           | 2,206,611    | -         | -            | -              | 43,813,923        |
| Vehicles, Furniture & Equipment           | 7,060,513            | 1,110,768    | -         | -            | -              | 8,171,281         |
| Total Accumulated Depreciation            | 48,667,825           | 3,317,379    | -         | -            | -              | 51,985,204        |
| <u>Capital Assets</u>                     | \$ 77,395,434        | \$ 1,424,232 | \$ -      | \$ 2,374,107 | \$ (2,374,107) | \$ 78,819,666     |

Depreciation expense was charged to governmental functions as follows:

|  |             |
|--|-------------|
| Instructional                              | \$2,505,582 |
| Instructional Resources and Media Services | 32,180      |
| Instructional Leadership                   | 17,635      |
| School Leadership                          | 52,904      |
| Student (Pupil) Transportation             | 317,665     |
| Food Services                              | 42,096      |
| Co-curricular/Extracurricular Activities   | 256,849     |
| Facilities Maintenance & Operations        | 45,163      |
| Security & Monitoring                      | 22,215      |
| Data Processing                            | 22,215      |
| Facilities                                 | 2,875       |
|  | \$3,317,379 |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**G. LONG-TERM LIABILITIES – BONDS PAYABLE**

A summary of changes in bonds payable for the year ended August 31, 2013 follows:

|   |                 |               |                      |             |                     |   |
|---|-----------------|---------------|----------------------|-------------|---------------------|---|
| Unlimited Tax Refunding<br>Bonds, Series 2005 (Includes<br>\$254,992 of Principal on Capital<br>Appreciation Bonds) | 2.50 -<br>5%    | \$ 22,369,992 | \$ 20,955,000        | \$ -        | \$ 1,230,000        | \$ 19,725,000                             |
| Unlimited Tax School Building<br>Bonds, Series 2006   | 4.00 -<br>4.50% | 21,915,000    | 12,010,000           | -           | 650,000             | \$ 11,360,000                             |
| Unlimited Tax Refunding<br>Bonds, Series 2007 (Includes<br>\$339,993 of Principal on Capital<br>Appreciation Bonds) | 3.55 -<br>4.53% | 6,469,993     | 6,014,993            |             | 85,000              | \$ 5,929,993                              |
| Unlimited Tax School Building<br>Bonds, Series 2008   | 4.50 -<br>5.00% | 12,285,000    | 11,235,000           | -           | 350,000             | 10,885,000                                |
| Issuance Premiums   |                 |               | 1,316,291            | -           | 65,779              | 1,250,512                                 |
| Issuance Discounts  |                 |               | (55,456)             | -           | 2,919               | (52,537)                                  |
| Total Bonds Payable   |                 |               | <u>\$ 51,475,828</u> | <u>\$ -</u> | <u>\$ 2,377,860</u> | <u>\$ 49,097,968</u>                      |
| Accreted Interest on Capital<br>Appreciation Bonds  |                 |               |                      |             |                     | 1,035,915                                 |
| Total Bonds Payable   |                 |               |                      |             |                     | <u>50,133,883</u>                         |
|   |                 |               |                      |             |                     | Less: Amount Due in One Year<br>2,410,000 |
|   |                 |               |                      |             |                     | <u>\$ 47,723,883</u>                      |



SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

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

Debt service requirements are as follows:

| General Obligations       |               |    |            |    |                       |
|---------------------------|---------------|----|------------|----|-----------------------|
| Year Ending<br>August 31, | Principal     |    | Interest   |    | Total<br>Requirements |
| 2014                      | \$ 2,410,000  | \$ | 2,040,349  | \$ | 4,450,349             |
| 2015                      | 2,500,000     |    | 1,951,524  |    | 4,451,524             |
| 2016                      | 2,600,000     |    | 1,858,411  |    | 4,458,411             |
| 2017                      | 2,695,000     |    | 1,759,223  |    | 4,454,223             |
| 2018                      | 2,815,000     |    | 1,648,285  |    | 4,463,285             |
| 2019-2023                 | 16,090,000    |    | 6,280,609  |    | 22,370,609            |
| 2024-2028                 | 11,014,993    |    | 4,986,469  |    | 16,001,463            |
| 2029-2033                 | 7,775,000     |    | 917,360    |    | 8,692,360             |
| Total                     | \$ 47,899,993 | \$ | 21,442,230 | \$ | 69,342,223            |

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 2013 whereby the District received state funds of \$2,506,602 or approximately fifty-six (56%) 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.

SAN FELIPE DEL RIO CISD  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2013

**G. LONG-TERM LIABILITIES – BONDS 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, 2013, \$6,470,000 of refunded bonds considered to be defeased are outstanding.

**H. OPERATING LEASES**

The District has entered into a lease agreement for the lease of three vehicles for the Drivers Education Program. The lease agreement is a three year payment term with \$1,700 due at signing and \$239.79 payment per month for each vehicle. In addition the District has previously entered into a copier lease agreement with Toshiba for the use of 75 copiers. The total lease expense during the current year was \$225,685.

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

| Year Ending August 31,                 | Future Minimum<br>Lease Payments |
|--|----------------------------------|
| 2014                                   | \$ 242,450                       |
| 2015                                   | 242,450                          |
| 2016                                   | 165,012                          |
| Total Future Minimum Lease Payment Due | \$ 319,888                       |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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, [www.trs.state.tx.us](http://www.trs.state.tx.us), 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.

*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 2013–2011 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 | Rate | Amount |           | Rate   | Amount |           | Statutory Minimum<br>Amount |
|------|------|--------|-----------|--------|--------|-----------|-----------------------------|
|      |      | \$     |           |        | \$     |           |                             |
| 2013 | 6.4% | \$     | 2,880,404 | 6.400% | \$     | 3,443,962 | \$ 337,897                  |
| 2012 | 6.4% |        | 2,689,822 | 6.000% |        | 3,300,282 | 341,092                     |
| 2011 | 6.4% |        | 2,976,690 | 6.644% |        | 3,338,423 | 405,425                     |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**J. MEDICARE PART D**

**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 at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1–800–223–8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

**Funding Policy**

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2013–2011.

Contribution Rates and Contribution Amounts

| Year | Rate  | Active     |        | State     | Rate   | District   |
|------|-------|------------|--------|-----------|--------|------------|
|      |       | Member     | Rate   |           |        |            |
| 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    |
| 2011 | 0.65% | 339,060    | 1.000% | 76,057    | 0.550% | 286,988    |

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 \$141,810, \$140,759 and \$128,638 for the fiscal years 2013, 2012 and 2011 respectively.

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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.

**Health Care Coverage**

In 2013, 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 \$200,000 and an aggregate limit equal to \$8,226,450.

Claims payable including an estimate for claims incurred, but not reported at August 31, 2013 are \$1,074,612 plus \$83,400 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 2011, 2012 and 2013 were:

| Year Ending<br>August 31, | Fiscal Year<br>Liability | Changes in<br>Estimates | Claim<br>Payments | Balance at<br>Fiscal Year End |
|---------------------------|--------------------------|-------------------------|-------------------|-------------------------------|
| 2011                      | \$ 553,620               | \$ 6,141,733            | \$ 5,778,959      | \$ 916,394                    |
| 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                     |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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                          | \$ 21,632        |
| Other Non-Major Special Revenue Funds | 7,220            |
| Total                                 | <u>\$ 28,852</u> |

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

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

|                                  | General<br>Fund      | Non Major<br>Governmental<br>Funds | Total                |
|----------------------------------|----------------------|------------------------------------|----------------------|
| Property Taxes                   | \$ 14,400,310        | \$ 1,932,776                       | \$ 16,333,086        |
| Penalties, Interest and Other    |                      |                                    |                      |
| Tax Related Income               | 475,577              | 58,069                             | 533,646              |
| Investment Income                | 122,913              | 8,292                              | 131,206              |
| Food Sales                       | -                    | 897,192                            | 897,192              |
| Tuition & Fees                   | 46,945               | -                                  | 46,945               |
| Co-Curricular Student Activities | 480,381              | 2,803                              | 483,184              |
| Other                            | 133,239              | 164,910                            | 298,149              |
|                                  | <u>\$ 15,659,365</u> | <u>\$ 3,064,043</u>                | <u>\$ 18,723,408</u> |

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

|                                   | Internal<br>Service<br>Fund |
|-----------------------------------|-----------------------------|
| Investment Income                 | \$ 6,328                    |
| Interfund Provided Self-Insurance | 7,757,638                   |
|                                   | <u>\$ 7,763,966</u>         |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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<br>Fund      | Non Major<br>Governmental<br>Fund | Total                |
|---------------------------------|----------------------|-----------------------------------|----------------------|
| School Program Act Entitlements | \$ 47,923,592        | \$ -                              | \$ 47,923,592        |
| Per Capita Apportionment        | 4,553,838            | -                                 | 4,553,838            |
| State Program Revenue - TEA     | -                    | 3,456,413                         | 3,456,413            |
| TRS On-Behalf                   | 2,868,991            | 11,334                            | 2,880,325            |
|                                 | <u>\$ 55,346,421</u> | <u>\$ 3,467,747</u>               | <u>\$ 58,814,168</u> |

**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<br>Entitlements | State, Federal<br>Grants | Total             |
|---------------------------------------|-----------------------|--------------------------|-------------------|
| General Fund                          | \$ 194,000            | \$ -                     | \$ 194,000        |
| Other Non-Major Special Revenue Funds | -                     | 8,212                    | 8,212             |
| Total                                 | <u>\$ 194,000</u>     | <u>\$ 8,212</u>          | <u>\$ 202,212</u> |

SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**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, 2013 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.

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, 2013. At year end the District's outstanding commitments on remaining contracts consisted of the following amounts:

|                                  |    |                  |
|----------------------------------|----|------------------|
| Lamar Elementary Improvements    | \$ | 51,922           |
| Chavira Elementary Improvements  |    | 227,091          |
| Buena Vista Elementary Gymnasium |    | 1,649,071        |
|                                  | \$ | <u>1,928,084</u> |



SAN FELIPE DEL RIO CISD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2013

**Q. LITIGATION**

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

**R. PRIOR PERIOD ADJUSTMENT**

A summary of significant Fund Balance/Net Position adjustments are as follows:

*Debt Service Fund*

In 2013 a prior period adjustment was made that increased the fund balance to Debt Service Fund in the amount of \$122,716 or 13.50% to correct receipts received for Instructional Facilities Allotment in 2012.

*General Fund*

In 2013 a prior period adjustment was made that decreased the fund balance to General Fund in the amount of \$2,280,698 or 4.60%. \$2,417,358 of the adjustment was due to incorrect receipt for state revenue in 2011. \$136,660 of the adjustment was due to incorrect classification of TRS pension surcharges prior fiscal years.

*Governmental Activities*

In 2013 a prior period adjustment was made that increased the net position in governmental activities in the amount of \$3,467,734 or 1.92%. \$2,160,008 of the adjustment was due to correct the amount of accreted interest for Bond Series 2005. \$1,786,976 of the adjustment was due to correct the unearned revenue for property tax penalty and interest. \$479,250 of the adjustment was due to reclassification of bond issuance costs.

**S. SUBSEQUENT EVENTS**

On October 21, 2013, the District issued Unlimited Tax Refunding Bonds, Series 2013 in the amount of \$17,430,000. Interest rates range from 2.00% to 5.00%. The purpose of the bonds is to defease \$18,495,000 of the Unlimited Tax Refunding Bonds, Series 2005 which had maturity dates ranging from 2015-2025.

**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, 2013

| Data<br>Control<br>Codes               | Budgeted Amounts  |               | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |              |
|--|---|---------------|--------------------------------|--|--------------|
|  | Original  | Final         |                                |  |              |
| <b>REVENUES:</b>                       |   |               |                                |  |              |
| 5700                                   | Total Local and Intermediate Sources                      | \$ 14,768,494 | \$ 15,592,857                  | \$ 15,659,365  | \$ 66,508    |
| 5800                                   | State Program Revenues                                    | 51,420,982    | 54,793,232                     | 55,346,421   | 553,189      |
| 5900                                   | Federal Program Revenues                                  | 1,070,000     | 1,521,689                      | 1,584,538  | 62,849       |
| 5020                                   | Total Revenues  | 67,259,476    | 71,907,778                     | 72,590,324   | 682,546      |
| <b>EXPENDITURES:</b>                   |   |               |                                |  |              |
| Current:                               |   |               |                                |  |              |
| 0011                                   | Instruction   | 44,547,419    | 40,453,024                     | 39,462,213   | 990,811      |
| 0012                                   | Instructional Resources and Media Services                | 1,771,568     | 1,500,629                      | 1,462,434  | 38,195       |
| 0013                                   | Curriculum and Instructional Staff Development            | 1,131,316     | 1,080,874                      | 1,053,595  | 27,279       |
| 0021                                   | Instructional Leadership                                  | 1,309,803     | 1,203,586                      | 1,174,660  | 28,926       |
| 0023                                   | School Leadership   | 3,670,176     | 3,863,194                      | 3,773,684  | 89,510       |
| 0031                                   | Guidance, Counseling and Evaluation Services              | 2,557,873     | 2,326,377                      | 2,268,938  | 57,439       |
| 0032                                   | Social Work Services                                      | 209,381       | 165,293                        | 161,174  | 4,119        |
| 0033                                   | Health Services   | 658,895       | 699,850                        | 684,412  | 15,438       |
| 0034                                   | Student (Pupil) Transportation                            | 2,205,199     | 2,174,718                      | 2,066,151  | 108,567      |
| 0035                                   | Food Services   | 44,372        | 28,229                         | 27,674   | 555          |
| 0036                                   | Extracurricular Activities                                | 3,209,794     | 2,772,562                      | 2,670,225  | 102,337      |
| 0041                                   | General Administration                                    | 4,161,197     | 2,726,278                      | 2,651,135  | 75,143       |
| 0051                                   | Facilities Maintenance and Operations                     | 9,319,483     | 9,313,564                      | 9,054,878  | 258,686      |
| 0052                                   | Security and Monitoring Services                          | 1,393,794     | 1,339,486                      | 1,251,206  | 88,280       |
| 0053                                   | Data Processing Services                                  | 1,086,135     | 1,384,379                      | 1,348,568  | 35,811       |
| 0061                                   | Community Services  | 212,952       | 82,971                         | 80,907   | 2,064        |
| Capital Outlay:                        |   |               |                                |  |              |
| 0081                                   | Facilities Acquisition and Construction                   | 1,020,430     | 776,629                        | 717,566  | 59,063       |
| Intergovernmental:                     |   |               |                                |  |              |
| 0099                                   | Other Intergovernmental Charges                           | 665,000       | 585,689                        | 570,341  | 15,348       |
| 6030                                   | Total Expenditures  | 79,174,787    | 72,477,332                     | 70,479,761   | 1,997,571    |
| 1100                                   | Excess (Deficiency) of Revenues Over (Under) Expenditures | (11,915,311)  | (569,554)                      | 2,110,563  | 2,680,117    |
| <b>OTHER FINANCING SOURCES (USES):</b> |   |               |                                |  |              |
| 7912                                   | Sale of Real and Personal Property                        | -             | -                              | 3,397  | 3,397        |
| 8949                                   | Other (Uses)  | -             | -                              | (2,241)  | (2,241)      |
| 7080                                   | Total Other Financing Sources (Uses)                      | -             | -                              | 1,156  | 1,156        |
| 1200                                   | Net Change in Fund Balances                               | (11,915,311)  | (569,554)                      | 2,111,719  | 2,681,273    |
| 0100                                   | Fund Balance - September 1 (Beginning)                    | 49,627,410    | 49,627,410                     | 49,627,410   | -            |
| 1300                                   | Prior Period Adjustment                                   | (2,280,398)   | (2,280,698)                    | (2,280,698)  | -            |
| 3000                                   | Fund Balance - August 31 (Ending)                         | \$ 35,431,701 | \$ 46,777,158                  | \$ 49,458,431  | \$ 2,681,273 |

SAN FELIPE DEL RIO CISD  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2013

- I. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- II. Expenditures exceeded appropriation at the legal level of control.

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# **COMBINING AND OTHER STATEMENTS**

SANFELIPE DEL RIO CISD  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2013

| Data<br>Control<br>Codes                                 | 205<br>Head<br>Start | 211<br>ESEA I, A<br>Improving<br>Basic Program | 212<br>ESEA Title I<br>Part C<br>Migrant | 224<br>IDEA - Part B<br>Formula |
|--|----------------------|--|--|---------------------------------|
| <b>ASSETS</b>  |                      |  |  |                                 |
| 1110 Cash and Cash Equivalents                           | \$ -                 | \$ -   | \$ 67                                    | \$ -                            |
| 1220 Property Taxes - Delinquent                         | -                    | -  | -  | -                               |
| 1230 Allowance for Uncollectible Taxes (Credit)          | -                    | -  | -  | -                               |
| 1240 Receivables from Other Governments                  | 154,309              | 526,201  | 43,169                                   | 144,182                         |
| 1290 Other Receivables                                   | -                    | -  | -  | 942                             |
| 1300 Inventories   | -                    | -  | -  | -                               |
| 1000 Total Assets  | <u>\$ 154,309</u>    | <u>\$ 526,201</u>                              | <u>\$ 43,236</u>                         | <u>\$ 145,124</u>               |
| <b>LIABILITIES</b>                                       |                      |  |  |                                 |
| 2110 Accounts Payable                                    | \$ 239               | \$ 9,604                                       | \$ 234                                   | \$ -                            |
| 2160 Accrued Wages Payable                               | 60,988               | 91,486   | 3,619                                    | 67,330                          |
| 2170 Due to Other Funds                                  | 93,082               | 425,111  | 39,316                                   | 76,828                          |
| 2180 Due to Other Governments                            | -                    | -  | 67                                       | 966                             |
| 2300 Unearned Revenues                                   | -                    | -  | -  | -                               |
| 2000 Total Liabilities                                   | <u>154,309</u>       | <u>526,201</u>                                 | <u>43,236</u>                            | <u>145,124</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                      |  |  |                                 |
| 2601 Unavailable Revenue - Property Taxes                | -                    | -  | -  | -                               |
| 2600 Total Inflows of Resources                          | <u>-</u>             | <u>-</u>                                       | <u>-</u>                                 | <u>-</u>                        |
| <b>FUNDBALANCES</b>                                      |                      |  |  |                                 |
| Nonspendable Fund Balance:                               |                      |  |  |                                 |
| 3410 Inventories   | -                    | -  | -  | -                               |
| Restricted Fund Balance:                                 |                      |  |  |                                 |
| 3450 Federal or State Funds Grant Restriction            | -                    | -  | -  | -                               |
| 3470 Capital Acquisition and Contractual Obligation      | -                    | -  | -  | -                               |
| 3480 Retirement of Long-Term Debt                        | -                    | -  | -  | -                               |
| 3600 Unassigned Fund Balance                             | -                    | -  | -  | -                               |
| 3000 Total Fund Balances                                 | <u>-</u>             | <u>-</u>                                       | <u>-</u>                                 | <u>-</u>                        |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 154,309</u>    | <u>\$ 526,201</u>                              | <u>\$ 43,236</u>                         | <u>\$ 145,124</u>               |

| 225<br>IDEA - Part B<br>Preschool | 240<br>National<br>Breakfast and<br>Lunch Program | 242<br>Summer<br>Feeding<br>Program | 244<br>Career and<br>Technical -<br>Basic Grant | 255<br>ESEA II,A<br>Training and<br>Recruiting | 263<br>Title III, A<br>English Lang.<br>Acquisition | 272<br>Medicaid<br>Admin. Claim<br>MAC | 275<br>Linking<br>Tree<br>Grant |
|-----------------------------------|---|-------------------------------------|---|--|---|--|---------------------------------|
| \$ -                              | \$ 640,040  | \$ 83,130                           | \$ 7,179  | \$ -   | \$ -  | \$ 37,275                              | \$ -                            |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| 3,774                             | 139,063   | -                                   | -   | 46,819   | 22,467  | -                                      | 18,087                          |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | 342,712   | -                                   | -   | -  | -   | -                                      | -                               |
| <u>\$ 3,774</u>                   | <u>\$ 1,121,815</u>                               | <u>\$ 83,130</u>                    | <u>\$ 7,179</u>                                 | <u>\$ 46,819</u>                               | <u>\$ 22,467</u>                                    | <u>\$ 37,275</u>                       | <u>\$ 18,087</u>                |
| \$ -                              | \$ 122,751  | \$ 1,184                            | \$ -  | \$ -   | \$ -  | \$ -                                   | \$ -                            |
| 1,514                             | -   | -                                   | -   | 18,119   | -   | -                                      | -                               |
| 2,260                             | -   | -                                   | -   | 28,700   | 22,467  | -                                      | 18,087                          |
| -                                 | -   | -                                   | 7,179   | -  | -   | -                                      | -                               |
| -                                 | 7,220   | -                                   | -   | -  | -   | -                                      | -                               |
| <u>3,774</u>                      | <u>129,971</u>                                    | <u>1,184</u>                        | <u>7,179</u>                                    | <u>46,819</u>                                  | <u>22,467</u>                                       | <u>-</u>                               | <u>18,087</u>                   |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | 342,712   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | 577,132   | 81,946                              | -   | -  | -   | -                                      | -                               |
| -                                 | 72,000  | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | 37,275                                 | -                               |
| -                                 | 991,844   | 81,946                              | -   | -  | -   | 37,275                                 | -                               |
| <u>\$ 3,774</u>                   | <u>\$ 1,121,815</u>                               | <u>\$ 83,130</u>                    | <u>\$ 7,179</u>                                 | <u>\$ 46,819</u>                               | <u>\$ 22,467</u>                                    | <u>\$ 37,275</u>                       | <u>\$ 18,087</u>                |



SANFELIPE DEL RIO CISD  
 COMBINING BALANCE SHEET  
 NON MAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2013

| Data<br>Control<br>Codes             | 276<br>Title I - SIP<br>Academy<br>Grant            | 289<br>Other Federal<br>Special<br>Revenue Funds | 386<br>Regional Day<br>School for<br>the Deaf | 404<br>Student<br>Success<br>Initiative |                  |
|--------------------------------------|---|--|---|---|------------------|
| <b>ASSETS</b>                        |   |  |   |   |                  |
| 1110                                 | Cash and Cash Equivalents                           | \$ -   | \$ -  | \$ 3,571                                | \$ -             |
| 1220                                 | Property Taxes - Delinquent                         | -  | -   | -                                       | -                |
| 1230                                 | Allowance for Uncollectible Taxes (Credit)          | -  | -   | -                                       | -                |
| 1240                                 | Receivables from Other Governments                  | 47,259   | -   | -                                       | 38,640           |
| 1290                                 | Other Receivables                                   | -  | -   | -                                       | -                |
| 1300                                 | Inventories   | -  | -   | -                                       | -                |
| 1000                                 | Total Assets  | <u>\$ 47,259</u>                                 | <u>\$ -</u>                                   | <u>\$ 3,571</u>                         | <u>\$ 38,640</u> |
| <b>LIABILITIES</b>                   |   |  |   |   |                  |
| 2110                                 | Accounts Payable                                    | \$ -   | \$ -  | \$ -                                    | \$ -             |
| 2160                                 | Accrued Wages Payable                               | 20,794   | -   | 3,571                                   | -                |
| 2170                                 | Due to Other Funds                                  | 26,465   | -   | -                                       | 38,640           |
| 2180                                 | Due to Other Governments                            | -  | -   | -                                       | -                |
| 2300                                 | Unearned Revenues                                   | -  | -   | -                                       | -                |
| 2000                                 | Total Liabilities                                   | <u>47,259</u>                                    | <u>-</u>                                      | <u>3,571</u>                            | <u>38,640</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |   |  |   |   |                  |
| 2601                                 | Unavailable Revenue - Property Taxes                | -  | -   | -                                       | -                |
| 2600                                 | Total Inflows of Resources                          | <u>-</u>   | <u>-</u>                                      | <u>-</u>                                | <u>-</u>         |
| <b>FUNDBALANCES</b>                  |   |  |   |   |                  |
| Nonspendable Fund Balance:           |   |  |   |   |                  |
| 3410                                 | Inventories   | -  | -   | -                                       | -                |
| Restricted Fund Balance:             |   |  |   |   |                  |
| 3450                                 | Federal or State Funds Grant Restriction            | -  | -   | -                                       | -                |
| 3470                                 | Capital Acquisition and Contractual Obligation      | -  | -   | -                                       | -                |
| 3480                                 | Retirement of Long-Term Debt                        | -  | -   | -                                       | -                |
| 3600                                 | Unassigned Fund Balance                             | -  | -   | -                                       | -                |
| 3000                                 | Total Fund Balances                                 | <u>-</u>   | <u>-</u>                                      | <u>-</u>                                | <u>-</u>         |
| 4000                                 | Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 47,259</u>                                 | <u>\$ -</u>                                   | <u>\$ 3,571</u>                         | <u>\$ 38,640</u> |

| 410<br>Instructional<br>Materials<br>Allotment | 429<br>Other State<br>Special<br>Revenue Funds | 461<br>Campus<br>Activity<br>Funds | 482<br>Loss<br>Prevention<br>Grant | 483<br>Project<br>Lead<br>The Way | Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | 616<br>Capital<br>Projects-<br>2000 Bond |
|--|--|------------------------------------|------------------------------------|-----------------------------------|---|--------------------------------|--|
| \$ 162   | \$ -   | \$ 131,969                         | \$ -                               | \$ -                              | \$ 903,393                                    | \$ 1,006,901                   | \$ 92,869                                |
| -  | -  | -                                  | -                                  | -                                 | -   | 455,895                        | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | (23,304)                       | -  |
| 41,663   | -  | -                                  | -                                  | -                                 | 1,225,633                                     | 59,431                         | -  |
| -  | -  | -                                  | 3,853                              | -                                 | 4,795   | 343,813                        | -  |
| -  | -  | -                                  | -                                  | -                                 | 342,712                                       | -                              | -  |
| <u>\$ 41,825</u>                               | <u>\$ -</u>                                    | <u>\$ 131,969</u>                  | <u>\$ 3,853</u>                    | <u>\$ -</u>                       | <u>\$ 2,476,533</u>                           | <u>\$ 1,842,736</u>            | <u>\$ 92,869</u>                         |
| \$ -   | \$ -   | \$ -                               | \$ 3,853                           | \$ -                              | \$ 137,865                                    | \$ -                           | \$ -                                     |
| -  | -  | -                                  | -                                  | -                                 | 267,421                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 770,956                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 8,212   | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 7,220   | -                              | -  |
| -  | -  | -                                  | 3,853                              | -                                 | 1,191,674                                     | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | 776,804                        | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | 776,804                        | -  |
| -  | -  | -                                  | -                                  | -                                 | 342,712                                       | -                              | -  |
| 41,825   | -  | -                                  | -                                  | -                                 | 700,903                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 72,000  | -                              | 92,869                                   |
| -  | -  | -                                  | -                                  | -                                 | -   | 1,065,932                      | -  |
| -  | -  | 131,969                            | -                                  | -                                 | 169,244                                       | -                              | -  |
| <u>41,825</u>                                  | <u>-</u>                                       | <u>131,969</u>                     | <u>-</u>                           | <u>-</u>                          | <u>1,284,859</u>                              | <u>1,065,932</u>               | <u>92,869</u>                            |
| <u>\$ 41,825</u>                               | <u>\$ -</u>                                    | <u>\$ 131,969</u>                  | <u>\$ 3,853</u>                    | <u>\$ -</u>                       | <u>\$ 2,476,533</u>                           | <u>\$ 1,842,736</u>            | <u>\$ 92,869</u>                         |

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SANFELIPE DEL RIO CISD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2013

| Data<br>Control<br>Codes                                 | 617<br>Capital<br>Projects-<br>2006 Bond | 618<br>Capital<br>Projects-<br>2008 Bond | Total<br>Nonmajor<br>Capital<br>Project Funds | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|--|--|---|--|
| <b>ASSETS</b>  |  |  |   |  |
| 1110 Cash and Cash Equivalents                           | \$ 2,631,385                             | \$ 189,184                               | \$ 2,913,438                                  | \$ 4,823,732                               |
| 1220 Property Taxes - Delinquent                         | -  | -  | -   | 455,895                                    |
| 1230 Allowance for Uncollectible Taxes (Credit)          | -  | -  | -   | (23,304)                                   |
| 1240 Receivables from Other Governments                  | -  | -  | -   | 1,285,064                                  |
| 1290 Other Receivables                                   | -  | -  | -   | 348,608                                    |
| 1300 Inventories   | -  | -  | -   | 342,712                                    |
| 1000 Total Assets  | <u>\$ 2,631,385</u>                      | <u>\$ 189,184</u>                        | <u>\$ 2,913,438</u>                           | <u>\$ 7,232,707</u>                        |
| <b>LIABILITIES</b>                                       |  |  |   |  |
| 2110 Accounts Payable                                    | \$ -                                     | \$ 161,607                               | \$ 161,607                                    | \$ 299,472                                 |
| 2160 Accrued Wages Payable                               | -  | -  | -   | 267,421                                    |
| 2170 Due to Other Funds                                  | -  | -  | -   | 770,956                                    |
| 2180 Due to Other Governments                            | -  | -  | -   | 8,212                                      |
| 2300 Unearned Revenues                                   | -  | -  | -   | 7,220                                      |
| 2000 Total Liabilities                                   | <u>-</u>                                 | <u>161,607</u>                           | <u>161,607</u>                                | <u>1,353,281</u>                           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |  |  |   |  |
| 2601 Unavailable Revenue - Property Taxes                | -  | -  | -   | 776,804                                    |
| 2600 Total Inflows of Resources                          | <u>-</u>                                 | <u>-</u>                                 | <u>-</u>                                      | <u>776,804</u>                             |
| <b>FUNDBALANCES</b>                                      |  |  |   |  |
| Nonspendable Fund Balance:                               |  |  |   |  |
| 3410 Inventories   | -  | -  | -   | 342,712                                    |
| Restricted Fund Balance:                                 |  |  |   |  |
| 3450 Federal or State Funds Grant Restriction            | -  | -  | -   | 700,903                                    |
| 3470 Capital Acquisition and Contractual Obligation      | 2,631,385                                | 27,577                                   | 2,751,831                                     | 2,823,831                                  |
| 3480 Retirement of Long-Term Debt                        | -  | -  | -   | 1,065,932                                  |
| 3600 Unassigned Fund Balance                             | -  | -  | -   | 169,244                                    |
| 3000 Total Fund Balances                                 | <u>2,631,385</u>                         | <u>27,577</u>                            | <u>2,751,831</u>                              | <u>5,102,622</u>                           |
| 4000 Total Liabilities, Deferred Inflows & Fund Balances | <u>\$ 2,631,385</u>                      | <u>\$ 189,184</u>                        | <u>\$ 2,913,438</u>                           | <u>\$ 7,232,707</u>                        |

SAN FELIPE DEL RIO CISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013

| Data<br>Control<br>Codes                            | 205<br>Head<br>Start | 211<br>ESEA I, A<br>Improving<br>Basic Program | 212<br>ESEA Title I<br>Part C<br>Migrant | 224<br>IDEA - Part B<br>Formula |
|---|----------------------|--|--|---------------------------------|
| <b>REVENUES:</b>                                    |                      |  |  |                                 |
| 5700 Total Local and Intermediate Sources           | \$ -                 | \$ -   | \$ -                                     | \$ -                            |
| 5800 State Program Revenues                         | -                    | -  | -  | -                               |
| 5900 Federal Program Revenues                       | <u>2,208,727</u>     | <u>3,425,325</u>                               | <u>888,618</u>                           | <u>2,066,149</u>                |
| 5020 Total Revenues                                 | <u>2,208,727</u>     | <u>3,425,325</u>                               | <u>888,618</u>                           | <u>2,066,149</u>                |
| <b>EXPENDITURES:</b>                                |                      |  |  |                                 |
| Current:  |                      |  |  |                                 |
| 0011 Instruction                                    | 1,408,487            | 1,875,211                                      | 435,373                                  | 1,635,481                       |
| 0012 Instructional Resources and Media Services     | 59,361               | 48,852   | -  | -                               |
| 0013 Curriculum and Instructional Staff Development | 50,319               | 138,345  | -  | 34,594                          |
| 0021 Instructional Leadership                       | 167,796              | 280,890  | 237,002                                  | 56,036                          |
| 0023 School Leadership                              | 536                  | 23,432   | 5,120                                    | -                               |
| 0031 Guidance, Counseling and Evaluation Services   | 86,463               | 528,529  | -  | 340,038                         |
| 0032 Social Work Services                           | -                    | -  | -  | -                               |
| 0033 Health Services                                | 55,229               | 4,316  | 6,382                                    | -                               |
| 0034 Student (Pupil) Transportation                 | 40,779               | 81,367   | -  | -                               |
| 0035 Food Services                                  | 24,002               | -  | 3,199                                    | -                               |
| 0036 Extracurricular Activities                     | 2,630                | -  | -  | -                               |
| 0041 General Administration                         | -                    | -  | -  | -                               |
| 0051 Facilities Maintenance and Operations          | 159,700              | 38,962   | 26,974                                   | -                               |
| 0052 Security and Monitoring Services               | -                    | 520  | -  | -                               |
| 0061 Community Services                             | 153,425              | 404,901  | 174,568                                  | -                               |
| Debt Service:                                       |                      |  |  |                                 |
| 0071 Principal on Long Term Debt                    | -                    | -  | -  | -                               |
| 0072 Interest on Long Term Debt                     | -                    | -  | -  | -                               |
| 0073 Bond Issuance Cost and Fees                    | -                    | -  | -  | -                               |
| Capital Outlay:                                     |                      |  |  |                                 |
| 0081 Facilities Acquisition and Construction        | -                    | -  | -  | -                               |
| 6030 Total Expenditures                             | <u>2,208,727</u>     | <u>3,425,325</u>                               | <u>888,618</u>                           | <u>2,066,149</u>                |
| 1200 Net Change in Fund Balance                     | -                    | -  | -  | -                               |
| 0100 Fund Balance - September 1 (Beginning)         | -                    | -  | -  | -                               |
| 1300 Prior Period Adjustment                        | -                    | -  | -  | -                               |
| 3000 Fund Balance - August 31 (Ending)              | <u>\$ -</u>          | <u>\$ -</u>                                    | <u>\$ -</u>                              | <u>\$ -</u>                     |

| 225<br>IDEA - Part B<br>Preschool | 240<br>National<br>Breakfast and<br>Lunch Program | 242<br>Summer<br>Feeding<br>Program | 244<br>Career and<br>Technical -<br>Basic Grant | 255<br>ESEA II,A<br>Training and<br>Recruiting | 263<br>Title III, A<br>English Lang.<br>Acquisition | 272<br>Medicaid<br>Admin. Claim<br>MAC | 275<br>Linking<br>Tree<br>Grant |
|-----------------------------------|---|-------------------------------------|---|--|---|--|---------------------------------|
| \$ -                              | \$ 896,727  | \$ 1,621                            | \$ -  | \$ -   | \$ -  | \$ -                                   | \$ -                            |
| -                                 | 34,726  | 3,100                               | -   | -  | -   | -                                      | -                               |
| 43,909                            | 5,292,662   | 118,196                             | 147,928   | 781,252  | 166,318   | 15,685                                 | -                               |
| 43,909                            | 6,224,115   | 122,917                             | 147,928   | 781,252  | 166,318   | 15,685                                 | -                               |
| 43,909                            | -   | -                                   | 100,533   | 689,409  | 139,416   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | 79,610   | 358   | -                                      | -                               |
| -                                 | -   | -                                   | -   | 7,267  | 12,593  | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | 932   | -                                      | -                               |
| -                                 | -   | -                                   | 47,395  | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | 12,922                                 | -                               |
| -                                 | -   | -                                   | -   | -  | 8,133   | -                                      | -                               |
| -                                 | 5,853,329   | 101,750                             | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | 4,966  | -   | -                                      | -                               |
| -                                 | 406,330   | 18,176                              | -   | -  | 2,423   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | 2,463   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| 43,909                            | 6,259,659   | 119,926                             | 147,928   | 781,252  | 166,318   | 12,922                                 | -                               |
| -                                 | (35,544)  | 2,991                               | -   | -  | -   | 2,763                                  | -                               |
| -                                 | 1,027,388   | 78,955                              | -   | -  | -   | 34,512                                 | -                               |
| -                                 | -   | -                                   | -   | -  | -   | -                                      | -                               |
| \$ -                              | \$ 991,844  | \$ 81,946                           | \$ -  | \$ -   | \$ -  | \$ 37,275                              | \$ -                            |

SAN FELIPE DEL RIO CISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NON MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013

| Data<br>Control<br>Codes | 276<br>Title I - SIP<br>Academy<br>Grant       | 289<br>Other Federal<br>Special<br>Revenue Funds | 386<br>Regional Day<br>School for<br>the Deaf | 404<br>Student<br>Success<br>Initiative |
|--------------------------|--|--|---|---|
| <b>REVENUES:</b>         |  |  |   |   |
| 5700                     | Total Local and Intermediate Sources           | \$ -   | \$ -  | \$ -                                    |
| 5800                     | State Program Revenues                         | -  | 71,550  | 53,293                                  |
| 5900                     | Federal Program Revenues                       | 1,426,181  | 5,577   | -                                       |
| 5020                     | Total Revenues                                 | <u>1,426,181</u>                                 | <u>5,577</u>                                  | <u>71,550</u>                           |
| <b>EXPENDITURES:</b>     |  |  |   |   |
| Current:                 |  |  |   |   |
| 0011                     | Instruction                                    | 1,175,483  | 5,577   | 71,550                                  |
| 0012                     | Instructional Resources and Media Services     | 2,029  | -   | -                                       |
| 0013                     | Curriculum and Instructional Staff Development | -  | -   | -                                       |
| 0021                     | Instructional Leadership                       | -  | -   | -                                       |
| 0023                     | School Leadership                              | 127,641  | -   | -                                       |
| 0031                     | Guidance, Counseling and Evaluation Services   | 50,878   | -   | -                                       |
| 0032                     | Social Work Services                           | 52,657   | -   | -                                       |
| 0033                     | Health Services                                | 710  | -   | -                                       |
| 0034                     | Student (Pupil) Transportation                 | -  | -   | -                                       |
| 0035                     | Food Services                                  | 2,229  | -   | -                                       |
| 0036                     | Extracurricular Activities                     | -  | -   | -                                       |
| 0041                     | General Administration                         | -  | -   | -                                       |
| 0051                     | Facilities Maintenance and Operations          | 4,883  | -   | -                                       |
| 0052                     | Security and Monitoring Services               | 2,283  | -   | -                                       |
| 0061                     | Community Services                             | 7,388  | -   | -                                       |
| Debt Service:            |  |  |   |   |
| 0071                     | Principal on Long Term Debt                    | -  | -   | -                                       |
| 0072                     | Interest on Long Term Debt                     | -  | -   | -                                       |
| 0073                     | Bond Issuance Cost and Fees                    | -  | -   | -                                       |
| Capital Outlay:          |  |  |   |   |
| 0081                     | Facilities Acquisition and Construction        | -  | -   | -                                       |
| 6030                     | Total Expenditures                             | <u>1,426,181</u>                                 | <u>5,577</u>                                  | <u>71,550</u>                           |
| 1200                     | Net Change in Fund Balance                     | -  | -   | -                                       |
| 0100                     | Fund Balance - September 1 (Beginning)         | -  | -   | -                                       |
| 1300                     | Prior Period Adjustment                        | -  | -   | -                                       |
| 3000                     | Fund Balance - August 31 (Ending)              | <u>\$ -</u>                                      | <u>\$ -</u>                                   | <u>\$ -</u>                             |

| 410<br>Instructional<br>Materials<br>Allotment | 429<br>Other State<br>Special<br>Revenue Funds | 461<br>Campus<br>Activity<br>Funds | 482<br>Loss<br>Prevention<br>Grant | 483<br>Project<br>Lead<br>The Way | Total<br>Nonmajor<br>Special<br>Revenue Funds | 511<br>Debt<br>Service<br>Fund | 616<br>Capital<br>Projects-<br>2000 Bond |
|--|--|------------------------------------|------------------------------------|-----------------------------------|---|--------------------------------|--|
| \$ -   | \$ -   | \$ 163,861                         | \$ 3,853                           | \$ -                              | \$ 1,066,062                                  | \$ 1,993,803                   | \$ 112                                   |
| 798,476  | -  | -                                  | -                                  | -                                 | 961,145                                       | 2,506,602                      | -  |
| -  | -  | -                                  | -                                  | -                                 | 16,586,527                                    | -                              | -  |
| <u>798,476</u>                                 | <u>-</u>                                       | <u>163,861</u>                     | <u>3,853</u>                       | <u>-</u>                          | <u>18,613,734</u>                             | <u>4,500,405</u>               | <u>112</u>                               |
| 756,651  | -  | 30,165                             | -                                  | 1,205                             | 8,421,743                                     | -                              | -  |
| -  | 23   | 65,885                             | -                                  | -                                 | 176,150                                       | -                              | -  |
| -  | -  | 288                                | -                                  | -                                 | 303,514                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 761,584                                       | -                              | -  |
| -  | -  | 795                                | -                                  | -                                 | 158,456                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 1,053,303                                     | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 52,657  | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 79,559  | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 130,279                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 5,984,509                                     | -                              | -  |
| -  | -  | 67,707                             | -                                  | -                                 | 70,337  | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 4,966   | -                              | -  |
| -  | -  | -                                  | 3,853                              | -                                 | 661,301                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 2,803   | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | 742,745                                       | -                              | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | 2,315,000                      | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | 2,123,346                      | -  |
| -  | -  | -                                  | -                                  | -                                 | -   | 28,055                         | -  |
| <u>-</u>                                       | <u>-</u>                                       | <u>-</u>                           | <u>-</u>                           | <u>-</u>                          | <u>-</u>                                      | <u>-</u>                       | <u>-</u>                                 |
| <u>756,651</u>                                 | <u>23</u>                                      | <u>164,840</u>                     | <u>3,853</u>                       | <u>1,205</u>                      | <u>18,603,906</u>                             | <u>4,466,401</u>               | <u>-</u>                                 |
| 41,825   | (23)   | (979)                              | -                                  | (1,205)                           | 9,828   | 34,004                         | 112                                      |
| -  | 23   | 132,948                            | -                                  | 1,205                             | 1,275,031                                     | 909,212                        | 92,757                                   |
| -  | -  | -                                  | -                                  | -                                 | -   | 122,716                        | -  |
| <u>\$ 41,825</u>                               | <u>\$ -</u>                                    | <u>\$ 131,969</u>                  | <u>\$ -</u>                        | <u>\$ -</u>                       | <u>\$ 1,284,859</u>                           | <u>\$ 1,065,932</u>            | <u>\$ 92,869</u>                         |



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SAN FELIPE DEL RIO CISD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013

| Data<br>Control<br>Codes | 617<br>Capital<br>Projects-<br>2006 Bond       | 618<br>Capital<br>Projects-<br>2008 Bond | Total<br>Nonmajor<br>Capital<br>Project Funds | Total<br>Nonmajor<br>Governmental<br>Funds |                     |
|--------------------------|--|--|---|--|---------------------|
| <b>REVENUES:</b>         |  |  |   |  |                     |
| 5700                     | Total Local and Intermediate Sources           | \$ 2,982                                 | \$ 1,084                                      | \$ 4,178                                   | \$ 3,064,043        |
| 5800                     | State Program Revenues                         | -  | -   | -  | 3,467,747           |
| 5900                     | Federal Program Revenues                       | -  | -   | -  | 16,586,527          |
| 5020                     | Total Revenues                                 | <u>2,982</u>                             | <u>1,084</u>                                  | <u>4,178</u>                               | <u>23,118,317</u>   |
| <b>EXPENDITURES:</b>     |  |  |   |  |                     |
| Current:                 |  |  |   |  |                     |
| 0011                     | Instruction                                    | -  | -   | -  | 8,421,743           |
| 0012                     | Instructional Resources and Media Services     | -  | -   | -  | 176,150             |
| 0013                     | Curriculum and Instructional Staff Development | -  | -   | -  | 303,514             |
| 0021                     | Instructional Leadership                       | -  | -   | -  | 761,584             |
| 0023                     | School Leadership                              | -  | -   | -  | 158,456             |
| 0031                     | Guidance, Counseling and Evaluation Services   | -  | -   | -  | 1,053,303           |
| 0032                     | Social Work Services                           | -  | -   | -  | 52,657              |
| 0033                     | Health Services                                | -  | -   | -  | 79,559              |
| 0034                     | Student (Pupil) Transportation                 | -  | -   | -  | 130,279             |
| 0035                     | Food Services                                  | -  | -   | -  | 5,984,509           |
| 0036                     | Extracurricular Activities                     | -  | -   | -  | 70,337              |
| 0041                     | General Administration                         | -  | -   | -  | 4,966               |
| 0051                     | Facilities Maintenance and Operations          | -  | -   | -  | 661,301             |
| 0052                     | Security and Monitoring Services               | -  | -   | -  | 2,803               |
| 0061                     | Community Services                             | -  | -   | -  | 742,745             |
| Debt Service:            |  |  |   |  |                     |
| 0071                     | Principal on Long Term Debt                    | -  | -   | -  | 2,315,000           |
| 0072                     | Interest on Long Term Debt                     | -  | -   | -  | 2,123,346           |
| 0073                     | Bond Issuance Cost and Fees                    | -  | -   | -  | 28,055              |
| Capital Outlay:          |  |  |   |  |                     |
| 0081                     | Facilities Acquisition and Construction        | <u>227,411</u>                           | <u>1,234,832</u>                              | <u>1,462,243</u>                           | <u>1,462,243</u>    |
| 6030                     | Total Expenditures                             | <u>227,411</u>                           | <u>1,234,832</u>                              | <u>1,462,243</u>                           | <u>24,532,550</u>   |
| 1200                     | Net Change in Fund Balance                     | (224,429)                                | (1,233,748)                                   | (1,458,065)                                | (1,414,233)         |
| 0100                     | Fund Balance - September 1 (Beginning)         | 2,855,814                                | 1,261,325                                     | 4,209,896                                  | 6,394,139           |
| 1300                     | Prior Period Adjustment                        | -  | -   | -  | 122,716             |
| 3000                     | Fund Balance - August 31 (Ending)              | <u>\$ 2,631,385</u>                      | <u>\$ 27,577</u>                              | <u>\$ 2,751,831</u>                        | <u>\$ 5,102,622</u> |

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# **T.E.A REQUIRED SCHEDULES**

SANFELIPE DEL RIO CISD  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2013

| Last 10 Years Ended<br>August 31 | (1)         | (2)          | (3)  |
|----------------------------------|-------------|--------------|--|
|                                  | Tax Rates   |              | Assessed/Appraised<br>Value for School<br>Tax Purposes |
|                                  | Maintenance | Debt Service |  |
| 2004 and prior years             | Various     | Various      | \$ 1,665,023,198                                       |
| 2005                             | 1.440000    | 0.072700     | 889,217,661  |
| 2006                             | 1.440000    | 0.072000     | 913,238,222  |
| 2007                             | 1.316800    | 0.115000     | 1,001,913,955  |
| 2008                             | 1.040000    | 0.099000     | 1,110,627,675  |
| 2009                             | 1.040000    | 0.126700     | 1,271,453,258  |
| 2010                             | 1.040000    | 0.159400     | 1,263,758,458  |
| 2011                             | 1.040000    | 0.159400     | 1,332,854,958  |
| 2012                             | 1.040000    | 0.148700     | 1,366,457,781  |
| 2013 (School year under audit)   | 1.040000    | 0.139500     | 1,392,619,198  |
| 1000 TOTALS                      |             |              |  |

| (10)<br>Beginning<br>Balance<br>9/1/2012 | (20)<br>Current<br>Year's<br>Total Levy | (31)<br>Maintenance<br>Collections | (32)<br>Debt Service<br>Collections | (40)<br>Entire<br>Year's<br>Adjustments | (50)<br>Ending<br>Balance<br>8/31/2013 |
|--|---|------------------------------------|-------------------------------------|---|--|
| \$ 442,423                               | \$ -                                    | \$ 22,133                          | \$ 2,443                            | \$ (12,954)                             | \$ 404,893                             |
| 172,299                                  | -                                       | 10,255                             | 1,375                               | (1,747)                                 | 158,922                                |
| 181,342                                  | -                                       | 12,703                             | 1,704                               | (1,466)                                 | 165,469                                |
| 162,850                                  | -                                       | 21,533                             | 2,887                               | (1,422)                                 | 137,008                                |
| 154,350                                  | -                                       | 31,657                             | 4,246                               | (755)                                   | 117,692                                |
| 233,117                                  | -                                       | 59,375                             | 7,962                               | 20                                      | 165,800                                |
| 331,216                                  | -                                       | 93,908                             | 12,605                              | 2,394                                   | 227,097                                |
| 479,567                                  | -                                       | 148,628                            | 19,954                              | 5,486                                   | 316,471                                |
| 866,870                                  | -                                       | 332,249                            | 44,648                              | (20,376)                                | 469,597                                |
| -  | 16,425,943                              | 13,667,869                         | 1,834,953                           | (83,485)                                | 839,636                                |
| <u>\$ 3,024,034</u>                      | <u>\$ 16,425,943</u>                    | <u>\$ 14,400,310</u>               | <u>\$ 1,932,777</u>                 | <u>\$ (114,305)</u>                     | <u>\$ 3,002,585</u>                    |

SAN FELIPE DEL RIO CISD  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2014-2015  
 GENERAL AND SPECIAL REVENUE FUNDS  
 AUGUST 31, 2013

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST**

| Account Number | Account Name                                  | 1                     | 2                        | 3                      | 4                      | 5                    | 6                        | 7                   |
|----------------|---|-----------------------|--------------------------|------------------------|------------------------|----------------------|--------------------------|---------------------|
|                |   | (702)<br>School Board | (703)<br>Tax Collections | (701)<br>Supt's Office | (750)<br>Indirect Cost | (720)<br>Direct Cost | (other)<br>Miscellaneous | Total               |
| 611X-6146      | PAYROLL COSTS                                 | \$ -                  | \$ -                     | \$ 287,003             | \$ 1,751,087           | \$ 383,811           | \$ -                     | \$ 2,421,901        |
| 6149           | Leave for Separating Employees in Fn 41 & 53  | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6149           | Leave - Separating Employees not in 41 & 53   | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6211           | Legal Services                                | 114,920               | -                        | -                      | -                      | -                    | -                        | 114,920             |
| 6212           | Audit Services                                | -                     | -                        | -                      | 61,520                 | -                    | -                        | 61,520              |
| 6213           | Tax Appraisal/Collection - Appraisal in Fn 99 | -                     | 720,735                  | -                      | -                      | -                    | -                        | 720,735             |
| 6214           | Lobbying                                      | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 621X           | Other Professional Services                   | -                     | -                        | -                      | 19,848                 | -                    | -                        | 19,848              |
| 6220           | Tuition and Transfer Payments                 | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6230           | Education Service Centers                     | -                     | -                        | -                      | -                      | 17,500               | -                        | 17,500              |
| 6240           | Contr. Maint. and Repair                      | -                     | -                        | -                      | -                      | 7,702                | -                        | 7,702               |
| 6250           | Utilities                                     | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6260           | Rentals                                       | -                     | -                        | 2,938                  | 8,642                  | 789                  | -                        | 12,369              |
| 6290           | Miscellaneous Contr.                          | 32,676                | -                        | 2,446                  | 138,810                | 166,195              | -                        | 340,127             |
| 6320           | Textbooks and Reading                         | 349                   | -                        | 1,884                  | 1,256                  | -                    | -                        | 3,489               |
| 6330           | Testing Materials                             | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 63XX           | Other Supplies Materials                      | 7,800                 | -                        | 2,352                  | 174,555                | 41,689               | -                        | 226,396             |
| 6410           | Travel, Subsistence, Stipends                 | 30,500                | -                        | 11,270                 | 31,142                 | 7,626                | -                        | 80,538              |
| 6420           | Ins. and Bonding Costs                        | -                     | -                        | 23,117                 | -                      | 1,789                | -                        | 24,906              |
| 6430           | Election Costs                                | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6490           | Miscellaneous Operating                       | 25,635                | -                        | 21,253                 | 26,526                 | 279                  | -                        | 73,693              |
| 6500           | Debt Service                                  | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6600           | Capital Outlay                                | -                     | -                        | -                      | -                      | -                    | -                        | -                   |
| 6000           | <b>TOTAL</b>                                  | <b>\$ 211,880</b>     | <b>\$ 720,735</b>        | <b>\$ 352,263</b>      | <b>\$ 2,213,386</b>    | <b>\$ 627,380</b>    | <b>\$ -</b>              | <b>\$ 4,125,644</b> |

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 90,205,066

LESS: Deductions of Unallowable Costs

FISCAL YEAR

|  |                   |
|--|-------------------|
| Total Capital Outlay (6600)                | (10) \$ 3,297,491 |
| Total Debt & Lease(6500)                   | (11) -            |
| Plant Maintenance (Function 51, 6100-6400) | (12) 9,131,586    |
| Food (Function 35, 6341 and 6499)          | (13) 2,738,934    |
| Stipends (6413)                            | (14) 38,346       |
| Column 4 (above) - Total Indirect Cost     | 2,213,386         |

SubTotal: 17,419,743

Net Allowed Direct Cost \$ 72,785,323

CUMULATIVE

|   |                     |
|---|---------------------|
| Total Cost of Buildings before Depreciation (1520)                    | (15) \$ 104,423,186 |
| Historical Cost of Building over 50 years old                         | (16) \$ 24,509,756  |
| Amount of Federal Money in Building Cost (Net of #16)                 | (17) \$ -           |
| Total Cost of Furniture & Equipment before Depreciation (1530 & 1540) | (18) \$ 12,745,412  |
| Historical Cost of Furniture & Equipment over 16 years old            | (19) \$ 338,942     |
| Amount of Federal Money in Furniture & Equipment (Net of #19)         | (20) \$ -           |

(8) NOTE A: \$899,204 in Function 53 expenditures are included in this report on administrative costs.  
 \$570,341 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

SANFELIPE DEL RIO CISD  
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET  
 GENERAL FUNDS AS OF AUGUST 31, 2013

EXHIBIT J-3

**UNAUDITED**

|    |   |            |                            |
|----|---|------------|----------------------------|
| 1  | Total General Fund Balance as of 8/31/13 (Exhibit C-1 object 3000 for the General Fund Only)  |            | \$ 49,458,431              |
| 2  | Total Non-Spendable Fund Balance (from Exhibit C-1 - for the General Fund Only)   | \$ 627,311 |                            |
| 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)   | 28,703,461 |                            |
| 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.  | 14,788,225 |                            |
| 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. | 1,488,696  |                            |
| 10 | Estimate of delayed payments from federal sources (59xx)  | 770,956    |                            |
| 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>46,378,649</u>          |
| 13 | Excess (Deficit) Unassigned Fund Balance (Line 1 minus Line 12)   |            | <u><u>\$ 3,079,782</u></u> |

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

A multi-year budget proposal will initiate with the 2014-2015 budget to address the anticipated changes in building and facility needs that could affect District finances in future years.



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, 2013

| Data<br>Control<br>Codes                    | Budgeted Amounts |            | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|------------------|------------|--------------------------------|--|
|   | Original         | Final      |                                |  |
| <b>REVENUES:</b>                            |                  |            |                                |  |
| 5700 Total Local and Intermediate Sources   | \$ 774,235       | \$ 886,666 | \$ 896,727                     | \$ 10,061  |
| 5800 State Program Revenues                 | 36,000           | 34,726     | 34,726                         | -  |
| 5900 Federal Program Revenues               | 4,686,037        | 4,938,874  | 5,292,662                      | 353,788  |
| 5020 Total Revenues                         | 5,496,272        | 5,860,266  | 6,224,115                      | 363,849  |
| <b>EXPENDITURES:</b>                        |                  |            |                                |  |
| 0035 Food Services                          | 4,968,340        | 5,574,131  | 5,853,329                      | (279,198)  |
| 0051 Facilities Maintenance and Operations  | 566,651          | 410,803    | 406,330                        | 4,473  |
| 6030 Total Expenditures                     | 5,534,991        | 5,984,934  | 6,259,659                      | (274,725)  |
| 1200 Net Change in Fund Balances            | (38,719)         | (124,668)  | (35,544)                       | 89,124   |
| 0100 Fund Balance - September 1 (Beginning) | 1,027,388        | 1,027,388  | 1,027,388                      | -  |
| 3000 Fund Balance - August 31 (Ending)      | \$ 988,669       | \$ 902,720 | \$ 991,844                     | \$ 89,124  |

SAN FELIPE DEL RIO CISD  
NOTES TO SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2013

- I. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- II. Expenditures exceeded appropriation at the legal level of control.

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, 2013

| Data<br>Control<br>Codes                    | Budgeted Amounts |              | Actual Amounts<br>(GAAP BASIS) | Variance With<br>Final Budget<br>Positive or<br>(Negative) |
|---|------------------|--------------|--------------------------------|--|
|   | Original         | Final        |                                |  |
| <b>REVENUES:</b>                            |                  |              |                                |  |
| 5700 Total Local and Intermediate Sources   | \$ 1,968,341     | \$ 1,968,341 | \$ 1,993,803                   | \$ 25,462  |
| 5800 State Program Revenues                 | 2,405,464        | 2,405,464    | 2,506,602                      | 101,138  |
| 5020 Total Revenues                         | 4,373,805        | 4,373,805    | 4,500,405                      | 126,600  |
| <b>EXPENDITURES:</b>                        |                  |              |                                |  |
| Debt Service:                               |                  |              |                                |  |
| 0071 Principal on Long Term Debt            | 2,315,000        | 2,315,000    | 2,315,000                      | -  |
| 0072 Interest on Long Term Debt             | 2,123,346        | 2,123,346    | 2,123,346                      | -  |
| 0073 Bond Issuance Cost and Fees            | 69,000           | 69,000       | 28,055                         | 40,945   |
| 6030 Total Expenditures                     | 4,507,346        | 4,507,346    | 4,466,401                      | 40,945   |
| 1200 Net Change in Fund Balances            | (133,541)        | (133,541)    | 34,004                         | 167,545  |
| 0100 Fund Balance - September 1 (Beginning) | 909,212          | 909,212      | 909,212                        | -  |
| 1300 Prior Period Adjustment                | 122,716          | 122,716      | 122,716                        | -  |
| 3000 Fund Balance - August 31 (Ending)      | \$ 898,387       | \$ 898,387   | \$ 1,065,932                   | \$ 167,545   |

**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*

December 10, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2013.

**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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

GOVERNMENT AUDITORS SEALED WITH EXPERIENCE

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas



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

December 10, 2013

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, 2013. 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.

GOVERNMENT AUDITS SEALED WITH EXCELLENCE

## 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, 2013.

## 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, 2013**

**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, 2013

**A. SUMMARY OF AUDIT RESULTS**

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

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u>         |
|-----------------------|---|
| 84.010                | Title I, Part A Cluster                           |
| 84.027 & 84.173       | Special Education Cluster (IDEA)                  |
| 81.128                | Energy Efficiency and Conservation<br>Block Grant |
| 84.011                | Migrant Education Grant Program                   |
| 84.365                | English Language Acquisition Grant                |
| 84.367                | Improving Teacher Quality Grant                   |
| 84.377                | School Improvement Grants                         |
| 93.600                | Head Start  |

8. The threshold for distinguishing Type A and B programs was \$553,672.
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 CSD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2013

| (1)   | (2)                       | (3)  | (4)                     |
|---|---------------------------|--|-------------------------|
| FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM or CLUSTER TITLE | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Federal<br>Expenditures |
| <b>FEDERAL COMMUNICATIONS COMMISSION</b>                              |                           |  |                         |
| <u>Direct Programs</u>  |                           |  |                         |
| Universal E-Rate  | 32.000                    |  | \$ 260,498              |
| Total Direct Programs   |                           |  | \$ 260,498              |
| <b>TOTAL FEDERAL COMMUNICATIONS COMMISSION</b>                        |                           |  | <b>\$ 260,498</b>       |
| <b>U.S. DEPARTMENT OF DEFENSE</b>                                     |                           |  |                         |
| <u>Direct Programs</u>  |                           |  |                         |
| ROTC  | 12.000                    |  | \$ 69,733               |
| Total Direct Programs   |                           |  | \$ 69,733               |
| <b>TOTAL DEPARTMENT OF DEFENSE</b>                                    |                           |  | <b>\$ 69,733</b>        |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                   |                           |  |                         |
| <u>Direct Programs</u>  |                           |  |                         |
| Impact Aid - P.L. 81.874 (Note A)                                     | 84.041                    |  | \$ 203,024              |
| Total Direct Programs   |                           |  | \$ 203,024              |
| <u>Passed Through State Department of Education</u>                   |                           |  |                         |
| *ESEA, Title I, Part A - Improving Basic Programs                     | 84.010A                   | 13610103233901                               | \$ 21,365               |
| *ESEA, Title I, Part A - Improving Basic Programs                     | 84.010A                   | 14610103233901                               | 1,042                   |
| *ESEA, Title I, Part A - Improving Basic Programs                     | 84.010A                   | 13610101233901                               | 3,335,455               |
| *ESEA, Title I, Part A - Improving Basic Programs                     | 84.010A                   | 14610101233901                               | 86,973                  |
| ESA, Title I - School Improvement Program                             | 84.010A                   | 13610104233901043                            | 12,514                  |
| ESA, Title I - School Improvement Program                             | 84.010A                   | 13610104233901102                            | 14,926                  |
| ESA, Title I - School Improvement Program                             | 84.010A                   | 13610104233901103                            | 11,808                  |
| ESA, Title I - School Improvement Program                             | 84.010A                   | 13610104233901104                            | 12,667                  |
| ESA, Title I - School Improvement Program                             | 84.010A                   | 13610104233901112                            | 13,379                  |
| Total CFDA Number 84.010A   |                           |  | 3,510,129               |
| Total Title I, Part A Cluster   |                           |  | 3,510,129               |
| ESEA, Title I, Part C - Migratory Children                            | 84.011                    | 12615001233901                               | 39,789                  |
| ESEA, Title I, Part C - Migratory Children                            | 84.011                    | 13615001233901                               | 866,663                 |
| ESEA, Title I, Part C - Migratory Children                            | 84.011                    | 14615001233901                               | 3,710                   |
| Total CFDA Number 84.011  |                           |  | 910,162                 |
| *IDEA - Part B, Formula   | 84.027                    | 136600012339016600                           | 2,049,539               |
| *IDEA - Part B, Formula   | 84.027                    | 146600012339016600                           | 68,232                  |
| Total CFDA Number 84.027  |                           |  | 2,117,771               |
| *IDEA - Part B, Preschool   | 84.173                    | 136610012339016610                           | 43,454                  |
| *IDEA - Part B, Preschool   | 84.173                    | 146610012339016610                           | 1,553                   |
| Total CFDA Number 84.173  |                           |  | 45,007                  |
| Total Special Education Cluster (IDEA)                                |                           |  | 2,162,778               |
| Career and Technical - Basic Grant                                    | 84.048                    | 14420006233901                               | 151,616                 |
| Title III, Part A - English Language Acquisition                      | 84.365A                   | 13671001233901                               | 169,644                 |
| ESEA, Title II, Part A, Teacher/Principal Training                    | 84.367A                   | 13694501233901                               | 782,192                 |
| ESEA, Title II, Part A, Teacher/Principal Training                    | 84.367A                   | 14694501233901                               | 18,578                  |
| Total CFDA Number 84.367A   |                           |  | 800,770                 |
| Summer School LEP   | 84.369A                   | 69551102                                     | 5,577                   |
| Title I SIP Academy Grant   | 84.377A                   | 126107047110031                              | 1,408,299               |

SAN FELIPE DEL RIO CISD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2013

| (1)<br>FEDERAL GRANTOR/<br>PASS-THROUGH GRANTOR/<br>PROGRAM or CLUSTER TITLE | (2)<br>Federal<br>CFDA<br>Number | (3)<br>Pass-Through<br>Entity Identifying<br>Number | (4)<br>Federal<br>Expenditures |
|--|----------------------------------|---|--------------------------------|
| Title I SIP Academy Grant  | 84.377A                          | 136107047110031                                     | 46,834                         |
| Total CFDA Number 84.377A  |                                  |   | 1,455,133                      |
| Total Passed Through State Department of Education                           |                                  |   | \$ 9,165,809                   |
| <b>TOTAL DEPARTMENT OF EDUCATION</b>   |                                  |   | <b>\$ 9,368,833</b>            |
| <b>U.S. DEPARTMENT OF ENERGY</b>   |                                  |   |                                |
| <u>Passed Through Texas Comptroller of Public Account</u>                    |                                  |   |                                |
| ARRA - Texas Cool Schools Grant  | 81.128                           | DE-EE-0000116                                       | \$ 1,121,399                   |
| Total Passed Through Texas Comptroller of Public Account                     |                                  |   | \$ 1,121,399                   |
| <b>TOTAL DEPARTMENT OF ENERGY</b>  |                                  |   | <b>\$ 1,121,399</b>            |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                          |                                  |   |                                |
| <u>Passed Through Texas Dept of Human Services</u>                           |                                  |   |                                |
| Medicaid Administrative Claiming Program - MAC                               | 93.778                           | 06SE6041/01   | \$ 15,685                      |
| Total Passed Through Texas Dept of Human Services                            |                                  |   | \$ 15,685                      |
| <u>Passed Through State Department of Education</u>                          |                                  |   |                                |
| Head Start   | 93.600                           | 06CH6041/41   | \$ 2,054,418                   |
| Head Start   | 93.600                           | 06CH6041/42   | 154,309                        |
| Total CFDA Number 93.600   |                                  |   | 2,208,727                      |
| Total Passed Through State Department of Education                           |                                  |   | \$ 2,208,727                   |
| <b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>                         |                                  |   | <b>\$ 2,224,412</b>            |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>  |                                  |   |                                |
| <u>Passed Through the State Department of Agriculture</u>                    |                                  |   |                                |
| *School Breakfast Program  | 10.553                           |   | \$ 1,496,778                   |
| *National School Lunch Program - Cash Assistance                             | 10.555                           |   | 3,429,811                      |
| *National School Lunch Prog. - Non-Cash Assistance                           | 10.565                           |   | 366,073                        |
| *Summer Feeding Program - Cash Assistance                                    | 10.559                           |   | 118,196                        |
| Total Child Nutrition Cluster  |                                  |   | 5,410,858                      |
| Total Passed Through the State Department of Agriculture                     |                                  |   | \$ 5,410,858                   |
| <b>TOTAL DEPARTMENT OF AGRICULTURE</b>                                       |                                  |   | <b>\$ 5,410,858</b>            |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                  |                                  |   | <b>\$ 18,455,733</b>           |

\*Clustered Programs

SAN FELIPE DEL RIO CISD

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2013

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 | \$18,455,733   |
| SHARS Revenue                   | <u>836,731</u> |
| Exhibit C-3 Federal Revenue     | \$19,292,464   |

SCHOOLS FIRST QUESTIONNAIRE

San Felipe Del Rio CISD

Fiscal Year 2013

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|      |  |             |
|------|--|-------------|
| 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.                       | \$1,035,915 |

# **Statistical Section**



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

|  | 2004              | 2005              | 2006              | 2007              |
|--|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities                        |                   |                   |                   |                   |
| Net Investment in Capital Assets               | \$ 15,839,263     | \$ 22,046,707     | \$ 20,965,032     | \$ 22,864,581     |
| Restricted                                     | 16,985,925        | 2,062,526         | 2,860,747         | 3,184,929         |
| Unrestricted                                   | 3,449,194         | 19,224,347        | 22,671,302        | 28,529,178        |
| <br>Total Governmental Activities Net Position | <br>\$ 36,274,382 | <br>\$ 43,333,580 | <br>\$ 46,497,081 | <br>\$ 54,578,688 |

| 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 21,624,572        | \$ 20,162,593        | \$ 14,640,249        | \$ 18,422,633        | \$ 26,470,340        | \$ 32,853,555        |
| 2,507,568            | 18,512,080           | 15,428,495           | 13,246,293           | 5,963,912            | 34,432,635           |
| 33,211,103           | 21,592,075           | 36,333,351           | 46,837,114           | 56,436,272           | 25,852,439           |
| <u>\$ 57,343,243</u> | <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> |

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

|   | 2004                   | 2005                   | 2006                   | 2007                   |
|---|------------------------|------------------------|------------------------|------------------------|
| Expenses:   |                        |                        |                        |                        |
| Governmental Activities                               |                        |                        |                        |                        |
| Instruction   | \$ 41,054,951          | \$ 41,694,357          | \$ 42,641,871          | \$ 44,024,878          |
| Instructional Resource & Media Services               | 1,688,991              | 1,623,762              | 1,657,027              | 1,539,994              |
| Curriculum/Instructional Staff Devel                  | 1,733,447              | 1,756,387              | 1,934,024              | 1,662,269              |
| Instructional Leadership                              | 1,306,540              | 1,617,823              | 1,436,322              | 1,518,421              |
| School Leadership                                     | 3,282,400              | 3,267,739              | 3,276,393              | 3,436,907              |
| Guidance/Counseling/Evaluation Serv                   | 2,474,787              | 2,405,479              | 2,485,497              | 2,670,548              |
| Social Work Services                                  | 167,856                | 181,163                | 172,080                | 180,871                |
| Health Services                                       | 848,860                | 693,158                | 665,150                | 619,178                |
| Student (Pupil) Transportation                        | 1,374,000              | 1,423,414              | 1,626,317              | 1,641,405              |
| Food Services   | 3,855,423              | 3,869,246              | 3,935,631              | 3,837,247              |
| Cocurricular/Extracurricular Activities               | 1,900,773              | 2,062,162              | 2,157,535              | 2,307,533              |
| General Administration                                | 2,371,635              | 2,278,072              | 2,418,308              | 2,371,420              |
| Facilities Maintenance & Operations                   | 6,676,835              | 6,530,780              | 6,975,048              | 7,477,235              |
| Security & Monitoring Services                        | 607,249                | 627,577                | 631,906                | 705,011                |
| Data Processing Services                              | 1,220,368              | 1,337,293              | 1,515,659              | 1,541,169              |
| Community Services                                    | 913,155                | 1,004,298              | 1,017,245              | 996,445                |
| Debt Service - Interest on Long Term Debt             | 1,726,280              | 1,808,688              | 1,343,113              | 2,218,477              |
| Debt Service - Bond Issuance Cost and Fees            | 12,040                 | 11,739                 | 12,908                 | 42,015                 |
| Capital Outlay  | 358,398                | 35,015                 | 151,311                | 185,361                |
| Payments to Fiscal Agent/Member Districts of SSA      | 362,624                | -                      | -                      | -                      |
| Other Intergovernmental Charges                       | -                      | -                      | -                      | -                      |
| <b>Total Governmental Activities Expenses</b>         | <b>\$ 73,936,612</b>   | <b>\$ 74,228,152</b>   | <b>\$ 76,053,345</b>   | <b>\$ 78,976,384</b>   |
| Program Revenues:                                     |                        |                        |                        |                        |
| Governmental Activities                               |                        |                        |                        |                        |
| Charges for Services:                                 |                        |                        |                        |                        |
| Instruction   | \$ 675,186             | \$ 622,139             | \$ 683,736             | \$ 701,456             |
| Food Services   | 59,227                 | 54,574                 | 58,943                 | 61,531                 |
| Extracurricular Activities                            | 35,535                 | 32,744                 | 35,366                 | 36,917                 |
| Facilities Maintenance and Operations                 | 106,607                | 98,232                 | 106,096                | 12,306                 |
| Other Activities                                      | 307,973                | 283,777                | 294,712                | 418,417                |
| Operating Grants and Contributions                    | 18,726,189             | 19,109,110             | 19,758,798             | 19,674,107             |
| <b>Total Governmental Activities Program Revenues</b> | <b>\$ 19,910,717</b>   | <b>\$ 20,200,576</b>   | <b>\$ 20,937,651</b>   | <b>\$ 20,904,734</b>   |
| <b>Total Governmental Activities Net Expense</b>      | <b>\$ (54,025,895)</b> | <b>\$ (54,027,576)</b> | <b>\$ (55,115,694)</b> | <b>\$ (58,071,650)</b> |

|           | 2008                | 2009                   | 2010                   | 2011                   | 2012                   | 2013                   |
|-----------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$        | 48,488,905          | \$ 50,706,225          | \$ 51,764,977          | \$ 48,387,010          | \$ 48,372,502          | \$ 50,022,828          |
|           | 1,617,799           | 1,568,540              | 1,573,767              | 1,930,741              | 1,833,772              | 1,678,082              |
|           | 1,385,582           | 952,670                | 1,675,524              | 1,204,917              | 1,193,561              | 1,360,768              |
|           | 1,754,956           | 1,490,770              | 1,624,468              | 1,673,854              | 1,707,916              | 1,961,197              |
|           | 3,580,673           | 3,573,739              | 3,580,045              | 3,484,329              | 3,561,130              | 3,999,679              |
|           | 2,939,606           | 2,234,403              | 2,983,260              | 3,132,972              | 3,098,961              | 3,336,876              |
|           | 189,611             | 205,496                | 205,386                | 177,874                | 195,960                | 217,490                |
|           | 682,500             | 700,689                | 719,960                | 661,825                | 643,157                | 767,630                |
|           | 1,638,864           | 1,474,242              | 1,533,097              | 1,675,768              | 1,964,113              | 2,414,063              |
|           | 4,198,993           | 4,620,191              | 4,450,532              | 4,558,913              | 4,876,566              | 5,988,138              |
|           | 2,556,609           | 2,648,626              | 2,476,516              | 2,624,882              | 2,715,001              | 2,992,960              |
|           | 1,981,577           | 2,395,034              | 2,638,097              | 2,590,927              | 2,848,554              | 2,667,078              |
|           | 7,493,439           | 8,173,993              | 8,099,340              | 8,137,198              | 8,335,148              | 9,214,945              |
|           | 751,175             | 965,174                | 964,371                | 1,107,022              | 1,044,091              | 1,250,329              |
|           | 1,227,170           | 678,701                | 759,484                | 1,040,407              | 979,968                | 1,297,626              |
|           | 960,560             | 1,006,634              | 978,478                | 959,043                | 912,762                | 827,311                |
|           | 2,739,240           | 2,809,452              | 2,443,474              | 3,396,399              | 3,398,738              | 2,231,194              |
|           | 36,208              | 228,013                | 59,450                 | 47,798                 | 55,015                 | 28,055                 |
|           | 967,052             | 28,023                 | 186,030                | 71,383                 | 275,288                | 43,860                 |
|           | -                   | -                      | -                      | -                      | -                      | -                      |
|           | 545,753             | 664,232                | 713,133                | 564,446                | 512,947                | 570,341                |
| <b>\$</b> | <b>85,736,272</b>   | <b>\$ 87,124,847</b>   | <b>\$ 89,429,389</b>   | <b>\$ 87,427,708</b>   | <b>\$ 88,525,150</b>   | <b>\$ 92,870,450</b>   |
| <br>      |                     |                        |                        |                        |                        |                        |
| \$        | 968,362             | \$ 500,656             | \$ 469,625             | \$ 272,274             | \$ 191,318             | \$ 174,223             |
|           | -                   | 814,346                | 781,311                | 816,772                | 832,301                | 897,192                |
|           | 60,523              | 145,643                | 197,690                | 192,921                | 212,744                | 146,940                |
|           | 166,438             | 86,051                 | 80,718                 | 46,797                 | 32,883                 | 52,744                 |
|           | 317,738             | 164,276                | 154,097                | 89,342                 | 62,772                 | 57,168                 |
|           | 20,235,161          | 21,527,680             | 30,397,351             | 26,769,961             | 22,992,103             | 22,175,440             |
| <b>\$</b> | <b>21,748,222</b>   | <b>\$ 23,238,652</b>   | <b>\$ 32,080,792</b>   | <b>\$ 28,188,067</b>   | <b>\$ 24,324,121</b>   | <b>\$ 23,503,707</b>   |
| <br>      |                     |                        |                        |                        |                        |                        |
| <b>\$</b> | <b>(63,988,050)</b> | <b>\$ (63,886,195)</b> | <b>\$ (57,348,597)</b> | <b>\$ (59,239,641)</b> | <b>\$ (64,201,029)</b> | <b>\$ (69,366,743)</b> |

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

|  | 2004                 | 2005                 | 2006                 | 2007                 |
|--|----------------------|----------------------|----------------------|----------------------|
| Net (Expense)/Revenue                            |                      |                      |                      |                      |
| Governmental Activities                          | \$ (54,025,897)      | \$ (54,027,576)      | \$ (55,115,694)      | \$ (58,071,650)      |
| Total Primary Government Program Revenues        | <u>(54,025,897)</u>  | <u>(54,027,576)</u>  | <u>(55,115,694)</u>  | <u>(58,071,650)</u>  |
| General Revenues & Other Changes in Net Position |                      |                      |                      |                      |
| Governmental Activities                          |                      |                      |                      |                      |
| Property Taxes                                   |                      |                      |                      |                      |
| Levied for General Purposes                      | 11,775,705           | 12,509,680           | 13,090,736           | 13,305,065           |
| Levied for Debt Service                          | 558,885              | 622,643              | 662,768              | 1,161,160            |
| State Aid - Formula Grants                       | 43,068,899           | 42,203,690           | 40,822,011           | -                    |
| Unrestricted Grants and Contributions            | 817,546              | 2,009,896            | -                    | 48,693,585           |
| Investment Earnings                              | 339,487              | 1,230,399            | 1,631,671            | 2,669,186            |
| Miscellaneous Local and Intermediate Revenue     | 481,931              | 2,063,156            | 2,073,624            | 458,797              |
| Special Items                                    | 5,252                | 19,379               | 4,757                | (65,622)             |
| Extraordinary Item - resource                    | -                    | -                    | -                    | 195                  |
| Transfers  | -                    | 94,340               | (6,373)              | (69,109)             |
| Total Governmental Activities                    | <u>\$ 57,047,705</u> | <u>\$ 60,753,183</u> | <u>\$ 58,279,194</u> | <u>\$ 66,153,257</u> |
| Changes in Net Position                          |                      |                      |                      |                      |
| Governmental Activities                          | \$ 3,021,808         | \$ 6,725,607         | \$ 3,163,500         | \$ 8,081,607         |
| Total Primary Government                         | <u>\$ 3,021,808</u>  | <u>\$ 6,725,607</u>  | <u>\$ 3,163,500</u>  | <u>\$ 8,081,607</u>  |

| 2008            | 2009            | 2010            | 2011            | 2012            | 2013            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ (63,988,050) | \$ (63,886,195) | \$ (57,348,597) | \$ (59,239,641) | \$ (64,201,029) | \$ (69,366,743) |
| (63,988,050)    | (63,886,195)    | (57,348,597)    | (59,239,641)    | (64,201,029)    | (69,366,743)    |

|               |               |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 11,218,743    | 12,273,413    | 12,234,521    | 13,132,037    | 13,874,294    | 14,801,948    |
| 1,067,888     | 1,517,701     | 1,894,544     | 1,863,558     | 2,041,676     | 1,836,256     |
| 52,024,588    | 52,147,416    | 48,243,225    | -             | -             | -             |
| -             | -             | -             | 54,671,371    | 54,336,114    | 56,997,255    |
| 2,163,183     | 800,932       | 349,117       | 159,413       | 157,667       | 130,049       |
| 516,162       | 113,280       | 527,813       | 1,420,825     | (350,309)     | (130,660)     |
| (65,975)      | (12,662)      | -             | -             | (4,639)       | -             |
| -             | -             | -             | -             | -             | -             |
| 11,876        | (30,382)      | -             | 804           | (26,000)      | -             |
| \$ 66,936,465 | \$ 66,809,698 | \$ 63,249,220 | \$ 71,248,008 | \$ 70,028,803 | \$ 73,634,848 |

|              |              |              |               |              |              |
|--------------|--------------|--------------|---------------|--------------|--------------|
| \$ 2,948,415 | \$ 2,923,503 | \$ 5,900,623 | \$ 12,008,367 | \$ 5,827,774 | \$ 4,268,105 |
| \$ 2,948,415 | \$ 2,923,503 | \$ 5,900,623 | \$ 12,008,367 | \$ 5,827,774 | \$ 4,268,105 |

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

|                                    | 2004                | 2005                 | 2006                 | 2007                 |
|------------------------------------|---------------------|----------------------|----------------------|----------------------|
| General Fund                       |                     |                      |                      |                      |
| Nonspendable                       | \$ 619,286          | \$ 687,073           | \$ 737,737           | \$ 601,763           |
| Restricted                         | 491,665             | 122,242              | 560,275              | 406,481              |
| Comitted                           | 74,582              | -                    | -                    | 1,769,919            |
| Assigned                           | -                   | 3,737,055            | 2,806,622            | 2,375,467            |
| Unassigned                         | 8,594,970           | 13,668,649           | 15,848,761           | 20,144,367           |
| Total General Fund                 | <u>\$ 9,780,503</u> | <u>\$ 18,215,019</u> | <u>\$ 19,953,395</u> | <u>\$ 25,297,997</u> |
| All Other Governmental Funds       |                     |                      |                      |                      |
| Nonspendable                       | \$ 138,355          | \$ 354,557           | \$ 457,480           | \$ 543,334           |
| Restricted                         | 3,610,552           | 4,676,062            | 2,188,937            | 1,968,578            |
| Comitted                           | -                   | -                    | -                    | -                    |
| Assigned                           | -                   | -                    | -                    | -                    |
| Unassigned                         | 3,456,515           | 77,470               | 639,728              | 22,539,554           |
| Total All Other Governmental Funds | <u>\$ 7,205,422</u> | <u>\$ 5,108,089</u>  | <u>\$ 3,286,145</u>  | <u>\$ 25,051,466</u> |

| 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 609,229           | \$ 623,044           | \$ 782,891           | \$ 600,000           | \$ 715,699           | \$ 627,311           |
| 269,314              | 449,054              | 469,501              | -                    | -                    | -                    |
| 920,000              | 1,654,208            | 2,000,000            | 2,088,425            | 794,063              | 28,703,461           |
| 435,792              |                      |                      |                      |                      | -                    |
| 25,815,375           | 27,881,507           | 30,313,071           | 38,980,447           | 45,836,950           | 20,127,659           |
| <u>\$ 28,049,710</u> | <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> |
| \$ 499,602           | \$ 572,668           | \$ 591,544           | \$ -                 | \$ 261,539           | \$ 342,712           |
| 1,647,130            | 1,157,517            | 12,836,952           | 13,246,293           | 6,086,628            | 4,590,666            |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 14,558,913           | 16,781,895           | 277,731              | (1,225,757)          | 168,688              | 169,244              |
| <u>\$ 16,705,645</u> | <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>  |



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

|  | 2004                  | 2005                | 2006               | 2007                 |
|--|-----------------------|---------------------|--------------------|----------------------|
| <b>Revenues:</b>   |                       |                     |                    |                      |
| Local and Intermediate Sources                                 | \$ 14,031,290         | \$ 17,818,454       | \$ 18,735,381      | \$ 19,037,092        |
| State Program Revenues   | 47,541,961            | 47,985,412          | 45,353,186         | 53,663,114           |
| Federal Program Revenues                                       | 14,922,046            | 15,153,879          | 15,048,287         | 14,440,024           |
| <b>Total Revenues</b>  | <b>76,495,297</b>     | <b>80,957,745</b>   | <b>79,136,854</b>  | <b>87,140,230</b>    |
| <b>Expenses:</b>   |                       |                     |                    |                      |
| Instruction  | 40,491,157            | 40,659,209          | 41,648,424         | 43,209,172           |
| Instructional Resource & Media Services                        | 1,673,096             | 1,588,824           | 1,626,135          | 1,516,644            |
| Curriculum/Instructional Staff Devel                           | 1,747,454             | 1,746,494           | 1,928,632          | 1,675,260            |
| Instructional Leadership                                       | 1,311,003             | 1,599,622           | 1,422,183          | 1,510,512            |
| School Leadership  | 3,294,480             | 3,232,208           | 3,250,330          | 3,424,427            |
| Guidance/Counseling/Evaluation Serv                            | 2,507,356             | 2,399,963           | 2,487,466          | 2,686,188            |
| Social Work Services   | 175,998               | 179,784             | 172,216            | 181,930              |
| Health Services  | 857,002               | 691,779             | 665,677            | 622,804              |
| Student (Pupil) Transportation                                 | 1,536,410             | 1,331,393           | 1,600,987          | 1,603,068            |
| Food Services  | 3,907,223             | 3,845,225           | 3,971,257          | 3,948,834            |
| Cocurricular/Extracurricular Activities                        | 1,860,106             | 1,994,244           | 2,099,460          | 2,269,288            |
| General Administration   | 2,389,229             | 2,253,920           | 2,400,798          | 2,372,411            |
| Plant Maintenance & Operations                                 | 6,746,266             | 6,482,465           | 6,919,637          | 7,495,332            |
| Security & Monitoring Services                                 | 608,558               | 600,532             | 607,496            | 683,324              |
| Data Processing Services                                       | 1,219,445             | 1,261,027           | 1,443,039          | 1,477,341            |
| Community Services   | 921,297               | 1,002,919           | 1,018,051          | 1,002,280            |
| Debt Service - Principal on long-term debt                     | 1,215,000             | 1,450,000           | 1,560,000          | 2,205,000            |
| Debt Service - Interest on Long Term Debt                      | 1,670,158             | 1,399,422           | 1,246,983          | 2,102,966            |
| Debt Service - Bond Issuance Cost and Fees                     | 12,040                | 288,188             | 12,908             | 279,780              |
| Capital Outlay   | 6,771,564             | 1,916,010           | 3,137,128          | 1,835,741            |
| Payments to Fiscal Agent/Member Districts of SSA               | 362,624               | -                   | -                  | -                    |
| Other Intergovernmental Charges                                | -                     | -                   | -                  | -                    |
| <b>Total Expenditures</b>                                      | <b>81,277,466</b>     | <b>75,923,228</b>   | <b>79,218,807</b>  | <b>82,102,302</b>    |
| <b>Excess of Revenues Over (Under) Expenditures</b>            | <b>(4,782,169)</b>    | <b>5,034,517</b>    | <b>(81,953)</b>    | <b>5,037,928</b>     |
| <b>Other Financing Sources (Uses)</b>                          |                       |                     |                    |                      |
| Refunding Bonds Issued   | -                     | 22,369,992          | -                  | -                    |
| Capital Related Debt Issued (Regular Bonds)                    | -                     | -                   | -                  | 21,915,000           |
| Sale of Real and Personal Property                             | 6,334                 | 19,379              | 4,757              | 2,034                |
| Transfers In   | 18,997                | 880,921             | 871,965            | -                    |
| Premium or Discount on Issuance of Bonds                       | -                     | 2,165,239           | -                  | 268,700              |
| Other Resources  | -                     | 111,970             | 1,046              | -                    |
| Transfers Out  | (18,997)              | (880,921)           | (871,965)          | -                    |
| Payment to Bond Refunding Escrow Agent (Use)                   | -                     | (24,136,861)        | -                  | -                    |
| Other (Uses)   | -                     | (17,630)            | (7,419)            | (69,109)             |
| <b>Total Other Financing Sources (Uses)</b>                    | <b>6,334</b>          | <b>512,089</b>      | <b>(1,616)</b>     | <b>22,116,625</b>    |
| Extraordinary Item - Resource                                  | -                     | -                   | -                  | 195                  |
| Special Item (Use)   | -                     | -                   | -                  | (44,825)             |
| <b>Net Change in Fund Balances</b>                             | <b>\$ (4,775,835)</b> | <b>\$ 5,546,606</b> | <b>\$ (83,569)</b> | <b>\$ 27,109,923</b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | <b>3.9%</b>           | <b>4.2%</b>         | <b>3.7%</b>        | <b>5.7%</b>          |

|    | 2008        | 2009          | 2010           | 2011          | 2012           | 2013          |
|----|-------------|---------------|----------------|---------------|----------------|---------------|
| \$ | 16,707,196  | \$ 17,070,448 | \$ 17,463,909  | \$ 17,854,444 | \$ 18,331,315  | \$ 18,723,408 |
|    | 57,274,980  | 57,217,211    | 53,048,871     | 58,160,468    | 56,825,613     | 58,814,168    |
|    | 14,924,471  | 15,444,904    | 24,665,430     | 23,278,257    | 19,509,244     | 19,292,464    |
|    | 88,906,647  | 89,732,563    | 95,178,210     | 99,293,169    | 94,666,172     | 96,830,040    |
|    | 47,156,064  | 49,577,849    | 51,692,658     | 48,291,897    | 48,468,485     | 47,883,956    |
|    | 1,575,651   | 1,539,162     | 1,563,399      | 1,933,609     | 1,821,565      | 1,638,584     |
|    | 1,373,853   | 950,376       | 1,692,320      | 1,215,612     | 1,197,809      | 1,357,109     |
|    | 1,731,593   | 1,476,086     | 1,630,271      | 1,689,350     | 1,706,061      | 1,936,244     |
|    | 3,523,299   | 3,547,766     | 3,601,596      | 3,516,258     | 3,556,728      | 3,932,140     |
|    | 2,929,041   | 2,237,205     | 3,026,883      | 3,203,068     | 3,154,598      | 3,322,241     |
|    | 188,268     | 205,496       | 205,386        | 195,398       | 209,869        | 213,831       |
|    | 678,429     | 702,090       | 730,866        | 679,349       | 657,066        | 763,971       |
|    | 1,565,129   | 1,198,212     | 1,279,018      | 2,301,517     | 1,454,474      | 2,196,430     |
|    | 4,216,990   | 4,599,294     | 4,484,395      | 4,637,792     | 4,916,982      | 6,012,183     |
|    | 2,480,712   | 2,590,615     | 2,445,772      | 2,601,318     | 2,702,985      | 2,740,562     |
|    | 1,950,201   | 2,385,359     | 2,655,765      | 2,647,977     | 2,861,299      | 2,656,101     |
|    | 7,453,508   | 8,142,837     | 8,479,896      | 8,259,323     | 8,398,388      | 10,837,578    |
|    | 766,925     | 946,203       | 955,212        | 1,097,229     | 1,019,356      | 1,254,009     |
|    | 1,138,044   | 601,046       | 763,496        | 966,801       | 856,879        | 1,348,568     |
|    | 960,201     | 1,006,634     | 978,478        | 976,567       | 926,671        | 823,652       |
|    | 1,675,000   | 1,755,000     | 2,110,000      | 1,159,444     | 1,155,548      | 2,315,000     |
|    | 1,901,418   | 2,686,338     | 2,318,724      | 3,276,440     | 3,287,095      | 2,123,346     |
|    | 667,380     | 198,397       | 29,834         | 21,476        | 28,494         | 28,055        |
|    | 10,446,830  | 10,788,169    | 5,899,808      | 3,614,127     | 7,385,049      | 2,179,809     |
|    | -           | -             | -              | -             | -              | -             |
|    | 545,753     | 664,232       | 713,133        | 564,448       | 512,947        | 570,341       |
|    | 94,924,289  | 97,798,366    | 97,256,910     | 92,849,000    | 96,278,348     | 96,133,710    |
|    | (6,017,642) | (8,065,803)   | (2,078,700)    | 6,444,169     | (1,612,176)    | 696,330       |
|    | -           | -             | -              | -             | -              | -             |
|    | 6,469,993   | 12,285,000    | -              | -             | -              | -             |
|    | 7,605       | 1,657         | 3,383          | 2,743         | 38,319         | 3,397         |
|    | 215,832     | 7,071         | -              | 17,779        | 792,784        | -             |
|    | 653,895     | 186,728       | -              | -             | -              | -             |
|    | -           | -             | -              | 5,064         | -              | -             |
|    | (215,832)   | (7,071)       | -              | (17,779)      | (818,784)      | -             |
|    | -           | -             | (7,610)        | -             | -              | -             |
|    | (6,458,124) | (30,382)      | -              | (34,258)      | (4,684)        | (2,241)       |
|    | 673,369     | 12,443,003    | (4,227)        | (26,451)      | 7,635          | 1,156         |
|    | -           | -             | -              | -             | -              | -             |
|    | (65,975)    | (12,662)      | -              | -             | (4,639)        | -             |
| \$ | (5,410,248) | \$ 4,364,538  | \$ (2,082,927) | \$ 6,417,718  | \$ (1,609,180) | \$ 697,486    |
|    | 5.0%        | 5.3%          | 4.9%           | 5.0%          | 5.0%           | 4.8%          |

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

| Fiscal Year | District Direct Rates |                     |         | Overlapping Rates  |                     |                                   | Total Direct<br>and<br>Overlapping<br>Debt |
|-------------|-----------------------|---------------------|---------|--------------------|---------------------|-----------------------------------|--|
|             | General<br>Purposes   | Capital<br>Purposes | Total   | City of Del<br>Rio | Val Verde<br>County | Val Verde<br>Regional<br>Hospital |  |
| 2004        | 1.38000               | 0.06550             | 1.44550 | 0.47000            | 0.46600             | 0.15020                           | 2.53170                                    |
| 2005        | 1.44000               | 0.07270             | 1.51270 | 0.50555            | 0.46600             | 0.14630                           | 2.63055                                    |
| 2006        | 1.44000               | 0.07200             | 1.51200 | 0.52055            | 0.46600             | 0.13800                           | 2.63655                                    |
| 2007        | 1.31680               | 0.11500             | 1.43180 | 0.52055            | 0.46600             | 0.13420                           | 2.55255                                    |
| 2008        | 1.04000               | 0.09900             | 1.13900 | 0.54055            | 0.46600             | 0.13420                           | 2.27975                                    |
| 2009        | 1.04000               | 0.12670             | 1.16670 | 0.56055            | 0.44570             | 0.12840                           | 2.30135                                    |
| 2010        | 1.04000               | 0.15940             | 1.19940 | 0.56055            | 0.44570             | 0.12840                           | 2.33405                                    |
| 2011        | 1.04000               | 0.15940             | 1.19940 | 0.57555            | 0.44570             | 0.12458                           | 2.34523                                    |
| 2012        | 1.04000               | 0.14870             | 1.18870 | 0.57555            | 0.44570             | 0.12420                           | 2.33415                                    |
| 2013        | 1.04000               | 0.13950             | 1.17950 | 0.57881            | 0.44570             | 0.11920                           | 2.32321                                    |

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

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

| Employer                            | 2013          |      |                                | 2006         |      |                                |
|-------------------------------------|---------------|------|--------------------------------|--------------|------|--------------------------------|
|                                     | Employees     | Rank | Percentage of Total Employment | Employees    | Rank | Percentage of Total Employment |
| Laughlin Air Force Base             | 3,420         | 1    | 18.13%                         | 2,782        | 1    | 17.58%                         |
| San Felipe Del Rio CISD             | 2,719         | 2    | 14.41%                         | 1,567        | 3    | 9.90%                          |
| Government Agencies                 | 2,063         | 3    | 10.94%                         | 1,955        | 2    | 12.35%                         |
| Wal-Mart Supercenter                | 491           | 4    | 2.60%                          | 473          | 6    | 2.99%                          |
| City of Del Rio                     | 450           | 5    | 2.39%                          | 485          | 5    | 3.06%                          |
| Val Verde Regional Medical Center   | 430           | 6    | 2.28%                          | 500          | 4    | 3.16%                          |
| Plaza Del Sol Mall                  | 332           | 7    | 1.76%                          | 445          | 7    | 2.81%                          |
| H.E.B. Grocery                      | 301           | 8    | 1.60%                          | 256          | 8    | 1.62%                          |
| The GEO Group Correctional Facility | 301           | 9    | 1.60%                          | 198          | 10   | 1.25%                          |
| Val Verde County                    | 207           | 10   | 1.10%                          | 206          | 9    | 1.30%                          |
| Total                               | <u>10,714</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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