

Believe in **BISD**



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

1900 PRICE ROAD • BROWNSVILLE, TEXAS 78520



COMPREHENSIVE  
**ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2014

# **Brownsville Independent School District**

**Brownsville, Texas**



## **Comprehensive Annual Financial Report**

**For**

**Fiscal Year Ended June 30, 2014**

**Prepared by: The Division of Finance**

## **INTRODUCTORY SECTION**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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Brownsville, Texas

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Brownsville, Texas

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**Brownsville Independent School District**  
**1900 E. Price Road · Brownsville, Texas 78521**  
Telephone: (956) 547-4113 Fax (956) 548-8026

November 07, 2014

Herman Otis Powers, President,  
Board of Trustees Members, and  
Citizens of the Brownsville Independent School District  
Brownsville, Texas 78521

BOARD OF EDUCATION

Herman Otis Powers  
*President*  
Vacancy  
*Vice President*  
Minerva M. Peña  
*Secretary*  
Luci B. Longoria  
*Assistant Secretary*  
Jose Hector Chirinos  
*Member*  
*Cesar Lopez*  
*Member*  
Caty Presas-Garcia  
*Member*

Dr. Carl A. Montoya  
*Superintendent*

Dear Mr. Powers, Board Members and Citizens:

State law requires that all public school districts publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Brownsville Independent School District (District) for the fiscal year ended June 30, 2014.

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

The District's financial statements have been audited by Patillo, Brown & Hill, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimated made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District is located entirely in Cameron County, Texas and serves the City of Brownsville, part of the Township of Rancho Viejo and some unincorporated areas of the county. The District, originally chartered by the State in March 1915, now encompasses ninety-five square miles.

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



## **Mission Statement**

To produce well-educated graduates who can pursue higher educational opportunities and who will become responsible citizens in a changing global society by utilizing all resources to provide equitable opportunities for students.

The Brownsville ISD graduate will:

- Meet and/or exceed state, national, and international standards of achievement
- Graduate in a timely manner
- Experience ongoing success in their careers
- Be productive, responsible, and contributing members of society

## **Vision**

Our primary purpose of improving lives through a quality education is driven by an unrelenting determination to graduate all of our students and prepare them for success in higher education. Our ideology is reflected in our fundamental beliefs, commitments and core values that guide us in our daily practices.

## **Core Commitments**

The District's commitments to achieve the mission are:

- All children will be taught, will learn, and will perform at or above their academic levels in all core subject areas and the District will provide a high quality curriculum and instructional program to facilitate children reaching their full potential
- Will eliminate student achievement gaps in the areas of: gender, socio-economic levels, ethnicity, and program specific populations in all core subject areas
- Will provide a safe, clean, and orderly learning environment for every child and staff member as a means of optimizing the teaching and learning processes
- Will recruit, hire, value, and retain highly qualified and experienced personnel who will ensure that all students' educational needs are met and that all children achieve on grade level
- Will implement parent, business, and community involvement partnerships essential to enhancing the overall quality of our students' education and fomenting every child's academic success

## **Core Beliefs**

The District's commitment to this mission is driven by nine fundamental beliefs around which the District has built its governing policies and daily practices:

- High expectations are essential in fostering higher achievement
- Academic success nurtures lifelong learning
- Everyone flourishes in a safe and healthy environment
- All persons in our educational community have inherent value, gifts, and strengths
- The success of each student, teacher, staff member, administrator and family is essential for the success of the entire school district community
- The community and families share responsibility for the development and mentoring of our students
- Perseverance and hard work are essential for success

- Sensitivity is essential to understanding the needs of others
- Students are the number one resource for our future

### **Core Values**

The District has adopted six core values that exemplify the nine fundamental beliefs in action. In order to achieve our goals and attain our commitment, we expect the following:

- Will not tolerate educational apathy
- Will not compromise the efficient and effective use of any/all resources
- Educational and financial decisions will be based upon what is best for the future success of our students
- Will foster a positive environment that recognizes and celebrates cultural diversity
- Will ensure a safe and healthy learning environment with a commitment to excellence
- Will insist that the ECE-16 instructional program is the priority

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve for its approximate 49,370 students. These include regular and enriched academic education, special education for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency and specialized instruction for disadvantaged students. These basic programs are supplemented by additional offerings in the fine arts and athletics. In addition, the District provides for community and adult education by offering a wide variety of academic and occupational courses.

**District Accomplishments** – The District’s accomplishments continue to be recognized by local, state, and national publications. Most recently, the District was recognized for the following achievement:

- One of the District’s parents was recognized as a Hero for Children by the State Board of Education (SBOE). She was one of 15 volunteers who were honored at the SBOE September 2013 meeting.
- The District’s 21<sup>st</sup> Century Community Learning Center Program (21<sup>st</sup> CCLC) was awarded 3 of 5 of the most prestigious awards in the State. 2013 PRIME Award, 2013 Most Innovative Family Engagement Activity Award and Top Administrator.
- Another Veterans Memorial High School student was elected as the national SkillsUSA president. Her predecessor was also a Veterans Memorial student. Never before has this organization had “back to back” presidents from the same state, school district and high school. SkillsUSA is the largest student organization in the country with over 330,000 members.
- Six of the District’s high schools have been designated by the Texas Education Agency as Early College High Schools supporting the district’s overall commitment to a college-going culture.
- The District outperformed the State in 3 of 4 Target Indexes and Region One in 2 Indexes in the 2014 Texas Accountability System. The District scored in the top 11% of the State on student progress and top 22% for postsecondary readiness.

- District campuses earned 204 Distinction Designation in the 2014 state accountability system. A total of 29 elementaries earned 100% of the 2014 State Distinction and/or Safeguards.
- Sixty-one BISD high school students were awarded the University Scholars Program at the University of Texas at Brownsville and five BISD students were selected for the 2014 Class of Gates Millennium Scholars.
- More than \$38 million in scholarships offers for the graduating class of 2014. Awards per campus ranged from approximately \$3.4 million to \$9.3 million.

**Budgetary Controls** - The annual budget serves as the foundation for the District’s financial planning and control. The District’s fiscal year begins July 1<sup>st</sup> and ends June 30<sup>th</sup>. The budget is initially prepared under the direction of the Superintendent. The Board reviews the budget during workshops conducted from January through May. The final budget is required by State law to be adopted by June 30<sup>th</sup>. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board.

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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the child nutrition service fund, this comparison is presented on Exhibit C-5, as required supplementary information. The TEA required budget versus actual comparison for the child nutrition program can be found on Exhibit J-4 and the debt service fund comparison is presented on Exhibit J-5.

**Factors Affecting Financial Conditions**

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

**Population** – Brownsville is the largest city in Cameron County. It has a population of over 175,000 residents and has experienced growth of 34,948 people between the 2000 and 2010 according to the US Census Bureau.

The breakdown of our student membership as of October 2014 is as follows:

- Early Ed                      671
- Pre-K                            2,777
- K-5                                20,741

• 6-8	10,506
• 9-12	<u>13,616</u>
TOTAL	48,311

The projected average daily attendance (ADA) for 2014-2015 is approximately 45,200.

**Local Economy** – The District serves the City of Brownsville, a portion of the Township of Rancho Viejo and several unincorporated areas in Cameron County including Cameron Park and San Pedro. Brownsville is the population and economic center of the expanding lower Rio Grande Valley. The area economy is largely driven by manufacturing reflecting its location across from Matamoros, Mexico and extensive transportation network (including the Port of Brownsville).

The city’s low cost of living and doing business support continued economic growth, and a growing healthcare and education sector, including a branch of the University of Texas, contributes to the stability of the region. The City of Brownsville became the selected site for the Space X Exploration launching site. The city, school district and surrounding areas will be benefiting with the addition of space exploration to the area. The City experienced a 4.5 percent increase in the value of permits issued for the 2014 fiscal year indicating that the commercial building is climbing out of the economic hole created by the recession. The potential for prolonged manufacturing stress coupled with the shortcomings of a relatively low-skilled labor force and vulnerabilities in Mexico’s economic outlook are concerns inherent to the local economy.

**State Economic Outlook** – The state continues to see an improved economy and is expected to collect approximately \$96.2 billion in general revenue for the 2014-15 biennium, with an estimated \$11.8 billion in the Rainy Day Fund at the end of 2015. Judge Dietz again ruled the school finance system unconstitutional. The state has appealed the case to the Supreme Court. The 84<sup>th</sup> legislature will face a potential shortfall in Medicaid, a TRS Care deficit, needs in other areas such as Higher Education, Dept. of Transportation ERS and an unequitable school finance system.

**Bond Funding Update** – There were no new debt issuances in the 2013-2014 school year.

**Financial Polices** – As one of the 19 largest school districts in the State of Texas, the District is constantly monitoring its financial resources, expenditures and planning for the future. Student enrollment drives the District’s planning process along with management’s commitment to providing the best education available to our students. The District’s strategic planning is an ongoing process. The District continually studies different areas of cost containment as they strategically view the demographics of the District and ongoing economic climate.

**Child Nutrition Program** – The Child Nutrition Program continues to enhance its operations. As a result of the administrative team’s continued effort to streamline operations, increase meal participation, cut costs and increase revenue, the program experienced a profitable year and was able to maintain a positive fund balance. Since the 2011-2012 school

year, the District implemented breakfast in the classroom to all students whereby the District absorbs the cost of the meal and all students are allowed to eat breakfast free of charge. The District's top priority is to ensure that each child receives a healthy breakfast and lunch.

The District serves breakfast, lunches, and afterschool snacks to students through the Texas Department of Agriculture School Nutrition Program. In addition to breakfast and lunch, the District serves an afternoon snack to all students enrolled in an after school tutorial. The District will remove the afterschool snack program and implement a supper program for the 2014-2015 school year.

The District is reimbursed based on the number of free, reduced, and paid breakfast and lunches served as well as on the number of after-school snacks served. Each year, the federal reimbursement rates increase. The rates increased by 2.2% for lunch, 2.8% for breakfast, and 2.6% for after-school snacks from the 2012-2013 to the 2013-2014 school year.

**Long-term Financial Planning** – Growth in the district's tax base has continued but at a much slower pace, averaging 1% annual growth from fiscal years 2008-13. The district's fiscal 2014 taxable assessed valuation (TAV) grew marginally to \$5.3 billion. Average daily attendance has grown at less than 1% average annual growth and is expected to continue at this pace in the near term. Typical for the border area, the area's unemployment rate is high (8.4% in September 2014) and income levels are very low. Projected membership for school year 2014-15 is expected to reach 48,500.

The District's maintenance and operations tax rate for tax year 2013-2014 is \$1.040000 per \$100 valuation and the Debt Service rate is \$0.102155 for a total tax rate of \$1.142155. Any increase in property tax revenues are the result of increased property values. State funding for the general fund is about 76.27% of the total general fund revenue and is estimated to increase slightly over the next year. Federal funding is expected to decrease slightly due to decreased availability of federal program funding. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement.

**Interest Rates** – The steady decline in interest rates continues to adversely affect the interest earnings of the District. To illustrate the decline in rates, the overnight Federal Funds Rate at August 2008 was at 2.00%, after a steady series of rate cuts, on December 16, 2008, this rate was set at 0.25% and continues to be artificially maintained at this rate to stimulate the economy. The effect to the District has been a noted decrease in investment earnings.

## **Awards**

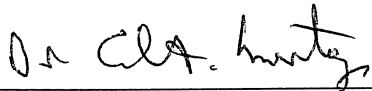
**Association of School Business Officials International (ASBO)** – At June 30, 2013, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for ASBO's Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate on August 29, 2014. This was the sixth time the District had submitted its financial statements for this award.

**Government Finance Officers Association (GFOA)** - At June 30, 2013, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate on June 12, 2014. This was the sixth time the District had submitted its financial statements for this award.

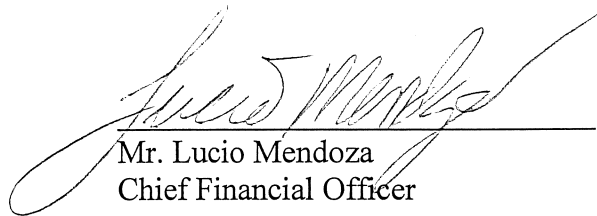
**Schools FIRST** - Senate Bill 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of a financial accountability rating system for Texas school districts. For the 2012-13 school year, the most recent school year rated, the District achieved the Texas Education Agency's highest rating of "Superior Achievement" in the School FIRST program. The District has achieved the top rating 11 out of 12 years since its inception. The purpose of the Schools FIRST (Financial Integrity Rating System of Texas) is to ensure that school districts are held accountable for the quality of their financial management practices. The system is designed to encourage Texas school districts to improve performance in the management of their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

**Acknowledgements** – The preparations of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the various departments within the Chief Financial Officer's cluster. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Dr. Carl A. Montoya  
Superintendent of Schools



Mr. Lucio Mendoza  
Chief Financial Officer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Brownsville Independent School  
District, Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Brownsville Independent School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

**LIST OF PRINCIPAL OFFICIALS**

For The Year Ended June 30, 2014

**BOARD OF TRUSTEES**

Herman Otis Powers, Jr. – President

Minerva M. Pena – Secretary

Luci B. Longoria – Assistant Secretary

Jose Hector Chirinos – Member

Caty Presas-Garcia – Member

Cesar Lopez – Member

**ADMINISTRATORS**

Dr. Carl A. Montoya, Superintendent

Carlos Guerra, Assistant Superintendent of Human Resources/Title IX

Berta Pena, Assistant Superintendent of Curriculum and Instruction

Dr. Antonio Juarez, Assistant Superintendent of District Operations

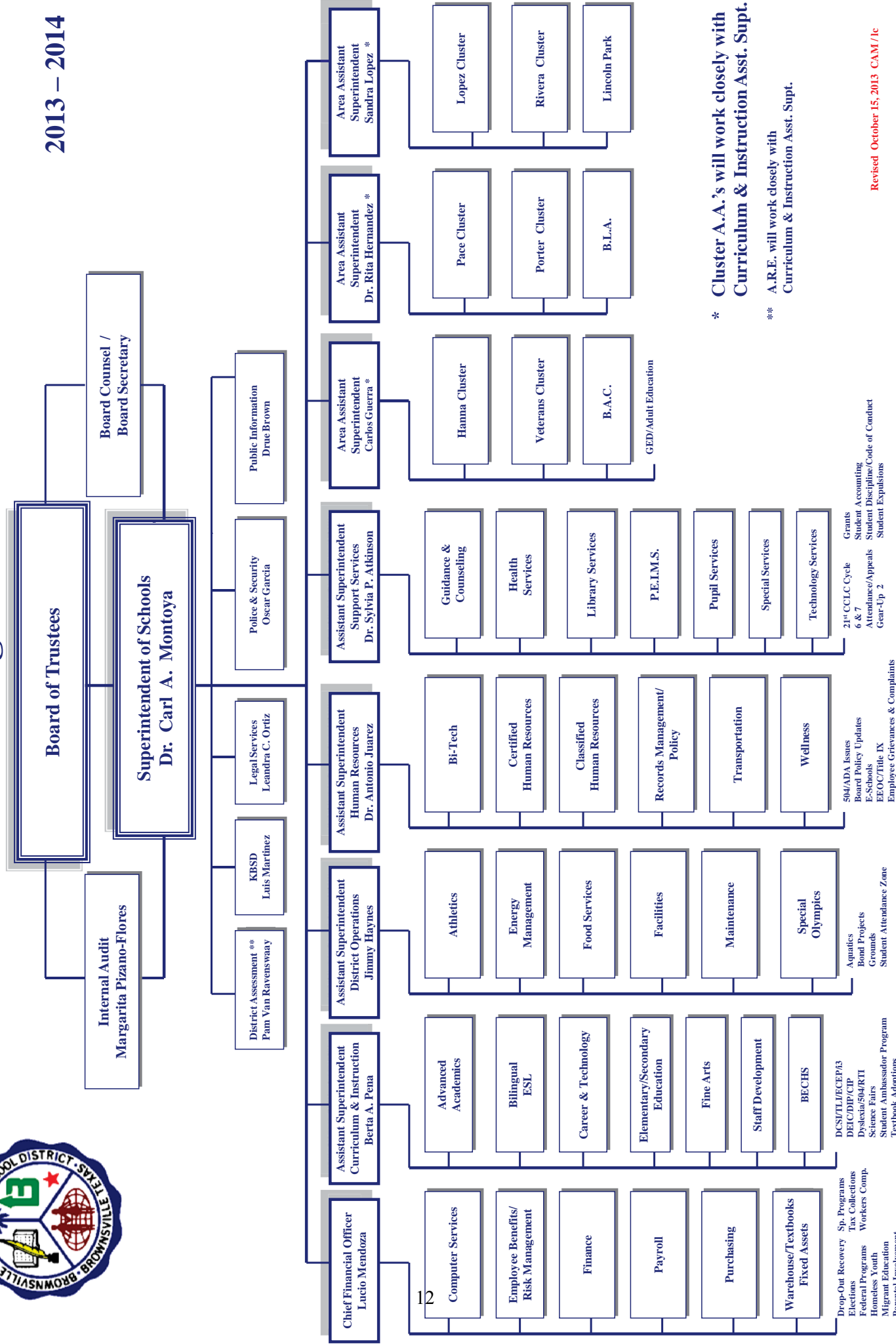
Dr. Sylvia P. Atkinson, Assistant Superintendent of Support Services

Lucio Mendoza, Chief Financial Officer



# Brownsville ISD Organizational Chart

2013 – 2014



\* Cluster A.A.'s will work closely with Curriculum & Instruction Asst. Supt.

\*\* A.R.E. will work closely with Curriculum & Instruction Asst. Supt.

504/ADA Issues  
Board Policy Updates  
E-Schools  
EEOC/Title IX  
Employee Grievances & Complaints

Aquatics  
Bond Projects  
Grounds  
Student Attendance Zone

DCS/TL/EECEP43  
DEIC/DIP/CIP  
Dyslexia/S04/RTI  
Science Fairs  
Student Ambassador Program  
Textbook Adoptions

Drop-Out Recovery  
Elections  
Federal Programs  
Homeless Youth  
Migrant Education  
Parental Involvement  
Sp. Programs  
Tax Collections  
Workers Comp.

Revised October 15, 2013 CAM/lc

BISD does not discriminate on the basis of race, color, national origin, sex, religion, age, disability or genetic information in employment or provision of services, programs or activities. BISD no discrimina a base de raza, color, origen nacional, sexo, religion, edad, discapacidad o informacion genetica en el empleo o en la provision de servicios, programas o actividades.

**CERTIFICATE OF BOARD**

Brownsville Independent School District  
Name of District

Cameron  
County

031-901  
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 June 30, 2014 at a meeting of the Board of Trustees of such school district on the 17<sup>th</sup> day of November, 2014.

  
Signature of Board Secretary

  
Signature of Board President

## **FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brownsville Independent School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

***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 Brownsville Independent School District as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note I to the financial statements, in 2014 the District adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as assets and Liabilities. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information on pages 17 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, Texas Education Agency required schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 combining and individual nonmajor fund financial statements, Texas Education Agency required schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Texas Education Agency required 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 introductory, statistical sections and Exhibit J-3 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014, on our consideration of the Brownsville Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brownsville Independent School District's internal control over financial reporting and compliance.

*Patillo, Brown & Hill, C.P.A.*

Brownsville, Texas

November 7, 2014

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

As management of the Brownsville Independent School District (the "District"), we are providing readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- The District's total combined Net Position as reflected in the government-wide Statement of Net Position was \$355,077,645 at June 30, 2014. Of this amount, \$78,378,086 (Unrestricted Net Position) may be used to meet the District's ongoing obligations. See Exhibit A-1.
- The District's Statement of Activities reflects an increase in Net Position for Governmental Activities in the amount of \$9,189,962. This is a result of expenses being less than the \$512,744,800 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants. See Exhibit B-1.
- The General Fund reported a fund balance in the governmental funds financial statements this year of \$102,350,625. Approximately 61% of this total amount, \$ 62,776,227, is available for spending at the District's discretion (Unassigned Fund Balance). See Exhibit C-1.
- As shown on the Statement of Activities, the property tax revenue increased \$4,438,951 or 8.03% from the prior year due to a \$163,270,397 increase in property values and an increase in the tax rates. The District's M&O tax rate is \$1.040000 per \$100 valuation and the I&S rate is \$0.102155.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

Fund financial statements report the District's operations with more detail when compared to the government-wide statements by providing information about the District's significant funds. The governmental funds statements show how general government services were funded / financed in the short-term as well as what remains for future expenditures. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The proprietary funds statements reflect the activity related to services provided to parties within the District, for the District's worker's compensation fund and the self-funded insurance programs. The remaining statements, Fiduciary statements, provide financial information about the activities for which the Districts acts solely as a trustee or agent for the benefit of those outside the government. The notes to the financial statements provide narrative explanations needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major governmental funds and the combining statements for Internal Service Funds contain even more information about the District's individual Special Revenue and



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Permanent Funds and Internal Service Funds, respectively. The Statement of Changes in Assets and Liabilities for the agency fund is also included. These are not required by the Texas Education Agency (TEA). The sections labeled Required TEA Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using the funds supplied in accordance/compliance with the terms of the 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 on page x. The primary objective of the analysis is to show whether the District is better or worse off as a result of this year's activities. The Statement of Net Position includes all of the District's assets and liabilities, while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the fiscal year. These financial statements apply the same basis of accounting used by most private-sector companies, the full accrual basis.

All of the current year's revenues and expenses are taken into account regardless of when cash is paid or received. The District's revenues are divided into one of the following areas/categories: (1) those provided by outside parties who share the costs of some programs, such as tuition received from students outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), or (2) general revenues provided by the taxpayers or by the TEA in equalization funding processes (general revenues). All the District's assets are reported whether they apply to the current year or subsequent years. All liabilities are also reported regardless of when they must be paid, current or future years.

These two statements report the District's net position and how it has changed. The District's Net Position (the difference between the District's assets and liabilities), is one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether the District's financial health is improving or deteriorating, respectively. To assess the overall financial health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, average daily attendance, the District's property tax base, and the condition of the District's facilities.

The District's financial condition has improved as evidenced by the increase in government-wide Net Position, however, the weighted average daily attendance (WADA) continues to decline. Due to this decline in attendance, the District continues to assess facilities and staffing allocations to ensure that the students' needs are best served.

While the District's property tax base has increased in recent years, the state funding methodology minimizes the benefit of additional increases in taxable property. Foundation School Program state funding, which is the District's largest portion of state funding, is based on property value so as the property value increase the state funding will decrease.

The District's governmental activities are presented in the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). All of the District's basic services are reported as governmental

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

activities; including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services and general administration. Property taxes, tuition, fees, and state and federal grants finance these activities.

**Reporting the District's Funds**

***Fund financial statements***

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Laws and Contracts require the District to establish funds to account for grants received such as the grants on the No Child Left Behind Application (NCLB). Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District's Administration establishes many other funds to help it control and monitor activities.

- *Governmental funds*—Most of the District's basic services are included in governmental funds. The funds use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and they report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the governmental fund financial statements. All of the District's activities for its governmental funds are reported in Exhibits C-1 and C-3.
- *Proprietary funds*—Services for which the District charges users /customers a fee. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

- There are two types of Proprietary Funds, Enterprise Funds and Internal Service Funds. Currently, the District does not have any Enterprise Funds. The District however does have two (2) Internal Service Funds. They are Fund 754-Self-Funded Insurance (Blue Cross & Blue Shield) and Fund 792-Self Funded Workers Compensation. We use *Internal Service funds* to report activities that provide supplies and services for the District's other programs and activities. The District's combined activities for its Internal Service Funds are reported in Exhibits D-1, D-2 and D-3. These activities are also reported individually for each Internal Service Fund in Exhibits H-3, H-4 and H-5.

**The District as Trustee**

**Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or *fiduciary*, for certain funds. For example for money raised by student activities. Money raised by student activities is recorded within the District's Agency Funds. It is also responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary Net Position and a statement of changes in fiduciary Net Position. All of the District's Fiduciary Activities are reported on Exhibit E-1 and E-2. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As mentioned earlier, Net Position is one indicator of a government's financial position. In the case of Brownsville ISD, the District's assets exceeded liabilities by \$355,077,645 for the year ended June 30, 2014. Unrestricted Net Position, which can be used to finance the District's day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements represents \$78,378,086 or approximately 22 % of the District's total Net Position.

The largest percentage of Net Position, approximately 69 %, is reflected in its investment in capital assets, net of related debt. This is where the District reflects land, furniture, equipment and vehicles, net of accumulated depreciation and any related debt. The District uses these Capital Assets to provide services to its students, teachers and staff. These assets are not readily available for spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following analysis will focus on the District's Statement of Net Position (see Table 1) and the Change in Net Position (see Table 2).

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Net Position of the District's governmental activities increased from \$353,741,823 to \$355,077,645. This \$ 1,335,822 increase in the government's Net Position as shown on the District's Statement of Activities (Table 2) is primarily due to the net result of the following factors. First, the fund financial statements reflect an increase of \$ 3,708,654 in total Fund Balance. This increase can be attributed to an increase of the Fund Balance to the General Fund of \$ 6,740,557 and a decrease to all other non-major funds (Special Revenues, Debt Service, and Capital Projects) of \$ 3,031,903. Secondly, the principal payments on bonds payable and maintenance tax notes and depreciation are factors that result in an increase or a decrease to the Net Position, however are necessary to convert from a modified accrual to accrual basis of accounting.

**Table 1  
Brownsville Independent School District  
Net Position**

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
Current and Other Assets	\$ 195,806,563	\$ 188,487,827
Capital Assets	439,235,776	447,892,935
Total Assets	635,042,339	636,380,762
Deferred Charge for Refunding	15,056,719	-
Total Deferred Outflows of Resources	15,056,719	-
Long-Term Liabilities	209,812,810	210,632,009
Other Liabilities	85,208,603	72,006,930
Total Liabilities	295,021,413	282,638,939
Net Position:		
Invested in Capital Assets	245,196,911	265,298,588
Restricted	31,502,648	33,977,469
Unrestricted	78,378,086	54,465,766
Total Net Position	\$ 355,077,645	\$ 353,741,823

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Table 2  
Brownsville Independent School District  
Changes in Net Position**

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
	<hr/>	<hr/>
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,415,592	\$ 5,773,953
Operating Grants & Contributions	123,197,536	130,377,082
General Revenues:		
Maintenance and Operations Taxes	54,502,908	51,667,559
Debt Service Taxes	5,232,438	3,628,836
State Aid	302,120,081	274,519,456
Grants and Contributions (not Restricted)	23,079,786	31,641,569
Investment Earnings	113,084	255,274
Other	1,083,375	1,256,425
Total Revenues	<hr/> <b>\$ 512,744,800</b>	<hr/> <b>\$ 499,120,154</b>
Expenses:		
Instruction and Media Services	275,449,612	278,892,827
Curriculum and Instructional Staff Development	16,609,958	15,764,951
Instructional and School Leadership	34,903,543	34,608,413
Student Support Services	40,015,578	38,294,885
Food Services	34,282,243	32,839,664
Extracurricular Activities	16,364,024	15,765,298
General Administration	12,286,474	17,589,088
Maintenance, Security & Data Processing	62,293,755	56,789,931
Community Services	4,084,484	5,096,028
Debt Services	6,682,026	11,222,627
JJAEP and other intergovernmental charges	85,173	106,194
Other Intergovernmental Charges	497,968	
Total Expenses	<hr/> <b>503,554,838</b>	<hr/> <b>506,969,906</b>
Increase/ (Decrease) in Net Position	9,189,962	(7,849,752)
Beginning Net Position	353,741,823	362,794,575
Prior Period Adjustment	(7,854,140)	(1,203,000)
Ending Net Position	<hr/> <b>\$ 355,077,645</b>	<hr/> <b>\$ 353,741,823</b>

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Changes in Governmental Activities Net Position are presented in Table 2. The District's total Governmental Activities Revenue is \$512,744,800 an increase of \$ 13,624,646 from the previous year. This net change is primarily due to an increase in State Aid and Property Taxes revenue.

The expenses for governmental activities totaled \$503,554,838 a decrease of \$ 3,415,068 from the prior year. The majority of the decrease is in General Administration, Instructional Resources and Media Services while increases are seen in Extracurricular Activities, Food Services and Facilities Maintenance and Operations.

**THE DISTRICT'S FUNDS**

As of the year ended, June 30, 2014, the District reported a combined Fund Balance of \$ 104,473,021 for its governmental funds (as presented on Exhibit C-1 page 29).

Total Revenues in the General Fund increased \$23,292,658 from the prior year, primarily due to a change in the state funding formula for state revenues and to a property tax rate increase. An increase to Food Service Revenues was due to the implementation of the Breakfast in a Bag program.

Total Expenditures in the General Fund increased \$ 24,352,501 from the prior year. This increase can be attributed to a pay raise to employees and also to over 3million in technology upgrades, 3.5 million in Facilities Maintenance and Operations, .5 million in Security and Monitoring Services upgrades and to buses for Student Transportation.

The Fund Balance of the General Fund increased \$ 3,726,446 from the prior year, primarily due to increases of the Unassigned Fund Balance.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, The School Board of Trustees amended the District's budget several times. All budget amendments are categorized into four areas: (1) Carryover Funding, (2) New/Additional Funding, (3) Categorical Fund Balance, and (4) Reallocation.

The total operating revenue budget was \$445,139,810 and finished the year with a budget of \$451,382,260. The total operating expenditure budget was \$445,139,810 and finished the year with a budget of \$465,127,060. This increase of \$19,987,250 was due to various necessary budget adjustments including Carry-Over Purchase Orders from the prior school year.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

Final Budget to actual comparisons in the General Fund reflected a \$ 997,224 negative variance between the anticipated revenues and actual revenues received (See Exhibit C-5). In addition, the General Fund reflected a positive variance of \$19,382,581 when comparing the anticipated expenditure budget and actual expenditures. This variance was in part due to mid-year departmental spending reductions (due to a Purchase Order cut-off), and through payroll cost reductions due to the early retirement incentive program implemented by the District.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District had investments of \$439,235,776 net of depreciation, in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, and vehicles. This amount represents a net decrease (including additions, deductions, and depreciation) of \$8,657,159 over last year. (See Table 3) Refer to Note E in section IV of the Notes to the Financial Statements for more detailed information on capital assets.

**Table 3  
Brownsville Independent School District  
Capital Assets  
(net of depreciation)**

	<b>Governmental Activities 2014</b>	<b>Governmental Activities 2013</b>
Land	\$ 27,424,685	\$ 27,598,685
Buildings and Improvements	395,633,624	403,145,434
Furniture, Equipment & Vehicles	11,822,748	7,359,662
Construction In Progress	4,354,719	9,789,154
Net Capital Assets	\$ 439,235,776	\$ 447,892,935

**DEBT**

As of June 30, 2014, the District had \$185,215,000 in bonds outstanding (the "Bonds"). The Bonds of the District are rated "AAA" by Fitch and "Aa3" by Moody's.

More detailed information about the District's Long-Term Debt is presented in Note F: Long-Term Obligations found on page 52 and the following Supplemental Schedules found on pages 106-111;

- Schedule 14: Outstanding Debt by Type
- Schedule 15: Direct & Overlapping Debt (General Obligations Bonds)
- Schedule 16: Computation of Legal Debt Margin
- Schedule 17: Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Per Average Daily Membership.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The District’s assessed property tax value for the 2014-2015 fiscal year is \$5,501,477,818 compared to the assessed value in the 2013-2014 fiscal year of \$5,373,232,460, which translates to a property value appreciation of \$128,245,358 or 2.39%.

The budget for the 2014-2015 fiscal year was based on a projected ADA (Average Daily Membership) of 45,283 a decrease of 102 from the prior year . The budget for the 2013-2014 fiscal year was based on a ADA of 45,385.

The District’s Programs and Services included in the General Fund are primarily supported by local and state sources of revenue. The General Fund revenue sources are presented below:

	<b>Budget 2014 - 2015</b>
Local Sources	\$ 59,244,427
State Sources	342,908,214
Federal Sources	45,040,753
Total Operating Fund Revenues	\$ 447,193,394

The District, through its ongoing review process, has continued and will continue to assess all areas of the District’s operations.

The District recognizes and addresses the unique cultural lifestyle of South Texas with a broad selection of activities and programs for all students. These programs range from the Brownsville Early College High School to support programs for students with special needs. Limited English speaking students are served through the Bilingual or English as a Second Language program. Brownsville ISD high schools have aligned eight magnet programs to 21<sup>st</sup> century career forecasts and student interests. These magnet programs all feather a “school within a school” concept that allows students the opportunity to specialize while experiencing a fully-rounded high school experience.

Brownsville ISD is committed not only to working with students, but also with the community as well. The district supports Campus Care Centers to serve the unmet medical needs of school age children and adolescents. Because no student deserves to go through the school day hungry, BISD features Universal Feeding, Provision Two. This plan provides breakfast and lunch free of charge to all students regardless of income or ability to pay.

There is pride in the progress BISD has made in recent years with regard to state mandated testing. Academically, both the Southern Association of Colleges and Schools and the Texas Education Agency have accredited Brownsville public schools.



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2014**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This comprehensive financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate 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 Chief Financial Officer, at 1900 E. Price Rd-Suite 306, Brownsville, Texas 78521-2417 or by calling (956) 547-4113.

## **BASIC FINANCIAL STATEMENTS**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

Data Control Codes	Primary Government
	Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 11,430,192
1120 Current Investments	119,966,213
1220 Property Taxes Receivable (Delinquent)	11,675,359
1230 Allowance for Uncollectible Taxes	(350,261)
1240 Due from Other Governments	49,105,587
1250 Accrued Interest	2,667
1267 Due from Fiduciary Funds	551
1290 Other Receivables, net	142,216
1300 Inventories	3,834,039
Capital Assets:	
1510 Land	27,424,685
1520 Buildings, Net	395,633,624
1530 Furniture and Equipment, Net	11,822,748
1580 Construction in Progress	4,354,719
1000 Total Assets	635,042,339
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Loss on Bond Refunding	15,056,719
1700 Total Deferred Outflows of Resources	15,056,719
<b>LIABILITIES</b>	
2110 Accounts Payable	20,281,416
2120 Short Term Debt Payable	4,767
2150 Payroll Deductions & Withholdings	11,166,944
2160 Accrued Wages Payable	37,312,224
2180 Due to Other Governments	15,352,436
2190 Due to Student Groups	99,882
2200 Accrued Expenses	9,667
2300 Unearned Revenue	981,267
Noncurrent Liabilities	
2501 Due Within One Year	13,479,600
2502 Due in More Than One Year	196,333,210
2000 Total Liabilities	295,021,413
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	245,196,911
3820 Restricted for Federal and State Programs	24,380,252
3850 Restricted for Debt Service	841,331
3860 Restricted for Capital Projects	6,281,065
3900 Unrestricted	78,378,086
3000 Total Net Position	\$ 355,077,645

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Expenses	3	4	6	Net (Expense) Revenue and Changes in Net Position
Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities		

**Primary Government:**

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 266,811,175	\$ 1,462,492	\$ 48,630,409	\$ (216,718,274)
12 Instructional Resources and Media Services	8,638,437	-	1,743,820	(6,894,617)
13 Curriculum and Staff Development	16,609,958	-	9,441,828	(7,168,130)
21 Instructional Leadership	8,628,654	-	2,832,933	(5,795,721)
23 School Leadership	26,274,889	-	2,102,895	(24,171,994)
31 Guidance, Counseling and Evaluation Services	19,030,826	-	3,982,142	(15,048,684)
32 Social Work Services	1,077,700	-	21,500	(1,056,200)
33 Health Services	5,735,067	-	1,828,453	(3,906,614)
34 Student (Pupil) Transportation	14,171,985	-	545,691	(13,626,294)
35 Food Services	34,282,243	1,378,468	36,461,178	3,557,403
36 Extracurricular Activities	16,364,024	452,846	437,627	(15,473,551)
41 General Administration	12,286,474	-	527,172	(11,759,302)
51 Facilities Maintenance and Operations	48,694,091	-	1,177,197	(47,516,894)
52 Security and Monitoring Services	6,813,018	-	322,876	(6,490,142)
53 Data Processing Services	6,786,646	-	64,357	(6,722,289)
61 Community Services	4,084,484	121,786	3,418,150	(544,548)
72 Debt Service - Interest on Long Term Debt	6,672,801	-	9,659,308	2,986,507
73 Debt Service - Bond Issuance Cost and Fees	9,225	-	-	(9,225)
95 Payments to Juvenile Justice Alternative Ed. Prg.	85,173	-	-	(85,173)
99 Other Intergovernmental Charges	497,968	-	-	(497,968)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 503,554,838	\$ 3,415,592	\$ 123,197,536	(376,941,710)

Data  
Control  
Codes

General Revenues:

Taxes:

MT	Property Taxes, Levied for General Purposes	54,502,908
DT	Property Taxes, Levied for Debt Service	5,232,438
SF	State Aid - Formula Grants	302,120,081
GC	Grants and Contributions not Restricted	23,079,786
IE	Investment Earnings	113,084
MI	Miscellaneous Local and Intermediate Revenue	1,083,375
TR	Total General Revenues	386,131,672
CN	Change in Net Position	9,189,962
NB	Net Position - Beginning	353,741,823
PA	Prior Period Adjustment	(7,854,140)
NE	Net Position--Ending	\$ 355,077,645

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

Data Control Codes	10 General Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 7,921,874	\$ 2,440,963	\$ 10,362,837
1120 Investments - Current	100,495,709	11,798,355	112,294,064
1220 Property Taxes - Delinquent	10,772,030	903,329	11,675,359
1230 Allowance for Uncollectible Taxes (Credit)	(323,161)	(27,100)	(350,261)
1240 Receivables from Other Governments	40,271,646	8,833,941	49,105,587
1250 Accrued Interest	2,667	-	2,667
1260 Due from Other Funds	18,182,340	8,847,660	27,030,000
1290 Other Receivables	140,407	1,210	141,617
1300 Inventories	3,834,039	-	3,834,039
1000 Total Assets	<u>\$ 181,297,551</u>	<u>\$ 32,798,358</u>	<u>\$ 214,095,909</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 4,366,612	\$ 1,350,094	\$ 5,716,706
2120 Short Term Debt Payable - Current	4,767	-	4,767
2150 Payroll Deductions and Withholdings Payable	11,166,944	-	11,166,944
2160 Accrued Wages Payable	32,584,347	4,727,877	37,312,224
2170 Due to Other Funds	17,497,292	11,511,601	29,008,893
2180 Due to Other Governments	3,892,932	11,459,504	15,352,436
2190 Due to Student Groups	99,882	-	99,882
2200 Accrued Expenditures	9,667	-	9,667
2300 Unearned Revenues	120,773	860,494	981,267
2000 Total Liabilities	<u>69,743,216</u>	<u>29,909,570</u>	<u>99,652,786</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	9,203,710	766,392	9,970,102
2600 Total Deferred Inflows of Resources	<u>9,203,710</u>	<u>766,392</u>	<u>9,970,102</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	3,834,039	-	3,834,039
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	24,380,252	-	24,380,252
3470 Capital Acquisition and Contractual Obligation	-	6,281,065	6,281,065
3480 Retirement of Long-Term Debt	5,000,000	(4,158,669)	841,331
3490 Regional School for the Deaf	246,734	-	246,734
Committed Fund Balance:			
3510 Construction	1,170,648	-	1,170,648
3545 Capital Outlay & Supplies	1,659,405	-	1,659,405
Assigned Fund Balance:			
3590 E-Rate and Other	3,283,320	-	3,283,320
3600 Unassigned Fund Balance	62,776,227	-	62,776,227
3000 Total Fund Balances	<u>102,350,625</u>	<u>2,122,396</u>	<u>104,473,021</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 181,297,551</u>	<u>\$ 32,798,358</u>	<u>\$ 214,095,909</u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2014

<b>Total Fund Balances - Governmental Funds</b>	\$ 104,473,021
<b>1</b> The District uses internal service funds to charge the costs of certain activities, such as self-insurance and workers' compensation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to (decrease) net position.	(3,845,163)
<b>2</b> Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$677,749,904 and the accumulated depreciation was \$229,856,969. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	246,247,935
<b>3</b> Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2014 capital outlays and debt principal payments is to increase net position.	24,252,622
<b>4</b> The 2014 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(19,304,841)
<b>5</b> Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. Also, the loss on refunding of bonds and the premium on issuance of bonds payable are not reported in the funds. The net effect of these reclassifications and recognitions is to increase net position.	3,254,071
<b>19 Net Position of Governmental Activities</b>	<u>\$ 355,077,645</u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	10 General Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 59,023,073	\$ 5,374,831	\$ 64,397,904
5800 State Program Revenues	333,816,072	13,896,608	347,712,680
5900 Federal Program Revenues	44,859,891	55,780,180	100,640,071
5020 Total Revenues	<u>437,699,036</u>	<u>75,051,619</u>	<u>512,750,655</u>
EXPENDITURES:			
Current:			
0011 Instruction	219,209,027	37,874,082	257,083,109
0012 Instructional Resources and Media Services	6,931,225	1,434,967	8,366,192
0013 Curriculum and Instructional Staff Development	7,198,100	9,083,928	16,282,028
0021 Instructional Leadership	5,827,246	2,535,931	8,363,177
0023 School Leadership	24,309,396	858,008	25,167,404
0031 Guidance, Counseling and Evaluation Services	15,180,579	3,174,877	18,355,456
0032 Social Work Services	1,028,812	2,017	1,030,829
0033 Health Services	3,924,701	1,631,565	5,556,266
0034 Student (Pupil) Transportation	16,934,129	-	16,934,129
0035 Food Services	32,868,974	-	32,868,974
0036 Extracurricular Activities	15,688,573	3,946	15,692,519
0041 General Administration	12,256,430	-	12,256,430
0051 Facilities Maintenance and Operations	46,721,883	57,798	46,779,681
0052 Security and Monitoring Services	6,748,632	14,006	6,762,638
0053 Data Processing Services	8,251,892	-	8,251,892
0061 Community Services	663,260	3,391,007	4,054,267
Debt Service:			
0071 Principal on Long Term Debt	2,745,000	10,640,000	13,385,000
0072 Interest on Long Term Debt	1,551,002	5,147,491	6,698,493
0073 Bond Issuance Cost and Fees	7,125	2,100	9,225
Capital Outlay:			
0081 Facilities Acquisition and Construction	2,329,352	2,231,799	4,561,151
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	85,173	-	85,173
0099 Other Intergovernmental Charges	497,968	-	497,968
6030 Total Expenditures	<u>430,958,479</u>	<u>78,083,522</u>	<u>509,042,001</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,740,557</u>	<u>(3,031,903)</u>	<u>3,708,654</u>
OTHER FINANCING SOURCES (USES):			
7915 Transfers In	-	3,000,000	3,000,000
8911 Transfers Out (Use)	(3,000,000)	-	(3,000,000)
7080 Total Other Financing Sources (Uses)	<u>(3,000,000)</u>	<u>3,000,000</u>	<u>-</u>
1200 Net Change in Fund Balances	3,740,557	(31,903)	3,708,654
0100 Fund Balance - July 1 (Beginning)	98,624,179	9,555,304	108,179,483
1300 Prior Period Adjustment	(14,111)	(7,401,005)	(7,415,116)
3000 Fund Balance - June 30 (Ending)	<u>\$ 102,350,625</u>	<u>\$ 2,122,396</u>	<u>\$ 104,473,021</u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	3,708,654
 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and workers' compensation, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.		512,464
 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to increase net position.		24,252,622
 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.		(19,304,841)
 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		21,063
 <b>Change in Net Position of Governmental Activities</b>	<u>\$</u>	<u>9,189,962</u>

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



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014

EXHIBIT C-5

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis - See Note III A)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
<b>REVENUES:</b>					
5700	Total Local and Intermediate Sources	\$ 60,529,585	\$ 65,038,585	\$ 59,023,073	\$ (6,015,512)
5800	State Program Revenues	329,217,225	331,117,225	333,816,072	2,698,847
5900	Federal Program Revenues	43,693,000	42,540,450	44,859,891	2,319,441
5020	Total Revenues	433,439,810	438,696,260	437,699,036	(997,224)
<b>EXPENDITURES:</b>					
Current:					
0011	Instruction	215,546,981	222,700,003	219,209,027	3,490,976
0012	Instructional Resources and Media Services	7,764,397	7,551,419	6,931,225	620,194
0013	Curriculum and Instructional Staff Development	7,205,816	7,805,965	7,198,100	607,865
0021	Instructional Leadership	6,085,075	6,666,534	5,827,246	839,288
0023	School Leadership	24,252,788	25,127,282	24,309,396	817,886
0031	Guidance, Counseling and Evaluation Services	15,816,559	15,985,284	15,180,579	804,705
0032	Social Work Services	1,107,357	1,164,607	1,028,812	135,795
0033	Health Services	4,160,122	4,302,147	3,924,701	377,446
0034	Student (Pupil) Transportation	17,781,242	18,145,658	16,934,129	1,211,529
0035	Food Services	34,308,763	35,322,965	32,868,974	2,453,991
0036	Extracurricular Activities	15,331,563	16,830,498	15,688,573	1,141,925
0041	General Administration	12,804,780	13,390,726	12,256,430	1,134,296
0051	Facilities Maintenance and Operations	52,201,756	49,682,855	46,721,883	2,960,972
0052	Security and Monitoring Services	7,411,720	7,415,750	6,748,632	667,118
0053	Data Processing Services	5,161,198	8,576,040	8,251,892	324,148
0061	Community Services	704,288	841,068	663,260	177,808
Debt Service:					
0071	Principal on Long Term Debt	2,930,000	2,930,000	2,745,000	185,000
0072	Interest on Long Term Debt	1,628,405	1,628,405	1,551,002	77,403
0073	Bond Issuance Cost and Fees	12,000	12,000	7,125	4,875
Capital Outlay:					
0081	Facilities Acquisition and Construction	200,000	3,236,854	2,329,352	907,502
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed. Prg.	225,000	225,000	85,173	139,827
0099	Other Intergovernmental Charges	800,000	800,000	497,968	302,032
6030	Total Expenditures	433,439,810	450,341,060	430,958,479	19,382,581
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(11,644,800)	6,740,557	18,385,357
<b>OTHER FINANCING SOURCES (USES):</b>					
7915	Transfers In	11,700,000	11,786,000	-	(11,786,000)
7949	Other Resources	-	900,000	-	(900,000)
8911	Transfers Out (Use)	(11,700,000)	(14,786,000)	(3,000,000)	11,786,000
7080	Total Other Financing Sources (Uses)	-	(2,100,000)	(3,000,000)	(900,000)
<b>OTHER FINANCING SOURCES (USES):</b>					
8912	Special Item - (Use)	-	(90,000)	-	90,000
1200	Net Change in Fund Balances	-	(13,834,800)	3,740,557	17,575,357
0100	Fund Balance - July 1 (Beginning)	98,624,179	98,624,179	98,624,179	-
1300	Prior Period Adjustment	-	-	(14,111)	(14,111)
3000	Fund Balance - June 30 (Ending)	\$ 98,624,179	\$ 84,789,379	\$ 102,350,625	\$ 17,561,246

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 1,067,355
Investments - Current	7,672,149
Due from Other Funds	6,100,000
Other Receivables	599
Total Assets	<u>14,840,103</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	14,564,710
Due to Other Funds	4,120,556
Total Liabilities	<u>18,685,266</u>
<b>NET POSITION</b>	
Unrestricted Net Position	<u>(3,845,163)</u>
Total Net Position	<u><u>\$ (3,845,163)</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 43,298,149
Total Operating Revenues	<u>43,298,149</u>
OPERATING EXPENSES:	
Other Operating Costs	42,785,685
Total Operating Expenses	<u>42,785,685</u>
Operating Income	512,464
Total Net Position - July 1 (Beginning)	(4,357,297)
Prior Period Adjustment	<u>(330)</u>
Total Net Position - June 30 (Ending)	<u><u>\$ (3,845,163)</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Other Operating Cash Receipts (Payments)	\$ (2,429,319)
Net Decrease in Cash and Cash Equivalents	(1,914,279)
Cash and Cash Equivalents at Beginning of Year	2,981,634
Cash and Cash Equivalents at End of Year	\$ 1,067,355
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Used for Operating Activities:</u>	
Operating Income:	\$ 512,464
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Investments	1,393,396
Decrease (increase) in Due From Other Funds	7,106,212
Decrease (increase) in Other Receivables	332
Increase (decrease) in Accounts Payable	(1,566,214)
Increase (decrease) in Due To Other Funds	(9,360,469)
Net Cash Used for Operating Activities	\$ (1,914,279)

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 261,019	\$ 1,243,245
Other Receivables	9,000	-
Total Assets	<u>270,019</u>	<u>\$ 1,243,245</u>
<b>LIABILITIES</b>		
Accounts Payable	975	\$ 67,041
Due to Other Funds	551	-
Due to Student Groups	14,141	1,176,204
Total Liabilities	<u>15,667</u>	<u>\$ 1,243,245</u>
<b>NET POSITION</b>		
Unrestricted Net Position	<u>254,352</u>	
Total Net Position	<u>\$ 254,352</u>	

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 530
Total Additions	<u>530</u>
Change in Net Position	530
Total Net Position - July 1 (Beginning)	288,006
Prior Period Adjustment	<u>(34,184)</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 254,352</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Brownsville Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. The Board of Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to educational services within the jurisdiction of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board 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 and has the authority to make decisions, appoint administrators and managers, significantly influence operations of the district, and has the primary accountability for fiscal matters. The District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board ("GASB") and there are no component units included within the reporting entity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on the entire District with the interfund activities removed. *Governmental activities* include programs supported primarily by grants, state foundation funds 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. 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. 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 through the Department of Education, Department of Health & Human Services and Texas Education Agency. If revenue is not program revenue, it is general revenue used to support all of the District's functions.

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Revenues from local sources consist primarily of property tax revenue. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

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



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. BASIS OF PRESENTATION - FUND ACCOUNTING**

The District reports the following major governmental funds:

1. **General Fund** - is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.

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

Governmental Funds:

1. **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. Normally, unused balances are returned to the grantor at the close of specified project periods.
2. **Debt Service Fund** - is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
2. **Capital Projects Fund** - is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.
3. **Permanent Funds** - is used to account for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no permanent funds.

Proprietary Fund:

1. **Enterprise Funds** - are used to account for those operations that are financed and operated in a manner similar to private business. The District has no enterprise funds.
2. **Internal Service Funds** - are used to account for revenues and expenses related to self-funded insurance and workers' compensation provided to employees within the District which are accounted for as internal service funds.

Fiduciary Funds:

1. **Private Purpose Trust Funds** - are used to account for scholarships, which have stipulations for the participants awarded; only the income may be used for a specific purpose.
2. **Agency Funds** - are used to account for resources held for others in a custodial capacity in an Agency Fund. The District's Agency Fund is the Student Activity Funds.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventory is valued at cost (average). The District accounts for school supply and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Maintenance supplies inventory is accounted for by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Commodity inventory is offset by deferred revenue.
3. Other current assets are prepaid expenses that will benefit periods beyond June 30, 2013. The only prepaid expenses included are for unexpired insurance policy premiums paid by June 30, 2013, and which extend beyond that date. The reported prepaid insurance is equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.
4. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.
5. Capital assets, which include land, buildings, vehicles, furniture & equipment and construction in progress, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Buildings, vehicles and furniture & equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Vehicles	10
Furniture & Equipment	3-15

6. Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided are treated as revenues or expenditures. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.
7. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

8. Accumulated compensatory absences that is expected to be liquidated with expendable available resources is reported as an expenditure and a liability in the Governmental Funds only if they have matured.
9. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, deferred outflows of resources, presents a consumption of net position that applies to a 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 deferred charged 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 statements 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 only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Net position represents the differences between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
11. Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and 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 financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.
12. Sometimes the District will fund outlays for a particular purpose from both restricted (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.
13. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of non-spendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board, the Superintendent, or Superintendent's designee.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The order of spending and availability shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned.

14. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The 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 data base for policy development and funding plans.
15. Compensated absences for the District consist of vacation days not taken during the year are not accumulated and carried over to subsequent years. Local sick leave is however, accumulated, but only paid to the employee upon retirement up to a maximum of 30 days. The estimated amount of sick leave expected to be paid at retirement during the year ended June 30, 2013, is \$597,408, and an accrual has been made. A liability for these amounts is reported in governmental funds only if they have matured, as a result of employee resignation and/or retirement.

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

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

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including capital leases payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

Capital Assets at the Beginning of Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of Year	Change in Net Position
Land	\$ 27,598,685	\$ -	\$ 27,598,685	
Buildings & Improvements	598,785,636	(195,640,202)	403,145,434	
Vehicles	23,578,729	(20,770,332)	2,808,397	
Furniture & Equipment	17,997,700	(13,446,435)	4,551,265	
Construction in Progress	9,789,154	-	9,789,154	
Change in Net Position				\$ 447,892,935
Long -Term Liabilities at the Beginning of Year			Payable at the Beginning of Year	
Bonds Payable			\$ (197,910,000)	
Notes Payable			(3,735,000)	
Change in Net Position				(201,645,000)
Net Adjustment to Net Position				\$ 246,247,935

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

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

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

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Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**II. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

Current Year Capital Outlay	Amount	Adjustments to Changes in Net Position	Adjustments in Net Position
Land	\$ -	\$ -	
Buildings & Improvements	191,550	191,550	
Furniture & Equipment	2,336,612	2,336,612	
Vehicles	4,124,288	4,124,288	
Construction in Progress	4,215,172	4,215,172	
Total Capital Outlay			\$ 10,867,622
 Debt Principal Payments			
Note Payable	(690,000)	(690,000)	
Bonds Payable	(12,695,000)	(12,695,000)	
Total Principal Payments	(13,385,000)	(13,385,000)	(13,385,000)
 Net Adjustment to Net Position			\$ (2,517,378)

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY DATA**

The Board of Trustees adopts an “appropriated budget” on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and Food Service Fund (which is included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit C-5 and the Child Nutrition Program Budget and Debt Service Fund Budget report is presented in Exhibit J-4 and J-5.

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

1. Prior to June 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning July 1<sup>st</sup>. 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. Public notice of the meeting must be given at least ten days prior to the meeting.
3. Prior to July 1<sup>st</sup>, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, the budget was amended as necessary.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure functions or object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30<sup>th</sup>, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year’s budget.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**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 counterparty's trust department in the District's name 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.

At June 30, 2014, the carrying amount of the District's deposits, including agency funds, was \$12,934,457, and the bank balance was \$13,496,248. The District's cash deposits at June 30, 2014 and during the year, except as listed below, were covered by FIDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District monitors cash flows regularly when TEA funds are received to ensure that the bank pledges sufficient collateral.

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

- a. Depository: Wells Fargo Bank, N.A.
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$13,787,123.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$28,702,288 and occurred during the month of July 2013.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

District Policies and Legal Contractual Provisions Governing Deposits

**Custodial Credit Risk for Deposits** – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial risk for deposits.

**Foreign Currency Risk for Deposits** – The District limits the risk that changes in exchange rates will adversely affect the fair value of a deposit. At year-end, the District was not exposed to foreign currency risk.

District Policies and Legal Contractual Provisions Governing Investments

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. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

The 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's temporary investments at June 30, 2014, are shown below:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (in years)</b>			
		<b>Less Than 1</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>More Than 10</b>
Certificates of Deposit	\$ 7,500,000	\$ 7,500,000	\$ -	\$ -	\$ -
Texas Term Investment Pool *	18,324,331	18,324,331	-	-	-
Lone Star Investment Pool *	39,357,914	39,357,914	-	-	-
TexPool	558,166	558,166	-	-	-
Texas Class/ MBIA *	54,225,802	54,225,802	-	-	-
Total	<u>\$ 119,966,213</u>	<u>\$ 119,966,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Registered with the U.S. Securities and Exchange Commission

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



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Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**Credit Risk** – In accordance with state law and the District’s investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have an equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of June 30, 2014, the District’s investments in Lone Star Investment Pool were rated AAAs/S1 by Standard and Poor’s (S&P), TexPool was rated AAAs by Standard and Poor’s (S&P), Texas Term was rated AAAs by Standard and Poor’s (S&P), and MBIA was rated AAAs/m by Standard and Poor’s Ratings Services.

**Custodial Risk for Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District’s name.

**Concentration of Credit Risk** – The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer. As of June 30, 2014, the District had 6% of its investments in certificates of deposits in its depository bank, BBVA Compass Bank. These certificates of deposit were fully covered by eligible pledged securities. The District had 94% of its investments in TASB investment pools rated AAA as noted above.

**Interest Rate Risk** – In accordance with state law and the District’s investment policy, the District does not purchase any investments greater than five (5) years for its operating funds.

**Foreign Currency Risk for Investments** – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

**B. PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1<sup>st</sup> in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the property tax roll on August 1, 2013, upon which the levy for the 2013-2014 fiscal year was based, as \$5,373,232,460. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1<sup>st</sup> of the year following the October 1<sup>st</sup> levy date. Taxes are delinquent if not paid by June 30<sup>th</sup>. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2014, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.040000 and \$0.102155 per \$100 valuation, respectively, for a total of \$1.142155 per \$100 valuation.

Current tax collections for the year ended June 30, 2014, were 93% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of June 30, 2014, property taxes receivable of \$10,772,030 and \$903,329, net of estimated uncollectible taxes of \$323,161 and \$27,100, totaled \$10,448,869 and \$876,229 for the General and Debt Service Funds, respectively.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Transfers are indicative of subsidies of various District operations. The following schedule briefly summarizes the District's transfer activities at June 30, 2014:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	General Fund	3,000,000	IFA Debt Service
		<u>\$ 3,000,000</u>	

Interfund balances at June 30, 2014 consisted of the following individual fund balances:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b><u>General Fund</u></b>		
General Fund	\$ 8,815,222	\$ 8,815,222
Special Revenue Funds	4,808,326	1,964,033
Debt Service Fund	-	618,037
Capital Projects Fund	437,685	-
Internal Service Fund	4,120,556	6,100,000
Trust and Agency Fund	551	-
	<u>18,182,340</u>	<u>17,497,292</u>
<b><u>Special Revenue Fund</u></b>		
General Fund	1,964,033	4,808,326
Special Revenue Fund	6,265,590	6,265,590
	<u>8,229,623</u>	<u>11,073,916</u>
<b><u>Debt Service Fund</u></b>		
General Fund	618,037	-
	<u>618,037</u>	<u>-</u>
<b><u>Capital Projects Fund</u></b>		
General Fund	-	437,685
Capital Projects Fund	-	437,685
	<u>-</u>	<u>437,685</u>
<b><u>Internal Service Fund</u></b>		
General Fund	6,100,000	4,120,556
Internal Service Fund	-	-
	<u>6,100,000</u>	<u>4,120,556</u>
<b><u>Trust and Agency Fund</u></b>		
General Fund	-	551
Total Trust and Agency Fund	-	551
	<u>-</u>	<u>551</u>
Total Interfund Receivables and Payables	<u>\$ 33,130,000</u>	<u>\$ 33,130,000</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursement expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**D. DUE FROM OTHER GOVERNMENTS AND AGENCIES**

Amounts due from other governments and agencies are as follows:

Fund Group	State Entitlements	Federal Grants	Other	Total
General	\$ 34,264,700	\$ 5,918,924	\$ 88,022	\$ 40,271,646
Special Revenue	8,197,748	154,949	310,009	8,662,707
Debt Service	171,234	-	-	171,234
<b>Totals</b>	<b>\$ 42,633,682</b>	<b>\$ 6,073,873</b>	<b>\$ 398,031</b>	<b>\$ 49,105,587</b>

**E. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended June 30, 2014, was as follows:

	Balance	Primary Government Changes During Year			Balance
	7/1/2013	Additions	Deletions	Adjustments	6/30/2014
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 27,598,685	\$ -	\$ (174,000)	\$ -	\$ 27,424,685
Construction in progress	9,789,154	4,215,172	-	(9,649,607)	4,354,719
Total capital assets not being depreciated	37,387,839	4,215,172	(174,000)	(9,649,607)	31,779,404
Capital assets being depreciated					
Buildings and improvements	598,785,636	191,550	(104,467)	9,626,637	608,499,356
Furniture and equipment	17,997,700	2,336,612	(1,166,477)	-	19,167,835
Vehicles	23,578,729	4,124,288	(4,129,787)	-	23,573,230
Total capital assets being depreciated	640,362,065	6,652,450	(5,400,731)	9,626,637	651,240,421
Less accumulated depreciation for:					
Building and improvements	(195,640,202)	(17,307,027)	104,467	(22,970)	(212,865,732)
Equipment	(13,446,435)	(1,149,147)	1,166,477	-	(13,429,105)
Vehicles	(20,770,332)	(848,667)	4,129,787	-	(17,489,212)
Total accumulated depreciation	(229,856,969)	(19,304,841)	5,400,731	(22,970)	(243,784,049)
Total capital assets being depreciated	410,505,096	(12,652,391)	-	9,603,667	407,456,372
Governmental activities capital assets, net	\$ 447,892,935	\$ (8,437,219)	\$ (174,000)	\$ (45,940)	\$ 439,235,776

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 9,986,706
Instructional Resources and Media Services	315,772
Curriculum and Instructional Staff Development	327,930
Instructional Leadership	265,477
School Leadership	1,107,485
Guidance, Counseling and Evaluation Services	691,595
Social Work Services	46,871
Health Services	178,801
Student (Pupil) Transportation	771,484
Food Services	1,497,442
Cocurricular/Extracurricular Activities	714,739
General Administration	558,377
Plant Maintenance and Operations	2,128,552
Security and Monitoring Services	307,454
Data Processing Services	375,939
Community Services	30,217
	<u>30,217</u>
Totals	<u>\$ 19,304,841</u>

**F. LONG-TERM OBLIGATIONS**

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

Date of Issue	Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Amounts Outstanding July 1, 2013	Issued	Retired	Amounts Outstanding June 30, 2014	Due Within One Year
09/25/01	Unlimited Tax School Building Bonds, Series 2001	4.00%	2014	\$ 38,195,000	\$ 1,315,000	\$ -	\$ 1,315,000	\$ -	\$ -
08/15/05	Unlimited Tax Refunding Bonds, Series 2005	4.00%	2030	65,435,000	18,825,000	-	2,205,000	16,620,000	2,320,000
09/28/06	Unlimited Tax School Building Bonds, Series 2006	4.00%	2016	129,985,000	15,715,000	-	4,990,000	10,725,000	5,235,000
03/10/09	Unlimited Tax Refunding Bonds, Series 2009	4.00%	2024	7,320,000	5,405,000	-	-	5,405,000	-
12/22/09	PFC Lease Revenue QS Construction Bonds, Series 2009	1.48%	2025	15,400,000	12,280,000	-	1,000,000	11,280,000	1,000,000
12/01/10	Qualified School Construction Bonds, Series 2010A-E	0.37%	2028	25,770,000	21,660,000	-	1,055,000	20,605,000	1,105,000
06/05/13	Unlimited Tax Refunding Bonds, Series 2013A	1.00%	2027	80,410,000	80,410,000	-	1,270,000	79,140,000	1,265,000
06/05/13	Unlimited Tax Refunding Bonds, Series 2013B	0.30%	2027	42,300,000	42,300,000	-	860,000	41,440,000	430,000
Totals					<u>\$ 197,910,000</u>	<u>\$ -</u>	<u>\$ 12,695,000</u>	<u>\$ 185,215,000</u>	<u>\$ 11,355,000</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

The District has never defaulted on any principal and interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitation and restrictions at June 30, 2014.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Bonds Payable		Total Requirements
	Principal	Interest	
2015	\$ 11,355,000	\$ 8,061,687	\$ 19,416,687
2016	11,960,000	7,579,784	19,539,784
2017	11,835,000	7,043,627	18,878,627
2018	10,490,000	7,979,129	18,469,129
2019	10,300,000	7,854,832	18,154,832
2020-2024	66,740,000	24,061,212	90,801,212
2025-2029	60,330,000	8,662,615	68,992,615
2030	2,205,000	48,235	2,253,235
Totals	<u>\$ 185,215,000</u>	<u>\$ 71,291,121</u>	<u>\$ 256,506,121</u>

**Note Payable** – The District issued the note payable for the governmental activities to provide funds for the renovations to existing facilities. The note is being issued pursuant to the Constitution and general laws of the State of Texas, including Sections 45.108 and the Texas Education Code, as amended. The Note is a direct obligation of the District, payable from and secured by ad valorem taxes levied by the District for maintenance purposes, within the limits prescribed by law, against all taxable property located within the District.

Date of Issue	Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Amounts Outstanding July 1, 2013	Issued	Retired	Amounts Outstanding June 30, 2014	Due Within One Year
03/17/09	Limited Tax Refunding Notes, Series 2009	3.80%	2018	\$ 6,250,000	\$ 3,735,000	\$ -	\$ 690,000	\$ 3,045,000	\$ 720,000
	Totals				<u>\$ 3,735,000</u>	<u>\$ -</u>	<u>\$ 690,000</u>	<u>\$ 3,045,000</u>	<u>\$ 720,000</u>

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending June 30,	Note Payable		Total Requirements
	Principal	Interest	
2015	\$ 720,000	\$ 115,710	\$ 835,710
2016	745,000	88,350	833,350
2017	775,000	60,040	835,040
2018	<u>805,000</u>	<u>30,590</u>	<u>835,590</u>
Totals	<u>\$ 3,045,000</u>	<u>\$ 294,690</u>	<u>\$ 3,339,690</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**G. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term debt:

Description	Balance 7/01/13	Issued	Retired	Balance 06/30/14	Due Within One Year
Bonds Payable	\$ 197,910,000	\$ -	\$ (12,695,000)	185,215,000	\$ 11,355,000
Note Payable	3,735,000	-	(690,000)	3,045,000	720,000
Compensated Absences	597,408	399,389	(400,615)	596,182	149,045
Premium (Discount) on Bonds					
Bonds Payable 2006	375,048	-	(22,062)	352,986	22,062
Bonds Payable 2009	4,154,203	-	(319,554)	3,834,649	319,554
Bonds Payable 2010	(2,164,000)	-	205,333	(1,958,667)	(205,333)
Bonds Payable 2013	15,669,818	-	(1,119,272)	14,550,546	1,119,272
Accreted Interest	4,405,460	71,654	-	4,477,114	-
Deferred (Loss) on Refunding Bonds	(16,214,928)	-	-	(16,214,928)	-
<b>Totals</b>	<b>\$ 208,468,009</b>	<b>\$ 471,043</b>	<b>\$ (15,041,170)</b>	<b>\$ 193,897,882</b>	<b>\$ 13,479,600</b>

**H. COMMITMENTS UNDER OPERATING LEASES**

Commitments under operating (noncapitalized) leases agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2014, as follows:

Year Ending June 30,	Total Requirements
2014	\$ 1,903,366
2015	1,026,964
2016	861,805
2017	495,910
2018	142,185
<b>Total Minimum Rentals</b>	<b>\$ 4,430,230</b>
<b>Rental Expenditures in Fiscal Year 2014</b>	<b>\$ 1,909,879</b>

**I. CONTINGENT LIABILITIES**

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives.

Audits of all of these programs for the year ended June 30, 2014 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

The District is involved in various legal proceedings arising from its operations, including investigations into alleged misconduct by certain employees. The ultimate resolution of these matters is pending. Management, in consultation with its attorneys, believes that the outcome of these pending matters will not have a material adverse effect on the District's financial statements or compliance.

**J. 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 survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of 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 publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (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: (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4 % for fiscal year 2014, 2013 and 2012, and a state contribution rate of 6.0 % for fiscal years 2014 and 2013 and 2012. State contributions to TRS made on behalf of the District's employees for the years ending June 30, 2014, 2013 and 2012, were \$17,721,024, \$15,058,467, and \$15,503,634, respectively. The employee contributions to TRS for the years ending June 30, 2014, 2013 and 2012 were \$17,709,210, \$18,670,543 and \$19,158,600, respectively. The District paid additional state contributions for the years ending June 30, 2014, 2013, and 2012, in the amount of \$2,118,535, \$1,821,179, and \$1,950,989, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

*Medicare Part D.* Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. As a result this provision allows for the Texas Public School Retired Employee Group Program (TRS-Care) to receive drug subsidy payments from the federal government to offset pharmacy claims paid by TRS-Care on behalf of plan participants. GASB Statement No. 24 requires recognition of these on-behalf payments in the financial statements. Medicare Part D payments made on behalf of the District's participants for the years ended June 30, 2014, 2013 and 2012 were \$812,954, \$ 784,875, and \$ 775,178, respectively.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**K. RISK MANAGEMENT**

Health Care Coverage

During the fiscal year ended June 30, 2014, the District sponsored a self-funded insurance plan to provide health care benefits to employees and their dependents. The District paid premiums of \$380.00 per month per employee to the fund. Total employee contributions are required for coverage of dependents.

The contract between the District and the licensed insurer is renewable, and terms of coverage and premium costs are included in the contractual provisions. The latest financial statements available for Blue Cross Blue Shield (BCBS) are filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

The following is a summary of the changes in the balances of claims liabilities for the year ended June 30, 2014:

	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of the year	\$ 5,827,635	\$ 5,565,149
Incurred claims (including IBNRs)	35,898,698	36,593,526
Claim payments	<u>(37,527,450)</u>	<u>(36,331,040)</u>
Unpaid claims, end of the year	<u>\$ 4,198,883</u>	<u>\$ 5,827,635</u>

Worker's Compensation Coverage

For the year ended June 30, 2014, the District met its statutory worker's compensation obligations through participation in a Self-Funded Worker's Compensation Plan with TRISTAR Risk Management as the TPA (Third Party Administrator). This plan is authorized by Article 8309, Vernon's Annotated Texas Statutes. The District provides statutory worker's compensation benefits to its employees.

The District's and TRISTAR Risk Management are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the self-insured retention of \$1 million. For the year ended June 30, 2014, the fund purchased excess coverage from Montalvo Insurance Agency. The fund uses an independent actuary to determine reserve adequacy and fully funds those reserves.

As of June 30, 2014, the District has reserved for estimated claims incurred, but not reported that do not exceed the required reserves. The liability reported at June 30, 2014 is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not necessarily result in an exact amount.



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**L. CONSTRUCTION COMMITMENTS**

At June 30, 2014, the District had the following construction commitments:

<u>2006 Bond Projects</u>	Estimated Project Cost	Expended Through June 30,	Amount Committed
District Wide Projects	\$ 4,077,287	\$ 3,360,061	\$ 717,226
	<u>4,077,287</u>	<u>3,360,061</u>	<u>717,226</u>
<u>Local Funds Projects</u>			
Hanna High School - Trainers Room	76,188	59,545	16,643
Rivera High School - HVAC Upgrades	2,044,670	1,893,427	151,243
Faulk Middle School Weight Room	400,000	17,280	382,720
Sams Stadium Parking Lot Additions	80,720	-	80,720
	<u>2,601,578</u>	<u>1,970,252</u>	<u>631,326</u>
Total Construction In Progress	<u>\$ 6,678,865</u>	<u>\$ 5,330,313</u>	<u>\$ 1,348,552</u>

**M. UNEARNED REVENUE**

Unearned revenue at year-end consisted of the following:

<u>Description</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
BISD - GED Testing	\$ 2,236	\$ -	\$ 2,236
BISD - Athletics	1,280	-	1,280
BISD - Other	33,800	-	33,800
BISD - Rendition Fees	16,441	-	16,441
BISD - CCED Taxes	60,604	-	60,604
Food service receipts	6,412	-	6,412
Special revenue grants	-	860,494	860,494
Total unearned revenue	<u>\$ 120,773</u>	<u>\$ 860,494</u>	<u>\$ 981,267</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

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

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

Description	General Fund	Other Governmental Funds	Internal Service Funds	Total
Property Taxes	\$ 53,464,059	\$ 5,166,412	\$ -	\$ 58,630,471
Penalties, Interest & Other Tax-Related Income	1,906,845	155,096	-	2,061,941
Tuition and Fees	491,150	-	-	491,150
Food Sales	1,169,573	-	-	1,169,573
Investment Income	104,413	8,671	8,842	121,926
Co-curricular Student Act.	446,049	-	-	446,049
CCED	122,680	-	-	122,680
Other	1,318,304	44,652	43,289,307	44,652,263
<b>Totals</b>	<b>\$ 59,023,073</b>	<b>\$ 5,374,831</b>	<b>\$ 43,298,149</b>	<b>\$ 107,696,053</b>

**O. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and/or disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**P. PRIOR PERIOD ADJUSTMENTS**

Adjustments to the fund balance and net position during the 2013-2014 school year consisted of the following:

Description	General Fund	Other Nonmajor Funds	Internal Service Funds	Total
To close out balance sheet accounts that never materialized	\$ (365,177)	\$ -	\$ (330)	\$ (365,507)
Adjustments for Summary of Finances	351,066	(7,401,005)	-	(7,049,939)
Total per Exhibit C-3 and D-2	<u>\$ (14,111)</u>	<u>\$ (7,401,005)</u>	<u>\$ (330)</u>	<u>(7,415,446)</u>
Adjustments to capital assets				(219,940)
Removal of bond issuance cost per GASB 65				(218,754)
Total per Exhibit B-1				<u>\$ (7,854,140)</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

**Q. MAINTENANCE OF EFFORT**

The District sponsors a modified self-insurance plan to provide health care benefits to staff members and their dependents.

A. Total District premium paid for health care for 2013-2014:	\$	32,948,234
B. Subtract any non-medical expenditures:		
Life insurance	\$	174,055
Dental insurance		-
Vision insurance		-
Long-term disability		-
Short-term disability		-
Alternate plans		-
COBRA expense		-
Retiree expense		-
		174,055
C. 2013-2014 Maintenance of Effort:	\$	32,774,179

**R. SHARED SERVICES AGREEMENTS**

The District is the fiscal agent for a Shared Service Arrangement (“SSA”), which provides special education services to the member districts listed below. The fiscal agent provides all services. The member districts provide the funds to the fiscal agent, who provides all services. According to guidance provided in TEA’s Resource Guide, the District has accounted for fiscal agent’s activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Member Districts	Expenditures
Harlingen CISD	\$ 127,500
Los Fresnos CISD	50,000
Point Isabel ISD	32,500
Raymondville ISD	85,000
San Benito CISD	176,250
Total	\$ 471,250

**S. GENERAL FUND FEDERAL SOURCE REVENUES**

Federally financed programs are generally accounted for in the Special Revenue funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2014 from various federal sources as follows:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2014

**IV. DETAILED NOTES ON ALL FUNDS**

Program or Source	CFDA Number	Amount
U.S. Department of Treasury (Fed Share of QSCB)	N/A	\$ 1,073,753
R.O.T. C.	11.000	461,146
State Energy Program	81.041	183,321
National School Lunch Program	10.555	21,110,089
School Breakfast Program	10.553	14,141,517
Food Distribution (USDA Commodities)	10.555	316,831
School Health Related Services	N/A	6,917,170
Medicaid Administrative Claims	93.778	144,009
Total Programs		<u>44,347,836</u>
<i>Indirect Costs:</i>		
ESEA Title III Subtitle B - Ed for Homeless	84.196A	1,760
ESEA Title I - Part A	84.010A	305,906
ESEA Title I - SIP	84.010A	187
ESEA Title I - Part C	84.011A	16,460
ESEA Title III - Part A - L.E.P.	84.365A	16,062
ESEA Title II - Part A-TPTR	84.367A	37,327
Texas Literacy Initiative	84.371C	81,020
Texas Title I Priority and Focus Schools (FSG)	84.010A	305
Texas Title I School Improvement (EFF)	84.010A	151
Texas Title I Priority Schools	84.377A	12,376
Texas Title I Priority Schools	84.377A	16,336
Texas Title I Priority Schools (ARRA)	84.388A	7,254
Texas Title I Priority Schools (ARRA)	84.388A	9,010
Texas Title I Priority Schools (ARRA)	84.388A	7,901
Total Indirect Costs		<u>512,055</u>
Total General Fund		<u>\$ 44,859,891</u>

**T. PRIOR PERIOD ADJUSTMENT – CHANGE IN ACCOUNTING PRINCIPLES**

As the result of implementing GASB Statement 65, the District has decreased beginning net position as of July 1, 2014 by \$218,754 for the governmental activities. This decrease results from no longer deferring and amortizing bond issuance costs.

Further, the District has reclassified its deferred loss on bond refunding, previously reported as a component of long-term debt, to deferred outflows of resources in the government-wide statements in accordance with GASB Statement 65. The effect of this change increases the long-term liabilities of the governmental activities by \$15,056,719, and corresponds to an increase in deferred outflows of resources as of July 1, 2014.

## **COMBINING STATEMENTS**

## **SPECIAL REVENUE FUNDS**

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

### **ESEA, TITLE II-SUBTITLE B-EDUCATION FOR THE HOMELESS CHILDREN (206)**

To account for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

### **ESEA TITLE I PART A-IMPROVING BASIC PROGRAMS (211)**

To account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

### **ESEA, TITLE I PART C-EDUCATION OF MIGRATORY CHILDREN (212)**

To account for funds granted for programs benefiting children of migrant agriculture-related workers and children of migrant fishermen.

### **ADULT EDUCATION ENGLISH LITERANCE AND CIVICS (220)**

To account for funds granted to assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children. This fund also is to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.

### **IDEA-PART B, FORMULA (224)**

To account for funds granted to operate educational programs for handicapped children with disabilities.

### **IDEA PART B, PRESCHOOL (225)**

To account for funds granted for preschool handicapped children.

### **CARL D. PERKINS, TITLE I PART C (244)**

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

### **ESEA TITLE II PART A TEACHER AND PRINCIPAL TRAINING AND RECRUITING (255)**

To provide financial assistance to LEAs to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, also, to hold local education agencies and schools accountable for improving student academic achievement.

### **TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT (263)**

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

**21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTERS (265)**

This fund classification is to be used to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

**GAINING EARLY AWARENESS FOR COLLEGE READINESS: GEAR UP (274)**

To account for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

**TEXAS TITLE I PRIORITY SCHOOLS PROGRAM (276)**

This fund is to be used for campuses identified for improvement, corrective action, or restructuring. These funds will be used to provide adequate resources in order to substantially raise the achievement of students as to enable the schools to make adequate yearly progress and exit improvement status.

**TEXAS TITLE I PRIORITY SCHOOLS PROGRAM (ARRA T-TIPS 286)**

This fund is to be used for campuses identified for improvement, corrective action, or restructuring. These funds will be used to provide adequate resources in order to substantially raise the achievement of students as to enable the schools to make adequate yearly progress and exit improvement status.

**EDUCATION JOBS FUND (287)**

This fund is to be used for compensation and benefits that are not prohibited by Texas law or statute, and other expenses, such as support services, necessary to retain existing school-level employees, to recall or rehire former school-level employees, and to hire new school-level employees in order to provide early childhood, elementary, or secondary educational and related services .

**FEDERALLY FUNDED SPECIAL REVENUE FUNDS (289)**

This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.

**ADULT BASIC EDUCATION-FEDERAL (309)**

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

**TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) (312)**

To account for funds granted to provide education services to undereducated adult recipients of cash assistance under TANF.

**IDEA PART B, DISCRETIONARY (315)**

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

**IDEA PART B DEAF (316)**

To account for funds granted to operate educational programs for children with disabilities.

**IDEA PART B, PRESCHOOL DEAF (317)**

To account for funds granted for preschool children with disabilities.

**IDEA PART C, DEAF, EARLY INTERVENTION (340)**

To account for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants and toddlers.

**ADVANCED PLACEMENT (397)**

To account for funds used to promote pre-AP and AP programs thus increasing the number of student and teachers enrolled and teaching pre – AP and AP courses at each participating school. This grant also supports activities to increase the participation of low income students in pre advanced placement and advanced placement courses.

**STUDENT SUCCESS INITIATIVE (404)**

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

**STATE TEXTBOOK FUND (410)**

This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

**STATE FUNDED SPECIAL REVENUE FUNDS (429)**

State funded special revenue funds not listed above are to be accounted for in this fund.

**ADULT BASIC EDUCATION STATE (431)**

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

**SHARED SERVICES ARRANGEMENTS - TANF (432)**

To account, on a project basis, for funds granted to provide education services to undereducated adult recipients of cash assistance under Temporary Assistance for Needy Families (TANF).

**STATE DEAF (435)**

To account for funds granted to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD).

**LOCALLY FUNDED SPECIAL REVENUE FUNDS – LOCALLY DEFINED (498)**

These fund classifications are used, at the option of the school district to classify locally funded special revenue funds such as grants by corporations to specific campuses not define elsewhere.

**LOCALLY FUNDED SPECIAL REVENUE FUNDS (499)**

Locally funded special revenue funds not listed above are to be accounted for in this fund.



## **INTERNAL SERVICE FUNDS**

**The Internal Service Funds are used to account for activities where the District charges fees to internal users for goods or services.**

### **SELF FUNDED INSURANCE (753)**

This fund is used to account for the operations of the District's old self-funded insurance program, which ended September 2011.

### **SELF FUNDED INSURANCE: Blue Cross/Blue Shield (754)**

This fund is used to account for the operations of the District's self-funded insurance program which started in October 2011.

### **SELF FUNDED WORKERS COMPENSATION (792)**

This fund is used to account for the operations of the District's self-funded insurance program, which meets the state mandate that all District employees are covered by worker's compensation insurance. Premiums are collected from the various campuses and departments based on predetermined experience rates. Claim costs, administrative costs, and stop loss insurance premiums are paid from the premiums collected. Excess claims are covered by a stop loss carrier.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 933,225	\$ -	\$ -
1120	Investments - Current	-	53,008	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	100,127	3,225,868	487,152	3,143
1260	Due from Other Funds	5,907	4,205,435	105	1,357
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 106,034</u>	<u>\$ 8,417,536</u>	<u>\$ 487,257</u>	<u>\$ 4,500</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ 241,344	\$ 340,904	\$ -
2160	Accrued Wages Payable	4,886	1,851,092	112,596	4,500
2170	Due to Other Funds	101,148	6,325,100	33,757	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	<b>Total Liabilities</b>	<u>106,034</u>	<u>8,417,536</u>	<u>487,257</u>	<u>4,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 106,034</u>	<u>\$ 8,417,536</u>	<u>\$ 487,257</u>	<u>\$ 4,500</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	265 Title IV, B Community Learning	274 Gear Up	276 Title I - SIP Academy Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
818,079	2,895	175,414	147,964	462,237	622,144	137,455	952,244
554,248	59,846	-	306,217	-	-	14,686	507,527
-	-	-	-	-	-	-	1,210
<u>\$ 1,372,327</u>	<u>\$ 62,741</u>	<u>\$ 175,414</u>	<u>\$ 454,181</u>	<u>\$ 462,237</u>	<u>\$ 622,144</u>	<u>\$ 152,141</u>	<u>\$ 1,460,981</u>
\$ -	\$ -	\$ 42,457	\$ -	\$ 114,854	\$ 12,354	\$ -	\$ 74,713
1,372,275	6,508	15,578	414,939	32,226	114,203	14,961	98,018
52	56,233	117,379	39,242	315,157	495,587	137,180	1,288,250
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,372,327</u>	<u>62,741</u>	<u>175,414</u>	<u>454,181</u>	<u>462,237</u>	<u>622,144</u>	<u>152,141</u>	<u>1,460,981</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,372,327</u>	<u>\$ 62,741</u>	<u>\$ 175,414</u>	<u>\$ 454,181</u>	<u>\$ 462,237</u>	<u>\$ 622,144</u>	<u>\$ 152,141</u>	<u>\$ 1,460,981</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

Data Control Codes	286 Title I SIP Academy Grant ARRA	287 Education Jobs Fund	289 Other Federal Special Revenue Funds	309 SSA Adult Basic Education	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	114,303	154,949	915,880	68,583
1260	Due from Other Funds	397,306	135,764	537,983	-
1290	Other Receivables	-	-	-	-
1000	<b>Total Assets</b>	<u>\$ 511,609</u>	<u>\$ 290,713</u>	<u>\$ 1,453,863</u>	<u>\$ 68,583</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 34,626	\$ -
2160	Accrued Wages Payable	22,679	9,567	441,307	44,737
2170	Due to Other Funds	488,930	281,146	896,675	23,846
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	81,255	-
2000	<b>Total Liabilities</b>	<u>511,609</u>	<u>290,713</u>	<u>1,453,863</u>	<u>68,583</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<u>\$ 511,609</u>	<u>\$ 290,713</u>	<u>\$ 1,453,863</u>	<u>\$ 68,583</u>

312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
26,770	9,582	-	-	1,550	29,641	88,313	-
-	44,578	-	-	-	199,587	-	612,933
-	-	-	-	-	-	-	-
<u>\$ 26,770</u>	<u>\$ 54,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,550</u>	<u>\$ 229,228</u>	<u>\$ 88,313</u>	<u>\$ 612,933</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,641	\$ -	\$ 317,861
14,776	8,370	-	-	-	-	-	-
11,994	44,342	-	-	1,550	-	88,313	-
-	-	-	-	-	-	-	-
-	1,448	-	-	-	199,587	-	295,072
<u>26,770</u>	<u>54,160</u>	<u>-</u>	<u>-</u>	<u>1,550</u>	<u>229,228</u>	<u>88,313</u>	<u>612,933</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 26,770</u>	<u>\$ 54,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,550</u>	<u>\$ 229,228</u>	<u>\$ 88,313</u>	<u>\$ 612,933</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2014

Data Control Codes	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology	432 SSA - TANF Temporary Assistance	435 SSA Regional Day School - Deaf
<b>ASSETS</b>				
1110	\$ -	\$ -	\$ -	\$ -
1120	-	-	-	-
1220	-	-	-	-
1230	-	-	-	-
1240	3,946	-	6,789	105,683
1260	232,059	15,218	-	200,711
1290	-	-	-	-
1000	<u>\$ 236,005</u>	<u>\$ 15,218</u>	<u>\$ 6,789</u>	<u>\$ 306,394</u>
<b>LIABILITIES</b>				
2110	\$ -	\$ -	\$ -	\$ -
2160	-	-	-	106,989
2170	-	6,486	6,789	199,405
2180	-	8,732	-	-
2300	236,005	-	-	-
2000	<u>236,005</u>	<u>15,218</u>	<u>6,789</u>	<u>306,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601	-	-	-	-
2600	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
3470	-	-	-	-
3480	-	-	-	-
3000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<u>\$ 236,005</u>	<u>\$ 15,218</u>	<u>\$ 6,789</u>	<u>\$ 306,394</u>

498 Other Local Special Rev Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	634 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 933,225	\$ 2,887	\$ 1,504,851	\$ 2,440,963
-	-	53,008	5,578,404	6,166,943	11,798,355
-	-	-	903,329	-	903,329
-	-	-	(27,100)	-	(27,100)
1,996	-	8,662,707	171,234	-	8,833,941
15,004	183,152	8,229,623	618,037	-	8,847,660
-	-	1,210	-	-	1,210
<u>\$ 17,000</u>	<u>\$ 183,152</u>	<u>\$ 17,879,773</u>	<u>\$ 7,246,791</u>	<u>\$ 7,671,794</u>	<u>\$ 32,798,358</u>
\$ -	\$ -	\$ 1,208,754	\$ -	\$ 141,340	\$ 1,350,094
-	37,670	4,727,877	-	-	4,727,877
-	115,355	11,073,916	-	437,685	11,511,601
-	-	8,732	10,639,068	811,704	11,459,504
17,000	30,127	860,494	-	-	860,494
<u>17,000</u>	<u>183,152</u>	<u>17,879,773</u>	<u>10,639,068</u>	<u>1,390,729</u>	<u>29,909,570</u>
-	-	-	766,392	-	766,392
-	-	-	766,392	-	766,392
-	-	-	-	6,281,065	6,281,065
-	-	-	(4,158,669)	-	(4,158,669)
-	-	-	(4,158,669)	6,281,065	2,122,396
<u>\$ 17,000</u>	<u>\$ 183,152</u>	<u>\$ 17,879,773</u>	<u>\$ 7,246,791</u>	<u>\$ 7,671,794</u>	<u>\$ 32,798,358</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	125,338	23,724,009	1,578,564	99,785
5020	Total Revenues	<u>125,338</u>	<u>23,724,009</u>	<u>1,578,564</u>	<u>99,785</u>
EXPENDITURES:					
Current:					
0011	Instruction	-	16,364,427	754,183	-
0012	Instructional Resources and Media Services	-	1,349,212	-	-
0013	Curriculum and Instructional Staff Development	-	1,689,554	-	-
0021	Instructional Leadership	-	550,898	116,195	-
0023	School Leadership	-	251,776	-	-
0031	Guidance, Counseling and Evaluation Services	-	132,889	73,609	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	1,631,565	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	55,224	-	-
0052	Security and Monitoring Services	-	2,886	-	-
0061	Community Services	125,338	1,695,578	634,577	99,785
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>125,338</u>	<u>23,724,009</u>	<u>1,578,564</u>	<u>99,785</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
1300	Prior Period Adjustment	-	-	-	-
3000	Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



224 IDEA - Part B Formula	225 IDEA - Part B Preschool	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang Acquisition	265 Title IV, B Community Learning	274 Gear Up	276 Title I - SIP Academy Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
9,505,533	58,183	809,658	2,796,005	1,574,986	3,449,844	128,672	2,536,695
9,505,533	58,183	809,658	2,796,005	1,574,986	3,449,844	128,672	2,536,695
7,072,708	58,183	809,658	2,736,866	1,140,742	1,602,435	5,428	1,649,141
-	-	-	-	-	-	-	73,695
-	-	-	6,708	398,316	140,104	1,936	377,280
-	-	-	52,431	15,928	1,596,968	-	-
-	-	-	-	-	76,144	-	311,887
2,432,825	-	-	-	-	-	121,308	68,732
-	-	-	-	-	-	-	2,017
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,574
-	-	-	-	-	-	-	-
-	-	-	-	20,000	34,193	-	51,369
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,505,533	58,183	809,658	2,796,005	1,574,986	3,449,844	128,672	2,536,695
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	286 Title I SIP Academy Grant ARRA	287 Education Jobs Fund	289 Other Federal Special Revenue Funds	309 SSA Adult Basic Education
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ 31,536	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	1,927,034	314,254	6,465,289	459,826
5020 Total Revenues	<u>1,927,034</u>	<u>345,790</u>	<u>6,465,289</u>	<u>459,826</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,308,270	-	279,844	-
0012 Instructional Resources and Media Services	10,064	-	-	-
0013 Curriculum and Instructional Staff Development	389,097	157,698	5,893,594	-
0021 Instructional Leadership	-	-	203,511	-
0023 School Leadership	129,861	-	88,340	-
0031 Guidance, Counseling and Evaluation Services	85,388	188,092	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	4,354	-	-	459,826
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>1,927,034</u>	<u>345,790</u>	<u>6,465,289</u>	<u>459,826</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	316 SSA IDEA, Part B Deaf	317 SSA - IDEA, B Preschool Deaf	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	29,641	233,213	3,085,908
151,502	65,520	2,674	5,199	1,610	-	-	-
151,502	65,520	2,674	5,199	1,610	29,641	233,213	3,085,908
-	65,520	2,674	5,199	1,610	-	228,721	3,085,908
-	-	-	-	-	-	-	-
-	-	-	-	-	29,641	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,492	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
151,502	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
151,502	65,520	2,674	5,199	1,610	29,641	233,213	3,085,908
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology	432 SSA - TANF Temporary Assistance	435 SSA Regional Day School - Deaf
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	5,670	114,485	-	768,383
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>5,670</u>	<u>114,485</u>	<u>-</u>	<u>768,383</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	1,724	-	-	700,841
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	67,542
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0036 Extracurricular Activities	3,946	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	114,485	-	-
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>5,670</u>	<u>114,485</u>	<u>-</u>	<u>768,383</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Prior Period Adjustment	-	-	-	-
3000 Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

498 Other Local Special Rev Funds	499 Other Local Special Revenue Funds	Total Nonmajor Special Revenue Funds	511 Debt Service Fund	634 Capital Projects Fund	Total Nonmajor Governmental Funds
\$ 1,996	\$ 11,120	\$ 44,652	\$ 5,325,308	\$ 4,871	\$ 5,374,831
-	-	4,237,300	9,659,308	-	13,896,608
-	-	55,780,180	-	-	55,780,180
<u>1,996</u>	<u>11,120</u>	<u>60,062,132</u>	<u>14,984,616</u>	<u>4,871</u>	<u>75,051,619</u>
-	-	37,874,082	-	-	37,874,082
1,996	-	1,434,967	-	-	1,434,967
-	-	9,083,928	-	-	9,083,928
-	-	2,535,931	-	-	2,535,931
-	-	858,008	-	-	858,008
-	-	3,174,877	-	-	3,174,877
-	-	2,017	-	-	2,017
-	-	1,631,565	-	-	1,631,565
-	-	3,946	-	-	3,946
-	-	57,798	-	-	57,798
-	11,120	14,006	-	-	14,006
-	-	3,391,007	-	-	3,391,007
-	-	-	10,640,000	-	10,640,000
-	-	-	5,147,491	-	5,147,491
-	-	-	2,100	-	2,100
-	-	-	-	2,231,799	2,231,799
<u>1,996</u>	<u>11,120</u>	<u>60,062,132</u>	<u>15,789,591</u>	<u>2,231,799</u>	<u>78,083,522</u>
-	-	-	(804,975)	(2,226,928)	(3,031,903)
-	-	-	3,000,000	-	3,000,000
-	-	-	2,195,025	(2,226,928)	(31,903)
-	-	-	1,047,311	8,507,993	9,555,304
-	-	-	(7,401,005)	-	(7,401,005)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,158,669)</u>	<u>\$ 6,281,065</u>	<u>\$ 2,122,396</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2014

EXHIBIT H-3

	753	754	792	
	Insurance	Self Funded Blue Cross Blue Shield	Self Funded Workers' Compensation	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 691	\$ 483,039	\$ 583,625	\$ 1,067,355
Investments - Current	-	-	7,672,149	7,672,149
Due from Other Funds	-	-	6,100,000	6,100,000
Other Receivables	-	599	-	599
Total Assets	<u>691</u>	<u>483,638</u>	<u>14,355,774</u>	<u>14,840,103</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	227,253	14,337,457	14,564,710
Due to Other Funds	3,873,148	247,408	-	4,120,556
Total Liabilities	<u>3,873,148</u>	<u>474,661</u>	<u>14,337,457</u>	<u>18,685,266</u>
<b>NET POSITION</b>				
Unrestricted Net Position	<u>(3,872,457)</u>	<u>8,977</u>	<u>18,317</u>	<u>(3,845,163)</u>
Total Net Position	<u>\$ (3,872,457)</u>	<u>\$ 8,977</u>	<u>\$ 18,317</u>	<u>\$ (3,845,163)</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	753	754	792	Total
	Insurance	Self Funded Blue Cross Blue Shield	Self Funded Workers' Compensation	Internal Service Funds
<b>OPERATING REVENUES:</b>				
Local and Intermediate Sources	\$ 4,972,543	\$ 38,318,015	\$ 7,591	\$ 43,298,149
Total Operating Revenues	<u>4,972,543</u>	<u>38,318,015</u>	<u>7,591</u>	<u>43,298,149</u>
<b>OPERATING EXPENSES:</b>				
Other Operating Costs	-	42,785,685	-	42,785,685
Total Operating Expenses	<u>-</u>	<u>42,785,685</u>	<u>-</u>	<u>42,785,685</u>
Operating Income (Loss)	4,972,543	(4,467,670)	7,591	512,464
Total Net Position - July 1 (Beginning)	(8,845,000)	4,476,977	10,726	(4,357,297)
Prior Period Adjustment	-	(330)	-	(330)
Total Net Position June 30 (Ending)	<u>\$ (3,872,457)</u>	<u>\$ 8,977</u>	<u>\$ 18,317</u>	<u>\$ (3,845,163)</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	753	754	792	
		Self Funded Blue Cross Blue Shield	Self Funded Workers' Compensation	Total Internal Service Funds
	Insurance			
<u>Cash Flows from Operating Activities:</u>				
Other Operating Cash Receipts (Payments)	\$ (110,915)	\$ (2,060,884)	\$ (257,520)	\$ (2,429,319)
Net Increase (Decrease) in Cash and Cash Equivalents	(110,915)	(2,060,884)	257,520	(1,914,279)
Cash and Cash Equivalents at Beginning of Year	111,606	2,543,923	326,105	2,981,634
Cash and Cash Equivalents at End of Year	<u>\$ 691</u>	<u>\$ 483,039</u>	<u>\$ 583,625</u>	<u>\$ 1,067,355</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ 4,972,543	\$ (4,467,670)	\$ 7,591	\$ 512,464
Effect of Increases and Decreases in Current Assets and Liabilities:				
Decrease (increase) in Investments	-	-	1,393,396	1,393,396
Decrease (increase) in Due From Other Funds	-	6,456,212	650,000	7,106,212
Decrease (increase) in Other Receivables	-	332	-	332
Increase (decrease) in Accounts Payable	-	227,253	(1,793,467)	(1,566,214)
Increase (decrease) in Due To Other Funds	(5,083,458)	(4,277,011)	-	(9,360,469)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (110,915)</u>	<u>\$ (2,060,884)</u>	<u>\$ 257,520</u>	<u>\$ (1,914,279)</u>



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE YEAR ENDED JUNE 30, 2014

	BALANCE JULY 1 2013	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2014
<b>STUDENT ACTIVITY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 1,174,388	\$ 5,207,925	\$ 5,139,068	\$ 1,243,245
Liabilities:				
Accounts Payable	\$ 44,912	\$ 22,129	\$ -	\$ 67,041
Due to Student Groups	1,129,476	5,185,796	5,139,068	1,176,204
Total Liabilities	<u>\$ 1,174,388</u>	<u>\$ 5,207,925</u>	<u>\$ 5,139,068</u>	<u>\$ 1,243,245</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 1,174,388	\$ 5,207,925	\$ 5,139,068	\$ 1,243,245
Liabilities:				
Accounts Payable	\$ 44,912	\$ 22,129	\$ -	\$ 67,041
Due to Student Groups	1,129,476	5,185,796	5,139,068	1,176,204
Total Liabilities	<u>\$ 1,174,388</u>	<u>\$ 5,207,925</u>	<u>\$ 5,139,068</u>	<u>\$ 1,243,245</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2014

	810 Crime Stoppers	816 Johnny & Nena Cavazos Athletic Fund	820 Believe in BISD	827 Student Ambassador Program
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 977	\$ 230,676	\$ (423)	\$ 177
Other Receivables	-	-	9,000	-
Total Assets	<u>977</u>	<u>230,676</u>	<u>8,577</u>	<u>177</u>
<b>LIABILITIES</b>				
Accounts Payable	975	-	-	-
Due to Other Funds	-	-	-	551
Due to Student Groups	-	-	8,577	(375)
Total Liabilities	<u>975</u>	<u>-</u>	<u>8,577</u>	<u>176</u>
<b>NET POSITION</b>				
Unrestricted Net Position	<u>2</u>	<u>230,676</u>	<u>-</u>	<u>1</u>
Total Net Position	<u>\$ 2</u>	<u>\$ 230,676</u>	<u>\$ -</u>	<u>\$ 1</u>

828 Filemon Vela Memorial Scholarship	829 Supt Scholarship	Total Private Purpose Trust Funds
\$ 23,607	\$ 6,005	\$ 261,019
-	-	9,000
<u>23,607</u>	<u>6,005</u>	<u>270,019</u>
-	-	975
-	-	551
-	5,939	14,141
<u>-</u>	<u>5,939</u>	<u>15,667</u>
23,607	66	254,352
<u>\$ 23,607</u>	<u>\$ 66</u>	<u>\$ 254,352</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2014

	810	816	820	827
	Crime Stoppers	Johnny & Nena Cavazos Athletic Fund	Believe in BISSD	Student Ambassador Program
ADDITIONS:				
Local and Intermediate Sources	\$ 1	\$ 469	\$ -	\$ 1
Total Additions	<u>1</u>	<u>469</u>	<u>-</u>	<u>1</u>
Change in Net Position	1	469	-	1
Total Net Position - July 1 (Beginning)	1	260,207	-	-
Prior Period Adjustment	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>
Total Net Position - June 30 (Ending)	<u>\$ 2</u>	<u>\$ 230,676</u>	<u>\$ -</u>	<u>\$ 1</u>

828 Filemon Vela Memorial Scholarship	829 Supt Scholarship	Total Private Purpose Trust Funds
\$ 43	\$ 16	\$ 530
<u>43</u>	<u>16</u>	<u>530</u>
43	16	530
23,564	4,234	288,006
<u>-</u>	<u>(4,184)</u>	<u>(34,184)</u>
<u>\$ 23,607</u>	<u>\$ 66</u>	<u>\$ 254,352</u>

**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2014

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	Various	Various	\$ Various
2006	1.438700	0.046900	3,895,196,875
2007	1.315600	0.089800	4,218,109,323
2008	1.019100	0.073200	4,773,440,004
2009	1.019100	0.073200	4,909,923,402
2010	1.012273	0.080027	4,993,708,059
2011	1.019100	0.073200	5,009,567,679
2012	1.019100	0.073200	5,051,924,932
2013	1.019100	0.073200	5,209,962,063
2014 (School year under audit)	1.040000	0.102155	5,373,232,460
1000 TOTALS			

(10) Beginning Balance 7/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2014
\$ 1,894,345	\$ -	\$ 101,022	\$ 7,768	\$ (5,142)	\$ 1,780,413
351,036	-	36,629	1,194	(1,528)	311,685
444,107	-	54,233	3,702	(3,114)	383,058
432,847	-	72,329	5,195	(4,704)	350,619
582,434	-	130,203	9,352	2,720	445,599
754,487	-	201,894	15,961	(12,347)	524,285
1,083,056	-	397,234	28,533	39,083	696,372
1,678,225	-	790,760	56,799	81,739	912,405
4,389,264	-	2,172,590	156,053	(150,631)	1,909,990
-	60,188,474	50,535,819	4,963,931	(327,791)	4,360,933
<u>\$ 11,609,801</u>	<u>\$ 60,188,474</u>	<u>\$ 54,492,713</u>	<u>\$ 5,248,488</u>	<u>\$ (381,715)</u>	<u>\$ 11,675,359</u>



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
 FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis - See Note III A)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 1,402,000	\$ 1,402,000	\$ 1,385,068	\$ (16,932)
5800 State Program Revenues	200,000	200,000	186,637	(13,363)
5900 Federal Program Revenues	33,918,000	33,918,000	35,568,437	1,650,437
5020 Total Revenues	35,520,000	35,520,000	37,140,142	1,620,142
<b>EXPENDITURES:</b>				
0035 Food Services	33,690,003	34,604,205	32,150,729	2,453,476
0051 Facilities Maintenance and Operations	1,829,997	1,829,997	1,710,511	119,486
6030 Total Expenditures	35,520,000	36,434,202	33,861,240	2,572,962
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(914,202)	3,278,902	4,193,104
<b>OTHER FINANCING SOURCES (USES):</b>				
7949 Other Resources	-	900,000	-	(900,000)
1200 Net Change in Fund Balances	-	(14,202)	3,278,902	3,293,104
0100 Fund Balance - July 1 (Beginning)	8,186,972	8,186,972	8,186,972	-
3000 Fund Balance - June 30 (Ending)	\$ 8,186,972	\$ 8,172,770	\$ 11,465,874	\$ 3,293,104

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis - See Note III A)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 5,231,491	\$ 5,231,491	\$ 5,325,308	\$ 93,817
5800 State Program Revenues	11,400,000	11,400,000	9,659,308	(1,740,692)
5020 Total Revenues	16,631,491	16,631,491	14,984,616	(1,646,875)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	8,510,000	10,640,000	10,640,000	-
0072 Interest on Long Term Debt	8,119,991	5,989,991	5,147,491	842,500
0073 Bond Issuance Cost and Fees	1,500	3,001,500	2,100	2,999,400
6030 Total Expenditures	16,631,491	19,631,491	15,789,591	3,841,900
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,000,000)	(804,975)	2,195,025
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	3,000,000	3,000,000	-
1200 Net Change in Fund Balances	-	-	2,195,025	2,195,025
0100 Fund Balance - July 1 (Beginning)	1,047,311	1,047,311	1,047,311	-
1300 Prior Period Adjustment	-	-	(7,401,005)	(7,401,005)
3000 Fund Balance - June 30 (Ending)	\$ 1,047,311	\$ 1,047,311	\$ (4,158,669)	\$ (5,205,980)

## **STATISTICAL SECTION**

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## STATISTICAL SECTION OVERVIEW

*This part of the District's comprehensive annual financial report presents detailed information to provide the readers of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures, and required supplementary information.*

The statistical section is organized in the following sections:

**Government-Wide Information** – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.

**Fund Information** – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.

**Revenue Capacity Information** – This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.

**Debt Capacity Information** – This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay the debt, and to issue additional debt in the future.

**Demographic and Economic Information** – This section contains schedule that provide an understanding of the environment within which the District's financial activities take place.

**Operating Information** – This section contains schedules that provide information about the services the District provides and the activities it performs; such as, employees and facilities of the District.

SCHEDULE 1  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

	2005	2006	2007	2008	2009
<b>Governmental Activities</b>					
Investment in Capital Assets	\$ 152,489,514	\$ 171,184,508	\$ 61,006,564	\$ 95,604,744	\$ 239,579,610
Restricted	98,358,180	81,665,840	229,355,987	235,087,962	17,636,587
Unrestricted	97,534,738	110,748,123	106,255,875	89,801,140	153,762,955
Total Net Assets	\$ 348,382,432	\$ 363,598,471	\$ 396,618,426	\$ 420,493,846	\$ 410,979,152

Source: The District's Statement of Net Position (Exhibit A-1)

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$	252,449,434	\$ 239,341,909	\$ 249,760,978	\$ 265,298,588	\$ 245,196,911
	47,228,007	50,582,763	47,257,800	33,977,469	31,502,648
	84,682,883	73,922,111	65,775,797	54,465,766	78,378,086
\$	384,360,324	\$ 363,846,783	\$ 362,794,575	\$ 353,741,823	\$ 355,077,645

SCHEDULE 2  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental Activities:					
Instruction	\$ 190,802,261	\$ 225,127,661	\$ 235,656,199	\$ 251,458,965	\$ 263,214,508
Instructional Resources & Media Services	5,810,592	8,298,444	7,082,218	7,429,329	8,386,006
Curriculum & Staff Development	9,926,103	12,710,160	13,073,733	12,468,934	14,793,150
Instructional Leadership	4,375,756	5,481,316	6,191,546	6,731,053	7,059,359
School Leadership	15,715,709	19,982,255	21,261,506	22,234,884	23,438,655
Guidance, Counseling & Evaluation Services	12,985,210	14,261,105	15,708,534	16,262,550	17,738,872
Social Work Services	391,898	514,318	520,648	500,457	711,711
Health Services	3,437,790	3,774,733	4,452,657	4,874,905	5,405,783
Student (Pupil) Transportation	9,817,842	11,877,527	13,088,226	13,386,936	13,147,513
Food Services	23,620,249	26,407,131	28,341,364	28,453,632	27,575,534
Cocurricular/Extracurricular Activities	8,863,883	12,121,352	13,405,545	14,333,394	13,531,209
General Administration	8,383,267	10,310,051	11,121,851	11,628,184	12,319,564
Plant Maintenance & Operations	28,726,621	39,631,342	43,270,873	47,109,642	48,055,290
Security & Monitoring Services	2,742,852	3,566,191	3,909,690	4,784,350	5,538,612
Data Processing Services	1,679,255	1,897,662	2,240,079	2,440,008	3,038,063
Community Services	3,692,366	3,815,334	4,165,693	4,226,094	4,941,913
Debt Service - Interest on Long Term Debt	2,602,523	4,999,747	7,866,188	10,209,593	9,864,827
Debt Service - Bond Issuance Cost & Fees	9,279	304,446	735,785	19,442	96,332
Payments to Juvenile Justice Alternative Ed. Prg.	-	34,886	103,152	97,558	148,558
Other Intergovernmental Charges	-	-	-	-	-
Total Governmental Activities	333,583,456	405,115,661	432,195,487	458,649,910	479,005,459
<b>Program Revenues</b>					
Charges for Services					
Instruction	802,992	975,830	841,225	1,010,092	1,164,731
Instructional Resources and Media Services	-	-	-	-	-
Curriculum and Instructional Staff Development	-	-	-	-	-
Instructional Leadership	-	-	-	-	-
School Leadership	-	-	-	-	-
Guidance, Counseling and Evaluation Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	-	-	-
Food Services	1,226,537	1,306,641	1,371,261	1,528,468	1,419,206
Extracurricular Activities	337,198	321,630	357,281	344,025	343,771
General Administration	-	-	-	-	-
Plant Maintenance and Operations	-	-	-	-	-
Security and Monitoring Services	-	-	-	-	-
Data Processing Services	-	-	-	-	-
Community Services	71,812	55,553	87,070	88,226	479,153
Debt Service - Interest on Long Term Debt	-	-	-	-	-
Debt Service - Bond Issuance Cost & Fees	-	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-	-
Operating Grants and Contributions	64,729,396	70,078,445	73,063,663	75,268,303	82,140,558
Total Governmental Activities	67,167,935	72,738,099	75,720,500	78,239,114	85,547,419
<b>Net Governmental Activities</b>					
Revenue/(Expense)	\$ (266,415,521)	\$ (332,377,562)	\$ (356,474,987)	\$ (380,410,796)	\$ (393,458,040)

Source: The District's Statement of Activities (Exhibit B-1)

	2010	2011	2012	2013	2014
\$	280,044,296	\$ 283,753,243	\$ 265,301,523	\$ 269,902,260	\$ 266,811,175
	9,091,704	9,145,005	8,150,501	8,990,567	8,638,437
	15,554,587	19,505,830	13,284,303	15,764,951	16,609,958
	8,002,797	7,834,698	8,226,349	8,593,985	8,628,654
	24,551,960	25,044,466	24,028,022	26,014,428	26,274,889
	18,234,605	18,254,355	16,840,314	18,886,458	19,030,826
	764,709	765,569	621,835	1,091,761	1,077,700
	5,427,344	5,705,521	5,781,101	5,853,598	5,735,067
	14,715,541	13,509,625	12,927,507	12,463,068	14,171,985
	30,062,988	29,764,725	31,627,859	32,839,664	34,282,243
	10,084,446	16,653,137	14,485,042	15,765,298	16,364,024
	12,138,098	12,670,295	17,182,090	17,589,088	12,286,474
	50,388,704	51,408,170	46,452,947	46,463,990	48,694,091
	5,904,597	6,350,712	6,400,024	6,005,965	6,813,018
	2,908,275	3,661,103	4,036,884	4,319,976	6,786,646
	5,270,769	5,750,327	5,111,489	5,096,028	4,084,484
	9,800,715	10,357,075	10,552,122	10,779,656	6,672,801
	31,947	686,668	-	988,081	9,225
	227,879	209,466	183,264	106,194	85,173
	-	-	-	-	497,968
	503,205,961	521,029,990	491,193,176	507,515,016	503,554,838
	1,606,651	1,884,347	2,748,811	3,888,758	1,462,492
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	1,238,788	1,422,678	1,270,219	1,304,284	1,378,468
	367,206	452,862	443,271	479,685	452,846
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	117,487	105,954	118,182	101,226	121,786
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	98,592,857	137,170,598	130,857,311	120,198,708	123,197,536
	101,922,989	141,036,439	135,437,794	125,972,661	126,613,128
\$	(401,282,972)	\$ (379,993,551)	\$ (355,755,382)	\$ (381,542,355)	\$ (376,941,710)



SCHEDULE 3  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

	2005	2006	2007	2008	2009
<b>Net Governmental Activities</b>					
<b>Revenue /(Expense)</b>	\$ (266,415,521)	\$ (332,377,562)	\$ (356,474,987)	\$ (380,410,796)	\$ (393,458,040)
<b>General Revenues:</b>					
Property Taxes - M&O	52,878,425	54,900,026	57,100,739	47,622,425	50,698,836
Property Taxes - Debt Service	1,382,834	2,672,946	4,777,354	4,866,150	3,608,402
State Aid	228,779,857	252,078,847	256,856,481	273,801,373	279,184,838
Grants & Contributions					
not Restricted	18,809,954	27,912,159	53,491,917	48,965,278	46,407,489
Investment Earnings	4,021,279	9,262,177	17,281,072	17,368,044	6,867,205
Miscellaneous Local and Intermediate Revenue	-	-	-	-	-
Total General Revenues	305,872,349	346,826,155	389,507,563	392,623,270	386,766,770
<b>Special and Extraordinary Items:</b>					
Special Item	347,248	1,179,641	187,043	2,656,772	222,344
Special - (Use)	(456,883)	(973,775)	(1,608,033)	(1,669,850)	-
Extraordinary Item - resource	-	-	1,794,147	500,500	-
Total Special Items	(109,635)	205,866	373,157	1,487,422	222,344
<b>Change in Net Position</b>	\$ 39,347,193	\$ 14,654,459	\$ 33,405,733	\$ 13,699,896	\$ (6,468,926)

Source: The District's Statement of Activities (Exhibit B-1)

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<u>\$ (401,282,972)</u>	<u>\$ (379,993,551)</u>	<u>\$ (355,755,382)</u>	<u>\$ (381,542,355)</u>	<u>\$ (376,941,710)</u>
49,108,507	49,247,771	50,847,039	51,667,559	54,502,908
5,713,455	3,480,992	3,541,802	3,628,836	5,232,438
273,485,573	280,086,312	276,148,038	274,519,456	302,120,081
47,456,785	29,720,120	29,414,332	41,819,943	23,079,786
576,057	327,543	424,833	255,274	113,084
-	606,897	1,083,845	1,256,425	1,083,375
<u>376,340,377</u>	<u>363,469,635</u>	<u>361,459,889</u>	<u>373,147,493</u>	<u>386,131,672</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ (24,942,595)</u>	<u>\$ (16,523,916)</u>	<u>\$ 5,704,507</u>	<u>\$ (8,394,862)</u>	<u>\$ 9,189,962</u>

SCHEDULE 4  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 FUND BALANCES  
 GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2005	2006	2007	2008	2009
<b>General Fund</b>					
<i>Reserved Fund Balances:</i>					
Investments in Inventory	\$ 3,725,141	\$ 3,952,630	\$ 5,073,314	\$ 4,440,512	\$ 4,980,783
Retirement of Long-Term Debt	178,062	172,868	172,868	165,895	3,920
Outstanding Encumbrances	10,549,147	11,816,841	15,417,596	13,535,457	10,855,448
Food Service	7,160,197	7,063,466	7,238,318	5,550,630	1,693,073
Other Purposes	20,862,132	15,921,314	16,711,053	17,129,854	11,216,238
<i>Unreserved Designated For:</i>					
Construction	40,438,286	26,884,570	33,779,582	50,393,914	31,953,995
<i>Unreserved and Undesignated:</i>					
Reported in the General Fund	84,797,128	99,630,833	94,599,727	84,885,826	88,167,972
<i>Nonspendable Fund Balances:</i>					
Inventories	-	-	-	-	-
<i>Restricted Fund Balances:</i>					
Federal or State Funds Grant Restriction	-	-	-	-	-
Other Restricted Fund Balance	-	-	-	-	-
<i>Committed Fund Balances:</i>					
Construction	-	-	-	-	-
Other Committed Fund Balance	-	-	-	-	-
<i>Assigned Fund Balance:</i>					
Other Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
<b>Total General Fund Balance</b>	<b>\$ 167,710,093</b>	<b>\$ 165,442,522</b>	<b>\$ 172,992,458</b>	<b>\$ 176,102,088</b>	<b>\$ 148,871,429</b>
<b>All Other Governmental Funds</b>					
<i>Special Revenues</i>					
Outstanding Encumbrances	6,310	126,247	52,238	57,921	56,608
Other Restricted Fund Balance	-	-	-	-	-
Other Reserves	2,110,798	1,463,554	1,246,819	1,230,326	451,609
<i>Debt Service</i>					
Retirement of Long Term Debt	7,582,861	9,579,439	8,488,045	7,527,191	7,415,666
<i>Capital Projects</i>					
Outstanding Encumbrances	3,086,876	6,515	3,763,740	65,678,823	20,471,549
Other Purposes	4,023,645	5,074,658	5,074,658	5,074,658	5,074,657
<i>Unreserved and Undesignated:</i>					
Reported in the Capital Projects funds	-	-	132,276,179	64,199,140	14,656,385
Reported in Special Revenue funds	(1,365,275)	(396,262)	61,577	103,641	71,825
<i>Restricted Fund Balances:</i>					
Capital Acquisition and Contractual Obligation	-	-	-	-	-
Retirement of Long Term Debt	-	-	-	-	-
Other Restricted Fund Balance	-	-	-	-	-
<i>Committed Fund Balances:</i>					
Construction	-	-	-	-	-
Unassigned Fund Balance	-	-	-	-	-
Total All Other Governmental Fund Balance	15,445,215	15,854,151	150,963,256	143,871,700	48,198,299
<b>Total Government Funds -- Fund Balance</b>	<b>\$ 183,155,308</b>	<b>\$ 181,296,673</b>	<b>\$ 323,955,714</b>	<b>\$ 319,973,788</b>	<b>\$ 197,069,728</b>
<b>Governmental Funds</b>					
Beginning Fund Balance	\$ 156,267,496	\$ 183,155,308	\$ 181,296,673	\$ 323,955,714	\$ 319,973,788
Net Change in Fund Balance	26,887,812	(1,858,635)	142,659,041	(3,981,926)	(122,904,060)
<b>Ending Balance</b>	<b>\$ 183,155,308</b>	<b>\$ 181,296,673</b>	<b>\$ 323,955,714</b>	<b>\$ 319,973,788</b>	<b>\$ 197,069,728</b>

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances. The District implemented GASB 54 in fiscal year 2011.

Note: Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the District ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

	2010	2011	2012	2013	2014
\$ 4,893,251	\$ -	\$ -	\$ -	\$ -	\$ -
3,919	-	-	-	-	-
25,960,333	-	-	-	-	-
2,613	-	-	-	-	-
4,806,460	-	-	-	-	-
5,803,488	-	-	-	-	-
76,111,051	-	-	-	-	-
-	4,422,662	3,580,179	3,621,302	3,834,039	
-	11,326,313	18,914,624	24,422,165	24,380,252	
-	222,229	354,719	361,540	246,734	
-	22,364,837	2,285,678	1,245,498	1,170,648	
-	541,141	2,142,090	2,231,900	1,659,405	
-	-	6,311,320	6,311,320	3,283,320	
-	60,435,774	58,087,083	60,430,454	62,776,227	
<b>\$ 117,581,115</b>	<b>\$ 99,312,956</b>	<b>\$ 91,675,693</b>	<b>\$ 98,624,179</b>	<b>\$ 97,350,625</b>	
2,129,059	-	-	-	-	
-	-	-	-	-	
451,609	-	-	-	-	
6,340,788	-	-	-	-	
3,099,866	-	-	-	-	
5,074,657	-	-	-	-	
4,552,631	-	-	-	-	
(2,046,805)	-	-	-	-	
-	-	9,590,034	8,507,993	6,281,065	
-	5,027,732	4,079,156	1,047,311	841,331	
-	5,516,459	-	-	-	
-	1,161,390	-	-	-	
-	4,927,512	-	-	-	
19,601,805	16,633,093	13,669,190	9,555,304	7,122,396	
<b>\$ 137,182,920</b>	<b>\$ 115,946,049</b>	<b>\$ 105,344,883</b>	<b>\$ 108,179,483</b>	<b>\$ 104,473,021</b>	
\$ 197,069,728	\$ 137,182,920	\$ 115,946,049	\$ 105,344,883	\$ 108,179,483	
(59,886,808)	(21,236,871)	(10,601,166)	2,834,600	(3,706,462)	
<b>\$ 137,182,920</b>	<b>\$ 115,946,049</b>	<b>\$ 105,344,883</b>	<b>\$ 108,179,483</b>	<b>\$ 104,473,021</b>	

SCHEDULE 5  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Tuition	Other	Per Capita and Foundation	On-behalf TRS Payments	Other		
2005	\$51,234,121	\$501,806	\$ 5,977,413	\$ 228,779,857	\$ 9,287,720	\$ 3,511,979	\$ 70,739,652	\$ 370,032,548
2006	59,488,916	567,931	11,392,644	252,776,852	11,660,390	7,280,359	78,313,105	421,480,197
2007	61,252,617	495,935	19,482,159	274,395,670	12,855,417	16,933,015	79,187,774	464,602,587
2008	52,642,945	578,524	19,760,410	286,258,776	13,254,419	19,469,958	79,555,189	471,520,221
2009	53,389,684	588,449	11,096,985	290,732,408	13,646,577	20,831,992	82,428,653	472,714,748
2010	53,895,159	593,297	3,969,433	282,771,446	14,192,422	16,337,762	106,233,585	477,993,104
2011	53,675,683	590,133	3,606,080	309,960,900	14,611,309	3,767,198	118,637,623	504,848,926
2012	55,593,851	531,514	4,475,483	287,696,627	15,503,634	19,497,233	113,720,690	497,019,032
2013	56,749,223	407,491	5,631,672	295,957,448	15,058,467	14,101,730	111,411,478	499,317,509
2014	60,692,413	491,150	3,214,341	313,983,308	17,721,025	15,894,392	100,640,073	512,636,700

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances; Exhibits J-1; and Notes to Financial Statements.

SCHEDULE 6  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based	Ancillary Services
2005 *	\$ 201,799,234	\$ 19,610,952	\$ 58,211,747	\$ 8,265,362	\$ 33,180,193	\$ 3,603,119
2006	239,325,970	24,635,601	69,124,621	9,949,899	44,197,890	3,800,770
2007	248,787,841	26,672,500	74,944,973	10,805,892	48,559,983	4,044,827
2008	264,756,508	28,197,129	77,081,715	11,317,309	53,207,299	4,208,853
2009	277,097,188	29,517,110	75,512,179	11,911,112	55,004,482	4,774,257
2010	296,935,894	31,721,644	79,251,845	11,742,923	58,180,291	5,113,327
2011	299,253,743	31,400,841	81,062,008	12,060,545	58,972,563	5,491,028
2012	274,860,076	30,971,427	79,014,692	12,189,912	54,785,063	4,899,149
2013	282,773,835	33,216,052	83,561,653	13,069,858	54,821,958	4,882,569
2014	281,731,329	33,530,581	90,438,173	12,256,430	61,794,211	4,054,267

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Fund Balances.

Note: Operating expenditures excludes capital outlay (Function 81)

\* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. Beginning in fiscal year 2005, the District changed their fiscal year to end June 30th.

Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Service to Non-Capital Expenditures
\$ 460,000	\$ 2,606,709	\$ 15,478,061	\$ -	\$ 343,215,377	0.94%
2,880,000	5,594,039	24,819,146	34,886	424,362,822	2.12%
9,950,000	9,200,003	25,664,640	103,152	458,733,811	4.42%
6,990,000	10,554,188	30,651,788	97,558	487,062,347	3.84%
7,310,000	10,413,099	121,189,943	148,558	592,877,928	3.76%
7,095,000	10,752,816	47,440,171	227,879	548,461,790	3.56%
10,930,000	11,163,563	37,181,977	209,467	547,725,735	4.33%
10,530,000	10,697,044	19,224,060	183,265	497,354,688	4.44%
10,950,000	11,342,447	1,619,259	106,194	496,343,825	4.51%
13,385,000	6,707,718	4,561,151	583,141	509,042,001	3.99%

SCHEDULE 7  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 GOVERNMENTAL FUNDS OTHER SOURCES, USES  
 AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

	2005	2006	2007	2008	2009
Excess of Revenues Over (Under) Expenditures	\$ 26,817,171	\$ (2,882,625)	\$ 5,868,776	\$ (15,542,126)	\$ (120,163,179)
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	-	-	-
Capital-Related Debt Issued	-	65,435,000	129,985,000	-	7,320,000
Sale of Real and Personal Property	51,099	49,803	17,645	24,496	23,657
Non-Current Loans	-	-	-	-	6,250,000
Transfers In	8,101,880	11,455,350	12,898,480	13,867,904	13,005,391
Premium or Discount on Issuance of Bonds	-	4,336,541	6,391,081	-	187,074
Other Resources	296,149	1,129,838	169,398	3,132,776	1,411
Transfers Out	(8,101,880)	(11,455,350)	(12,898,480)	(13,867,904)	(13,147,872)
Other Uses	(456,883)	(70,488,772)	(1,608,033)	(1,669,850)	(13,650,287)
Total Other Financing Sources (Uses)	(109,635)	462,410	134,955,091	1,487,422	(10,626)
Special Items	-	-	1,794,147	-	197,276
Net Change in Fund Balances	\$ 26,707,536	\$ (2,420,215)	\$ 142,618,014	\$ (14,054,704)	\$ (119,976,529)

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances.



<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ (70,468,683)	\$ (42,876,175)	\$ (310,543)	\$ 2,973,684	\$ 3,708,654
15,400,000	25,770,000	-	-	-
-	-	-	122,710,000	-
-	-	-	-	-
-	-	-	-	-
7,386,260	7,563,785	12,088,180	11,692,351	3,000,000
(3,080,000)	-	-	20,075,278	-
-	-	-	-	-
(7,386,260)	(7,563,785)	(12,088,180)	(11,692,351)	(3,000,000)
-	-	-	(141,659,928)	-
12,320,000	25,770,000	-	1,125,350	-
-	-	-	-	-
\$ (58,148,683)	\$ (17,106,175)	\$ (310,543)	\$ 4,099,034	\$ 3,708,654

SCHEDULE 8  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
 PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance **	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based
2005 *	43,211	4,670	454	1,347	191	768
2006	44,516	5,376	553	1,553	224	993
2007	44,491	5,592	600	1,685	243	1,091
2008	44,758	6,191	659	1,687	266	1,229
2009	44,665	6,204	661	1,691	267	1,231
2010	45,097	6,584	703	1,757	260	1,290
2011	45,869	6,524	685	1,767	263	1,286
2012	45,672	6,018	678	1,730	267	1,200
2013	45,393	6,189	733	1,827	287	1,208
2014	45,385	6,208	739	1,993	270	1,362

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. Beginning in fiscal year 2005, the District changed their fiscal year to end June 30th.

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

Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter-Governmental Charges	Total
83	11	60	358	-	7,943
85	65	126	558	1	9,533
91	224	207	577	2	10,311
107	163	233	2,708	3	13,246
107	164	233	2,713	3	13,274
113	157	238	1,052	5	12,162
120	238	243	811	5	11,941
107	231	234	421	4	10,890
108	241	250	36	2	10,881
89	295	148	100	13	11,217

SCHEDULE 9  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

Fiscal Year	Assessed Value			Estimated Actual Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
2005	\$ 3,191,896,582	\$ 503,584,758	\$ 3,695,481,340	\$ 4,548,022,961	81.25%	1.485600
2006	3,392,670,047	502,526,828	3,895,196,875	4,840,839,426	80.47%	1.485600
2007	3,925,182,022	540,347,922	4,465,529,944	5,548,457,738	80.48%	1.405400
2008	4,166,206,596	607,233,408	4,773,440,004	5,871,154,152	81.30%	1.092300
2009	4,279,472,153	630,451,249	4,909,923,402	6,053,536,586	81.11%	1.092300
2010	4,338,417,565	655,290,494	4,993,708,059	6,135,315,186	81.39%	1.092300
2011	4,377,167,600	632,400,079	5,009,567,679	6,113,416,912	81.94%	1.092300
2012	4,433,212,093	618,712,839	5,051,924,932	6,214,354,595	81.29%	1.092300
2013	4,573,692,652	636,269,411	5,209,962,063	6,343,330,587	82.13%	1.092300
2014	4,659,456,875	713,775,585	5,373,232,460	6,543,041,297	82.12%	1.142155

Source: Cameron County Appraisal District

\* Per \$100 of assessed value

SCHEDULE 10  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Susequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 53,980,789	\$ 48,224,568	89.34%	\$ 4,625,985	\$ 52,850,553	97.91%
2006	56,893,668	51,372,178	90.30%	4,618,085	55,990,263	98.41%
2007	61,639,120	55,207,914	89.57%	5,393,736	60,601,650	98.32%
2008	51,069,707	46,597,854	91.24%	3,934,263	50,532,117	98.95%
2009	52,931,405	48,397,764	91.43%	3,995,267	52,393,032	98.98%
2010	53,382,448	48,693,877	91.22%	4,126,858	52,820,734	98.95%
2011	53,617,610	48,836,611	91.08%	3,844,945	52,681,556	98.25%
2012	54,109,128	49,935,751	92.29%	3,176,687	53,112,438	98.16%
2013	55,837,551	51,176,905	91.65%	2,328,643	53,505,548	95.82%
2014	60,188,474	55,499,750	92.21%	-	55,499,749	92.21%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

SCHEDULE 11  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2005	\$ 1.471900	\$ 0.013700	\$ 1.485600	\$ 53,484,166	\$ 496,623	\$ 53,980,789
2006	1.438700	0.046900	1.485600	55,095,828	1,797,840	56,893,668
2007	1.315600	0.089800	1.405400	57,700,380	3,938,740	61,639,120
2008	1.019100	0.073200	1.092300	47,647,291	3,422,416	51,069,707
2009	1.019100	0.073200	1.092300	49,384,228	3,547,177	52,931,405
2010	1.012273	0.080027	1.092300	49,471,399	3,911,049	53,382,448
2011	1.019100	0.073200	1.092300	50,024,447	3,593,163	53,617,610
2012	1.019100	0.073200	1.092300	50,483,026	3,626,102	54,109,128
2013	1.019100	0.073200	1.092300	52,095,620	3,741,931	55,837,551
2014	1.040000	0.102155	1.142155	54,805,181	5,383,293	60,188,474

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is \$100 assessed valuation.

SCHEDULE 12  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 (PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates						Total Direct and Overlapping Tax Rate
		Brownsville Independent School District	South Texas ISD	City of Brownsville	Brownsville Navigation District	Cameron County	Drainage District #1	Texas Southmost College	
2005	2004	\$ 1.485600	\$ 0.039200	\$ 0.680000	\$ 0.071410	\$ 0.358191	\$ 0.046520	\$ 0.128782	\$ 2.809703
2006	2005	1.485600	0.039200	0.680000	0.067300	0.358191	0.044523	0.162772	2.837586
2007	2006	1.405400	0.039200	0.650235	0.057240	0.348191	0.039172	0.161089	2.700527
2008	2007	1.092300	0.049200	0.650517	0.053609	0.343191	0.036671	0.161089	2.386577
2009	2008	1.092300	0.049200	0.650517	0.048497	0.353191	0.031714	0.161089	2.386508
2010	2009	1.092300	0.049200	0.654189	0.048253	0.363191	0.031535	0.161924	2.400592
2011	2010	1.092300	0.049200	0.657556	0.047828	0.364291	0.031400	0.162423	2.404998
2012	2011	1.092300	0.049200	0.700613	0.046830	0.384291	0.031100	0.164026	2.468360
2013	2012	1.092300	0.049200	0.700613	0.045200	0.384291	0.306000	0.162935	2.740539
2014	2013	1.142155	0.049200	0.700613	0.043000	0.384291	0.029700	0.162935	2.511894

Source: Tony Yzaguirre, Jr., Tax Assessor-Collector and City of Brownsville, Texas

SCHEDULE 13  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Taxpayer	Type of Business	Fiscal Year 2014	
		Tax Year 2013 Assessed Valuation	Percentage of Total Assessed Valuation
CBL/Sunrise Commons LP	Real Estate/Shopping Mall	\$ 40,644,958	76.00%
TRICO Products Corp.	Manufacturer	-	-
Columbia Valley Healthcare Systems LP	Hospital	29,319,090	55.00%
Southwestern Bell Telephone	Telephone Utility	-	-
Rich-Seapak Co	Retail Store	15,461,629	29.00%
KIMCO Brownsville LP	Land/ Improvements	16,630,425	31.00%
Wal-Mart Real Estate Business TR	Real Estate/Retail Store	22,422,227	42.00%
Wal-Mart Stores Inc.	Retail Store	15,997,895	30.00%
H E Butt Grocery Co	Grocery	14,921,067	28.00%
Brownsville Medical Center	Hospital	-	-
Wal-Mart Stores EAST Inc.	Retail Store	-	-
Brownsville Sunrise Mall, LP	Real Estate/Shopping Mall	-	-
Valley Baptist Medical Center - Bro	Medical	-	-
TX & Kansas City Cable PTRS LP	Information	-	-
AEP Texas Central Co.	Utilities	16,330,481	30.00%
VHS Brownsville Hospital Company LLC	Hospital	29,197,693	54.00%
COMCAST Corp	Media + Technology	60,504,605	1.13%
Totals		<u>\$ 261,430,070</u>	<u>4.87%</u>

Source: Cameron County Appraisal District



Fiscal Year 2005

Tax Year	2004	Percentage of
Assessed	Assessed	Total Assessed
Valuation	Valuation	Valuation
\$	30,350,833	1
	15,414,598	42.00%
	35,077,650	95.00%
	23,604,878	64.00%
	20,490,220	55.00%
	-	-
	-	-
	14,867,609	40.00%
	16,269,182	44.00%
	-	-
	15,088,212	41.00%
	-	-
	18,090,579	49.00%
	11,985,120	32.00%
	-	-
	-	-
	-	-
\$	201,238,881	5.97%

SCHEDULE 14  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

Fiscal Year	General Obligation Bonds	Refunding Bonds	Notes Payable	Capital Appreciation Bonds	Total Debt
2005	\$ 92,415,000	\$ -	\$ 8,355,000	\$ -	\$ 100,770,000
2006	24,300,000	65,435,000	7,860,000	-	97,595,000
2007	145,095,000	65,195,000	7,340,000	-	217,630,000
2008	138,640,000	65,195,000	6,805,000	-	210,640,000
2009	124,545,000	72,515,000	6,250,000	-	203,310,000
2010	118,395,000	71,570,000	5,655,000	15,400,000	211,020,000
2011	111,985,000	70,600,000	5,040,000	38,235,000	225,860,000
2012	106,200,000	68,620,000	4,400,000	36,110,000	215,330,000
2013	17,030,000	146,940,000	3,735,000	33,940,000	201,645,000
2014	10,725,000	142,605,000	3,045,000	31,885,000	188,260,000

Source: Brownsville Independent School District Annual Financial and Compliance Reports

<u>Ratio of Total Debt to Estimated Actual Property Value</u>	<u>Total Debt Per Average Daily Membership</u>
2.22%	2148
2.02%	2022
3.92%	4497
3.59%	4311
3.36%	4181
3.44%	4292
3.69%	4518
3.47%	4332
3.18%	4085
2.88%	3813

SCHEDULE 15  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING DEBT  
 GENERAL OBLIGATION BONDS

As of June 30, 2014

(Unaudited)

Political Subdivision	Net Debt Amounts		As of	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Brownsville Navigation District	\$ 10,570,000	* A	9/30/2014	79.07%	\$ 8,357,699
City of Brownsville	151,275,000	* A	9/30/2014	89.33%	135,133,958
Cameron County	132,460,000	* A	9/30/2014	33.21%	43,989,966
Paseo De La Resaca MUD #1	2,632,217	* A	9/30/2014	100.00%	2,632,217
Paseo De La Resaca MUD #2	3,991,629	* A	9/30/2014	100.00%	3,991,629
Paseo De La Resaca MUD #3	4,381,596	* A	9/30/2014	100.00%	4,381,596
Paseo De La Resaca MUD #3 (Master District - Contract Tax)	4,405,000	* A	9/30/2014	100.00%	4,405,000
Rancho Viejo, Town of	512,000	* A	9/30/2014	61.72%	316,006
Texas Southmost College	64,085,000	* A	9/30/2014	49.50%	31,722,075
Valley MUD #2	5,170,000	* A	9/30/2014	68.74%	3,553,858
					<u>\$ 238,484,004</u>
Brownsville ISD		B	6/30/2013	100.00%	<u>\$ 188,260,000</u>
Total Direct and Overlapping Debt					<u><u>\$ 426,744,004</u></u>

\* Gross Debt

Source:

A - Municipal Advisory Council of Texas

B - Brownsville Independent School District - Finance Department

The method used to determine the percentage of overlapping debt is estimated using property market values. These percentages are estimated by the portion of the overlapping taxing authority's market value contained within the District's boundaries and dividing it by the overlapping taxing authority's total market value.

SCHEDULE 16  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Assessed Valuation	\$ 3,695,481,340	\$ 3,895,196,875	\$ 4,465,529,944	\$ 4,773,440,004	\$ 4,909,923,402
Debt Limit - 10% of Assessed Valuation	\$ 369,548,134	\$ 389,519,688	\$ 446,552,994	\$ 477,344,000	\$ 490,992,340
General Obligation Bonds	92,415,000	89,735,000	210,290,000	203,835,000	197,060,000
Deduct Amount Available in Debt Service Fund	7,582,861	9,579,439	8,488,045	7,527,191	7,415,666
Applicable Debt	84,832,139	80,155,561	201,801,955	196,307,809	189,644,334
Legal Debt Margin	\$ 284,715,995	\$ 309,364,127	\$ 244,751,039	\$ 281,036,192	\$ 301,348,006
Debt Margin as a Percentage of the Debt Limit	77.04%	79.42%	54.81%	58.87%	61.38%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 4,993,708,059	\$ 5,009,567,679	\$ 5,051,924,932	\$ 5,209,962,063	\$ 5,373,232,460
\$ 499,370,806	\$ 500,956,768	\$ 505,192,493	\$ 520,996,206	\$ 537,323,246
205,365,000	220,820,000	210,930,000	197,910,000	185,215,000
6,340,788	5,027,732	4,079,156	1,047,311	(4,158,669)
199,024,212	215,792,268	206,850,844	196,862,689	189,373,669
\$ 300,346,594	\$ 285,164,500	\$ 298,341,649	\$ 324,133,517	\$ 347,949,577
60.15%	56.92%	59.06%	62.21%	64.76%

SCHEDULE 17  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
 TO ESTIMATED ACTUAL VALUE AND  
 PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt Per Average Daily Membership
2005	46,908	\$ 4,548,022,961	\$ 100,770,000	\$ 7,582,861	\$ 93,187,139	2.05%	\$ 1,986.59
2006	48,261	4,840,839,426	97,595,000	9,579,439	88,015,561	1.82%	1,823.74
2007	48,391	5,548,457,738	217,630,000	8,488,045	209,141,955	3.77%	4,321.92
2008	48,858	5,871,154,152	210,640,000	7,527,191	203,112,809	3.46%	4,157.21
2009	48,617	6,053,536,586	203,310,000	7,415,666	195,894,334	3.24%	4,029.34
2010	49,155	6,135,315,186	211,020,000	6,340,788	204,679,212	3.34%	4,163.96
2011	49,991	6,113,416,912	225,860,000	5,027,732	220,832,268	3.61%	4,417.44
2012	49,703	6,214,354,595	215,330,000	4,079,156	211,250,844	3.40%	4,250.26
2013	49,361	6,343,330,587	201,645,000	1,047,311	200,597,689	3.16%	4,063.89
2014	49,370	6,543,041,297	188,260,000	(4,158,669)	192,418,669	2.94%	3,897.48

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

Note: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population

SCHEDULE 18  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
 TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2005	\$ 460,000	\$ 2,602,523	\$ 3,062,523	\$ 276,597,138	1.11%
2006	2,880,000	4,999,747	7,879,747	356,050,995	2.21%
2007	9,950,000	7,866,188	17,816,188	374,918,220	4.75%
2008	6,990,000	10,551,209	17,541,209	395,409,215	4.44%
2009	7,310,000	10,206,443	17,516,443	411,258,259	4.26%
2010	7,690,000	9,832,436	17,522,436	418,646,603	4.19%
2011	10,930,000	10,357,263	21,287,263	436,446,846	4.88%
2012	10,530,000	10,664,565	21,194,565	399,397,970	5.31%
2013	10,950,000	10,234,547	21,184,547	406,605,978	5.21%
2014	13,385,000	6,698,494	20,083,494	430,958,479	4.66%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: \* Excludes Other Fees



SCHEDULE 19  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Employer	2014 *			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brownsville ISD	7,708	1	5.61%	6,926	1	5.94%
UT Rio Grande Valley	1,625	4	1.18%	1,828	2	1.57%
Cameron County	2,040	3	1.48%	1,714	3	1.47%
Keppel Amfels	1,400	5	1.02%	1,185	4	1.02%
City of Brownsville	1,200	6	0.87%	1,072	6	0.92%
Wal-mart	1,055	8	0.77%	1,119	5	0.96%
Caring For You Home Health	2,635	2	1.92%	-	-	0.00%
HEB Food Stores	975	9	0.71%	760	9	0.65%
Valley Regional Medical Center	786	10	0.57%	737	10	0.63%
Abudant Life Home Health	1,200	7	0.87%	-	-	0.00%
Convergys Corp	-	-	0.00%	875	7	0.75%
Valley Baptist Medical Center	-	-	0.00%	808	8	0.69%
<b>Total</b>	<b>20,624</b>		<b>15.01%</b>	<b>17,024</b>		<b>14.60%</b>

Source:

\* Brownsville Economic Development Council  
[www.deptofnumbers.com/employment/texas/brownsville](http://www.deptofnumbers.com/employment/texas/brownsville)

SCHEDULE 20  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Number of Permits	Construction Value	Total Property Value
2005	2,274	\$ 107,278,249	\$ 4,836,991,161
2006	3,422	134,980,422	5,541,181,044
2007	2,555	181,840,584	5,877,752,406
2008	2,240	166,418,482	6,116,283,173
2009	2,993	103,987,896	6,174,353,951
2010	2,458	74,048,534	6,113,416,912
2011	1,949	75,141,255	6,214,354,595
2012	2,199	99,224,922	6,346,048,820
2013	2,253	102,828,701	6,545,060,836
2014	2,250	127,653,569	6,718,176,451

Source: Cameron Appraisal District Certified Entity Totals Report

SCHEDULE 21  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Year	Population *	Personal Income ** (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level In Years of Formal Schooling	Public School Enrollment	Unemployment Rate
2005	167,493	\$1,869,389	\$ 11,161	25.4	60.0% - High School 14.4%-Bachelor's Degree	48,236	7.35%
2006	172,437	1,924,569	11,161	26.7	60.0% - High School 16.2%-Bachelor's Degree	48,123	6.50%
2007	172,437	1,924,569	11,161	26.9	57.9% - High School 15.2%-Bachelor's Degree	48,799	5.90%
2008	172,806	2,019,238	11,685	26.9	57.9% - High School 15.2%-Bachelor's Degree	49,082	7.50%
2009	176,859	2,055,632	11,623	27.6	58.5% - High School 15.8%-Bachelor's Degree	49,605	10.90%
2010	175,023	2,069,472	11,824	27.0	59.5% - High School 15.2%-Bachelor's Degree	49,835	11.60%
2011	175,023	2,260,772	12,917	29.5	60.2% - High School 15.6%-Bachelor's Degree	49,587	12.40%
2012	175,023	2,257,797	12,900	29.5	60.3% - High School 15.0%-Bachelor's Degree	49,271	10.50%
2013	180,097	2,441,395	13,556	29.5	61.8% - High School 15.7%-Bachelor's Degree	49,274	10.30%
2014	-	-	-	-	-	-	-

\* Population Estimates - US Census Bureau

SOURCES:

City of Brownsville, Texas  
Texas Workforce Commission  
U.S. Census Bureau  
U.S. Bureau of Economic Analysis

Information not included for specific years is not available.

SCHEDULE 22  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2005	2006	2007	2008	2009
<b>Number of Employees</b>					
Teachers	2,952	3,093	3,166	3,273	3,322
Professional Support	512	518	537	582	606
Campus Administration	187	189	194	195	200
Central Administration	34	28	31	18	12
Educational Aides	797	814	873	841	809
Auxiliary Staff	2,124	2,166	2,229	2,415	2,487
<b>Total Employees</b>	<b>6,605</b>	<b>6,808</b>	<b>7,030</b>	<b>7,323</b>	<b>7,436</b>
<b>Percent of Total</b>					
Teachers	44.69%	45.44%	45.04%	44.69%	44.68%
Professional Support	7.75%	7.61%	7.64%	7.94%	8.15%
Campus Administration	2.83%	2.77%	2.76%	2.66%	2.69%
Central Administration	0.51%	0.41%	0.44%	0.25%	0.16%
Educational Aides	12.06%	11.95%	12.42%	11.48%	10.87%
Auxiliary Staff	32.16%	31.82%	31.70%	32.98%	33.45%
	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).

2010	2011	2012	2013	2014
3,365	3,425	3,303	3,199	3,200
638	665	619	648	648
197	203	191	195	196
8	9	12	9	9
910	875	840	784	784
2,425	2,536	2,459	2,419	2,418
7,543	7,713	7,424	7,254	7,255
44.61%	44.41%	44.49%	44.09%	44.11%
8.46%	8.62%	8.34%	8.93%	8.93%
2.61%	2.63%	2.57%	2.70%	2.70%
0.11%	0.12%	0.16%	0.12%	0.12%
12.06%	11.34%	11.31%	10.81%	10.81%
32.15%	32.88%	33.12%	33.35%	33.33%
100.00%	100.00%	100.00%	100.00%	100.00%

SCHEDULE 23  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate		Average Teacher Salary
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
2005 *	\$ 31,000	\$ 50,778	\$ 34,000	\$ 53,278	\$ 34,750	\$ 54,028	\$ 40,656
2006	33,000	51,592	36,000	54,592	36,750	55,342	41,725
2007	36,500	55,406	39,500	58,406	40,250	59,156	45,501
2008	38,000	56,720	41,000	59,720	41,750	60,470	46,909
2009	39,000	58,034	42,000	61,034	42,750	61,784	48,369
2010	40,350	59,038	43,350	62,138	44,100	62,888	48,412
2011	40,350	59,138	43,350	62,138	44,100	62,888	49,629
2012	40,350	58,452	43,350	61,452	44,100	62,202	49,629
2013	40,350	58,266	43,350	60,766	44,100	61,516	49,104
2014	41,056	58,086	44,056	61,086	44,806	61,836	48,858

Source: Academic Excellence Indicator System (AEIS) & School District's Hiring Schedule  
 2014 Data taken from Hiring Schedule and AEIS from 2013.

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the district ended their fiscal year June 30, 2006 and on the District's fiscal year starts July 1st and ends June 30th.

Note: Minimum and maximum salaries are based on the BISD Hiring Schedule from each applicable year. Bachelor maximum is with +15 Hours of Graduate Work. They are based on zero years of experience to 27+ years.

Avg. Teacher Salary, Avg. Years of Experience, % of Bachelor Education and % of Master's Education are based on AEIS reports.

Average Years of Experience	Bachelor's Education	Master's Education
12.1	83.8%	15.2%
11.7	84.5%	14.6%
11.6	85.3%	14.0%
11.8	84.6%	13.8%
12.0	81.8%	15.2%
11.9	82.6%	12.1%
11.9	82.6%	12.1%
11.9	0.0%	0.0%
12.5	86.4%	12.7%
12.9	82.0%	16.8%

SCHEDULE 24  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance *	Average Daily Membership	Percent of Attendance
2005	43,211	46,908	92.12%
2006	44,516	48,261	92.24%
2007	44,491	48,391	91.94%
2008	44,758	48,858	91.61%
2009	44,666	48,617	91.87%
2010	45,097	49,155	91.74%
2011	45,869	49,991	91.75%
2012	45,672	49,703	91.89%
2013	45,393	49,361	91.96%
2014	45,385	49,370	91.93%

Percentage of Attendance was calculated by dividing Average Daily Attendance by Average Daily Membership

Average Daily Membership is our Peak Number of Students annually



SCHEDULE 25  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percent Change	Operating Expenses	Cost per Pupil	Percent Change
2005 *	43,211	\$ 268,252,867	\$ 6,208	-14.68%	\$ 330,971,654	\$ 7,659	-12.31%
2006	44,516	332,629,044	7,472	20.37%	399,776,582	8,981	17.25%
2007	44,491	353,645,889	7,949	6.38%	423,490,362	9,519	5.99%
2008	44,758	376,792,487	8,418	5.91%	448,323,317	10,017	5.23%
2009	44,665	385,289,218	8,626	2.47%	468,895,742	10,498	4.81%
2010	45,097	398,542,579	8,837	2.45%	493,145,420	10,935	4.17%
2011	45,869	400,333,335	8,728	-1.24%	509,776,781	11,114	1.63%
2012	45,672	379,025,453	8,299	-4.91%	480,457,790	10,520	-5.34%
2013	45,393	401,453,099	8,844	6.57%	495,641,085	10,919	2.83%
2014	45,385	423,742,859	9,337	5.57%	496,289,671	10,935	0.15%

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. Beginning in fiscal year 2005, the District changed their fiscal year to end June 30th.

SCHEDULE 26  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher / Student Ratio	Percentage of Free and Reduced Lunch	No. of Economically Disadvantaged Students	Percentage of Economically Disadvantaged Students
2005 *	15.9	90%	43,697	93.4%
2006	15.6	90%	45,651	94.7%
2007	15.2	90%	45,656	94.6%
2008	14.9	90%	46,116	94.4%
2009	14.6	90%	46,077	94.9%
2010	14.6	90%	46,909	95.6%
2011	14.5	90%	47,499	95.4%
2012	14.5	90%	47,499	95.4%
2013	15.0	90%	47,633	96.0%
2014	15.4	90%	47,152	96.0%

Source: Academic Excellence Indicator System (AEIS) & PEIMS.

Percentage of Free and Reduce Lunch is based on our Food Services Dept. This is an estimate. Actual percentage's still pending

Note: \* Denotes change in fiscal year. Prior to 2005 fiscal year began September 1st and ended August 31st. In 2005 instead of ending August 31st, the district ended their fiscal year June 30th. 2006 and on the District's fiscal year starts July 1st and ends June 30th.

SCHEDULE 27  
 BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL BUILDINGS

(Unaudited)

	Estimated Square	Recommended		Estimated Square	Recommended
	Footage	Capacity		Footage	Capacity
<b>HIGH SCHOOLS</b>			<b>ELEMENTARY SCHOOLS</b>		
HANNA	380,776	3,015	AIKEN	92,371	860
LOPEZ	325,628	1,881	BENAVIDES	80,417	660
PACE	283,286	1,965	BRITE	88,586	740
PORTER	327,069	2,537	BREEDEN	74,279	814
RIVERA	328,860	1,896	BURNS	97,236	1,000
VETERANS MEMORIAL	314,358	1,926	CANALES	107,910	1,240
<b>TOTAL</b>	<b>1,959,977</b>	<b>13,220</b>	CASTAÑEDA	71,908	500
			CHAMPION	82,658	780
			CROMACK	78,088	840
			DEL CASTILLO	47,421	520
			EGLY	80,022	1,060
<b>MIDDLE SCHOOLS</b>			EL JARDIN	79,595	760
BESTEIRO	153,232	989	GALLEGOS	82,657	720
CUMMINGS	94,467	736	GARDEN PARK	73,775	820
FAULK	101,357	920	GARZA	65,661	760
GARCIA	120,927	828	GONZALEZ	80,216	900
LUCIO	127,022	851	HUDSON	85,145	880
MANZANO	137,237	805	KELLER	88,598	680
OLIVEIRA	124,443	1,035	LONGORIA	44,917	320
PERKINS	140,105	1,288	MARTIN	69,363	740
STELL	114,316	828	MORNINGSIDE	74,095	820
STILLMAN	131,860	851	ORTIZ	82,752	620
VELA	132,346	966	PALM GROVE	61,565	580
<b>TOTAL</b>	<b>1,377,312</b>	<b>10,097</b>	PAREDES	82,644	760
			PENA	89,996	740
			PEREZ	65,896	700
<b>SPECIAL CAMPUSES</b>			PULLAM	91,722	640
Brownsville Academic Center	59,334	N/A	PUTEGNAT	61,563	560
Brownsville Learning Academy	N/A	N/A	RESACA	30,722	260
Lincoln Park	45,375	N/A	RUSSELL	90,074	960
Early College High School	39,380	262	SHARP	53,804	520
<b>TOTAL</b>	<b>144,089</b>	<b>262</b>	SKINNER	71,622	540
			SOUTHMOST	66,140	640
			VERMILLION	84,477	1,000
			VICTORIA	45,303	440
			VILLA NUEVA	63,291	560
			YTURRIA	65,307	560
			<b>TOTAL</b>	<b>2,751,796</b>	<b>26,494</b>

Source: BISD facilities Studies October 2012

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **MISCELLANEOUS STATISTICS**

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

As of June 30, 2014, it included such programs as follows:

#### **Adult Continuing Education**

BISD Adult Education is a department of Brownsville Independent School District and the fiscal agent for Cameron County Co-op, which includes Los Fresnos, Port Isabel, Rio Hondo, San Benito, Santa Rosa and Santa Maria. BISD Adult Education provides services to a multicultural population who are educationally and economically and educationally disadvantaged adults, 17 years and older.

#### **Brownsville Academic Center (BAC)**

The BISD Brownsville Academic Center is an alternative education program which has as its goal to provide a meaningful educational experience for assigned students in grades sixth to twelfth in a well disciplined environment that provides consistency, structure, intense academics, and supportive related services so that each student will grow intellectually, socially, emotionally, and psychologically. Upon exiting the program, BISD BAC students will be effective communicators, competent problem solvers, self-directed learners, and responsible citizens.

#### **Brownsville Learning Academy (BLA)**

The BISD Brownsville Learning Academy is an alternative educational program that offers academic options for students who want to complete the necessary requirements for obtaining a high school diploma. The BLA is a competency-based learning system with flexible scheduling for young adults who are not successfully completing a traditional high school program. The student's commitment and desire to earn a high school diploma, combined with a caring, positive learning climate, determines the student's degree of success.

#### **Juvenile Justice Alternative Education Programs (JJAEP)**

Cameron County Juvenile Probation is required by state law to provide a Juvenile Justice Alternative Education Program (J.J.A.E.P.) to those students who have been expelled by one of the schools in Cameron County and who have been adjudicated, or are pending adjudication, as a delinquent by a juvenile court. In addition, the school districts may, in its discretion, order or, by agreement, refer students who continue to have serious and persistent misbehavior.

#### **Lincoln Park School**

Lincoln Park School is a "school of choice" alternative high school. The school serves sixth to twelfth grade students from all middle and high schools in BISD. A variety of programs are offered that meet the individual needs of students in the Teen Parenting Accelerated Program (TPAP). Lincoln Park School has a day care center for birth – 17 month old babies for the enrolled teen parents. The primary goal is to provide an opportunity for teen-aged parents to obtain a high school diploma and develop work skills in their area of interest. The school operates differently from traditional high schools, because of the individualized, self-paced, performance based, accelerated curriculum.

## **FEDERAL AWARDS SECTION**

**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**

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

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 Brownsville Independent School District (the "District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 7, 2014.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Patricia Brown & Hill, C.C.P.*

Brownsville, Texas  
November 7, 2014



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

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

**Report on Compliance for Each Major Federal Program**

We have audited Brownsville 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 June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.



## Report on Internal Control Over Compliance

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

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

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

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

*Pattels, Bron & Hill, C.C.P.*

Brownsville, Texas  
November 7, 2014

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

<b><i>Financial Statements</i></b>			
	Type of auditors’ report issued:	Unmodified	
	Internal control over financial reporting: • Material weakness(es) identified?	___ Yes	__X__ No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
	Noncompliance material to financial statements noted?	___ Yes	__X__ No

<b><i>Federal Awards</i></b>			
	Internal control over major programs: • Material weakness(es) identified?	___ Yes	__X__ No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	___ Yes	__X__ None Reported
	Type of auditors’ report issued on compliance for major programs	Unmodified	
	Any audit findings disclosed that are required to be reported accordance with Circular A-133, Section. 510(a)?	___ Yes	__X__ No

<b><i>Identification of Major Programs</i></b>			
	CFDA Number(s)	Name of Federal Program or Cluster	
	84.010A	Title I, Part A – Improving Basic Programs	
	84.377A	Texas Title I Priority Schools	
	Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000	
	Auditee qualified as low-risk auditee?	___ Yes	__X__ No

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

**SECTION II – FINANCIAL STATEMENT FINDINGS**

<u>Program</u>	<u>Findings/Noncompliance</u>
None Noted	

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

<u>Program</u>	<u>Findings/Noncompliance</u>
None Noted	

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2014

**Program**

Not Applicable

**Findings/Noncompliance**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2014

**Program**

**Findings/Noncompliance**

Not Applicable

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<i>Direct Programs:</i>			
R.O.T.C.	11.000	N/A	\$ 461,146
Total U.S. Department of Defense			<u>461,146</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Texas Health and Human Services Commission:</i>			
Medicaid Administrative Claims	93.778	529-07-0157-00061	144,009
Total CDFA Number 93.778			<u>144,009</u>
<i>Passed Through Texas Education Agency:</i>			
Family Support Act AFDC Jobs	93.558	133625017110463	12,445
Family Support Act AFDC Jobs	93.558	-	139,057
Total CDFA Number 93.558			<u>151,502</u>
Total U.S. Department of Health and Human Services			<u>295,511</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Pass Through Texas Education Agency:</i>			
Federal Adult Education English Literacy & Civics Education	84.002A	134100087110471	99,785
Federal Adult Education Section 231	84.002A	134100017110490	3,338
Federal Adult Education Section 231	84.002A	-	456,488
Total CFDA Number 84.002A			<u>559,611</u>
ESEA Title I, Part A 2013	84.010A	13610101031901	2,772,558
ESEA Title I, Part A 2014	84.010A	14610101031901	21,170,940
Title I-School Improvement Effective Strategies 2013 - Rivera	84.010A	136101100031901004	11,467
Title I-School Improvement Program 2013 - Rivera	84.010A	13610101031901004	498
Title I-School Improvement Program 2013 - Stell	84.010A	13610101031901044	1,839
Title I-School Improvement Program 2013 - Olivera	84.010A	13610101031901045	4,167
Title I-School Improvement Program 2013 - Olivera	84.010A	13610101031901046	659
Title I-School Improvement Program 2013 - Vela	84.010A	13610101031901047	5,090
Title I-School Improvement Program 2013 - Besteiro	84.010A	13610101031901048	1,165
Title I-School Improvement Program 2013 - Del Castillo	84.010A	13610101031901120	723
Title I-1003 (A) Priority and Focus School Grant - Cummings	84.010A	14610112031901042	14,449
Title I-1003 (A) Priority and Focus School Grant - Oliveira	84.010A	14610112031901045	13,493
Title I-1003 (A) Priority and Focus School Grant - Besterio	84.010A	14610112031901048	12,203
Title I-1003 (A) Priority and Focus School Grant - Cromack	84.010A	14610112031901102	1,084
Title I-1003 (A) Priority and Focus School Grant - Garza	84.010A	14610112031901124	9,368
Title I-1003 (A) Priority and Focus School Grant - Aiken	84.010A	14610112031901133	10,855
Total CFDA Number 84.010A			<u>24,030,558</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
ESEA Title I, Ed. For Migrant Child 2013	84.011A	13615001031901	41,238
ESEA Title I, Ed. For Migrant Child 2014	84.011A	14615001031901	<u>1,553,786</u>
Total CFDA Number 84.011A			<u>1,595,024</u>
IDEA B - Formula 2014	84.027A	14660001039016600	9,505,533
IDEA B - Discretionary (DEAF) 2014	84.027A	146600110319016673	65,520
IDEA B- Formula (DEAF) 2014	84.027A	146600010319016600	<u>2,674</u>
Total CFDA Number 84.027A			<u>9,573,727</u>
Carl Perkins Grant for Career & Technology Education	84.048A	14420006031901	<u>809,658</u>
Total CFDA Number 84.048A			<u>809,658</u>
IDEA B - Preschool 2014	84.173A	146610010319016610	58,183
IDEA B- Preschool (DEAF) 2014	84.173A	146610010319016611	<u>5,199</u>
Total CFDA Number 84.173A			<u>63,382</u>
IDEA C- Early Intervention 2014	84.181A	143911010319013911	<u>1,610</u>
Total CFDA Number 84.181A			<u>1,610</u>
21ST Century Community Learning Center, Cycle 6 Year 5	84.287C	136950177110013	551,067
21ST Century Community Learning Center, Cycle 6 Year 4	84.287C	126950147110013	6,867
21ST Century Community Learning Center, Cycle 7 Year 3	84.287C	146950167110011	2,640,118
21ST Century Community Learning Center, Cycle 7 Year 2	84.287C	136950167110011	<u>251,792</u>
Total CFDA Number 84.287C			<u>3,449,844</u>
ESEA Title III-Limited English Proficiency (LEP) 2013	84.365A	13671001031901	100,120
ESEA Title III-Limited English Proficiency (LEP) 2014	84.365A	14671001031901	<u>1,490,928</u>
Total CFDA Number 84.365A			<u>1,591,048</u>
ESEA Title II, Part A - Teacher & Principal Training & Recruiting 2	84.367A	14694501031901	<u>2,833,332</u>
Total CFDA Number 84.367A			<u>2,833,332</u>
Texas Literacy Initiative	84.371C	126460037110007	2,919,398
Texas Literacy Initiative	84.371C	126460037110007	3,496,685
Texas Literacy Initiative	84.371C	126460037110007	<u>130,226</u>
Total CFDA Number 84.371A			<u>6,546,309</u>
Title I-Texas Title I Priority Schools 2013-2014-Faulk	84.377A	-	1,069,546
Title I-Texas Title I Priority Schools 2013-2014-Porter	84.377A	136107047110005	<u>1,495,861</u>
Total CFDA Number 84.377A			<u>2,565,407</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
Texas Title I Priority Schools Grant (ARRA) Hanna	84.388A	105520017110009	542,166
Texas Title I Priority Schools Grant (ARRA) Lopez	84.388A	105520017110010	606,116
Texas Title I Priority Schools Grant (ARRA) Pace	84.388A	105520017110011	802,917
Total CFDA Number 84.388A			<u>1,951,199</u>
Early College Expansion Partnership Agreement	84.411B	U411B120049	314,254
Total CFDA Number 84.411B			<u>314,254</u>
Total Passed Through Texas Education Agency			<u>55,884,963</u>
<i>Pass Through Educational Service Center Region 10:</i>			
ESEA Title III Subtitle B - Ed. for the Homeless Children & Youth	84.196A	13-062	14,263
ESEA Title III Subtitle B - Ed. for the Homeless Children & Youth	84.196A	13-062	112,835
Total Passed Through Education Service Center Region 10			<u>127,098</u>
<i>Pass Through Region One Education Service Center (ESC 1):</i>			
GEAR UP 2014	84.334A	P334A050122	128,672
Total Passed Through Region One ESC (ESC 1)			<u>128,672</u>
Total Department of Education			<u>56,140,733</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<i>Passed Through State Energy Conservation Office - Texas Comptroller of Public Accounts:</i>			
State Energy Program	81.041	DE-FG-2607NT43205	183,321
Total CDFA Number 81.041			<u>183,321</u>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Texas Education Agency:</i>			
Food Distribution *	10.555	-	316,831
School Breakfast Program *	10.553	71401001	14,141,517
National School Lunch Program *	10.555	71301001	21,110,089
Total Passed Through Texas Education Agency			<u>35,568,437</u>
Total United States Department of Agriculture			<u>35,568,437</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 92,649,148</u>

\* Clustered programs



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2014

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds, with the exception of funds for the R.O.T.C, the National School Lunch and Breakfast programs, School Health and Related Services (SHARS), Medicaid Administrative Claims (MAC) and the indirect cost revenues, were accounted for in a Special Revenue Fund which is a Governmental Fund type. The revenues received for the previously mentioned program were accounted for in the General Fund, which is also a component of the Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and the Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement.
4. In accordance with TEA instructions, federal funds for the School Health and Related Services (SHARS) have been excluded from the Schedule of Expenditures of Federal Awards.