

# **Brownsville Independent School District**

**Brownsville, Texas**



## **Comprehensive Annual Financial Report**

**For**

**Fiscal Year Ended June 30, 2009**

**Prepared by: The Division of Finance**



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## **INTRODUCTORY SECTION**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents .....	i	
Letter of Transmittal .....	1	
GFOA Certificate of Achievement .....	6	
ASBO Certificate of Achievement .....	7	
List of Principal Officials.....	8	
Administrative Organization Chart.....	9	
Certificate of Board.....	10	
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report .....	11	
Management's Discussion and Analysis.....	13	
<i>Basic Financial Statements:</i>		
<i>Government Wide Statements:</i>		
Statement of Net Assets .....	27	A-1
Statement of Activities .....	28	B-1
<i>Government Fund Financial Statement</i>		
Balance Sheet .....	29	C-1
Reconciliation for C-1 .....	30	C-2
Statement of Revenues, Expenditures and Changes in Fund Balance .....	31	C-3
Reconciliation for C-3 .....	32	C-4
Budgetary Comparison Schedule – General Fund .....	33	C-5
<i>Proprietary Fund Financial Statements:</i>		
Statements of Net Assets .....	34	D-1
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	35	D-2
Statement of Cash Flows .....	36	D-3
<i>Fiduciary Fund Financial Statements:</i>		
Statement of Fiduciary Net Assets .....	37	E-1
Statement of Changes in Fiduciary Fund Net Assets .....	38	E-2
Notes to the Financial Statements.....	39	
<i>Combining Statements:</i>		
<i>Nonmajor Governmental Funds:</i>		
Combining Balance Sheet .....	59	H-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances....	67	H-2
Combining Statements of Net Assets, Internal Service Funds.....	75	H-3
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets.....	76	H-4
Combining Statements of Cash Flows, Internal Service Funds .....	77	H-5
Combining Statements of Changes in Assets and Liabilities, Agency Funds.....	78	H-6
Combining Statements of Net Assets, Private Purpose Trust Funds .....	79	H-7
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets .....	80	H-8

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page Number</u>	<u>Exhibit</u>
<b>FINANCIAL SECTION</b>		
(Continued)		
<i>Texas Education Agency – Required Schedules:</i>		
Schedule of Delinquent Taxes Receivable .....	81	J-1
Schedule of Expenditures for Computations of Indirect Cost for 2009-2010 .....	83	J-2
Fund Balance and Cash Flow Calculation Worksheet, Unaudited.....	84	J-3
Budgetary Comparison Schedule – Child Nutrition Program.....	85	J-4
Budgetary Comparison Schedule – Debt Service Fund .....	86	J-5
<i>Capital Assets Used in the Operation of Governmental Funds:</i>		
Comparative Schedules by Source.....	87	
Schedule by Function and Activity .....	88	
Schedule of Changes in by Function.....	89	
<b>STATISTICAL SECTION</b>		
<i>Government-Wide Information:</i>		
Net Assets by Component – Last Eight Years .....	90	S-1
Governmental Activities Expenses & Program Revenues – Last Eight Years .....	91	S-2
General Revenues and Changes in Net Assets – Last Eight Years .....	93	S-3
<i>Fund Information:</i>		
Fund Balances – Governmental Funds – Last Ten Years .....	95	S-4
Governmental Fund Revenues by Source – Last Ten Years.....	97	S-5
Governmental Fund Expenditures by Function – Last Ten Years .....	98	S-6
Governmental Funds Other Sources, Uses and Changes in Fund Balances – Last Ten Years .....	100	S-7
Governmental Fund Expenditures by Function Per Average Daily Attendance – Last Ten Years .....	102	S-8
<i>Revenue Capacity Information:</i>		
Assessed and Estimated Actual Value of Property – Last Ten Years.....	104	S-9
Property Tax Levies and Collections – Last Ten Years.....	105	S-10
Allocation of Property Tax Rates and Levies – Last Ten Years .....	106	S-11
Property Tax Rates – Direct and Overlapping Governments (Per \$100 Assessed Valuation) – Last Ten Years.....	107	S-12
Principal Property Taxpayers – Current Year and Nine Years Prior .....	108	S-13
<i>Debt Capacity Information:</i>		
Outstanding Debt by Type – Last Ten Years.....	110	S-14
Direct and Overlapping Debt – General Obligation Bonds.....	112	S-15
Computation of Legal Debt – General Obligation Bonds – Last Ten Years.....	113	S-16

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page</u> <u>Number</u>	<u>Exhibit</u>
<b>STATISTICAL SECTION</b> (Continued)		
<i>Debt Capacity Information: (Continued)</i>		
Ratio of Net General Obligation Bonded Debt to Estimated Actual Value And Per Average Daily Membership – Last Ten Years.....	115	S-17
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures – Last Ten Years.....	116	S-18
<i>Demographic and Economic Information</i>		
Principal Employers – Current Year and Nine Years Prior .....	117	S-19
Construction and Property Values – Last Ten Years .....	118	S-20
<i>Operating Information:</i>		
Work Force Composition by Employee Classification – Last Ten Years .....	119	S-21
Schedule of Teacher Information – Last Ten Years .....	121	S-22
Schedule of Attendance and Membership – Last Ten Years .....	123	S-23
Operating Statistics – Last Ten Years .....	124	S-24
Schedule of Student Information – Last Ten Years .....	125	S-25
Schedule of School Buildings .....	126	S-26
Miscellaneous Statistics .....	127	
<b>FEDERAL AWARDS SECTION</b>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	128	
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance with OMB Circular A-133 .....	130	
Schedule of Findings and Questioned Costs .....	132	
Corrective Action Plan.....	134	
Summary Schedule of Prior Audit Findings .....	135	
Schedule of Expenditures of Federal Awards.....	136	
Notes to Schedule of Expenditures of Federal Awards.....	139	



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**Brownsville Independent School District**  
**1900 Price Road**  
**Brownsville, Texas 78521**  
Telephone: (956) 548-8000

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BOARD OF EDUCATION

Rolando Aguilar  
*President*

Ruben Cortez, Jr.  
*Vice President*

Joe Colunga  
*Secretary*

Rick Zayas  
*Assistant Secretary*

Dr. Enrique Escobedo, Jr.  
*Member*

Minerva M. Peña  
*Member*

Caty Presas-Garcia  
*Member*

Brett Springston  
*Interim Superintendent*

October 19, 2009

Mr. Rolando Aguilar, President  
Members of the Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas 78521

Dear Mr. Aguilar and Members:

State law requires that all public school districts publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (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, 2009.

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, 2009, 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

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the food service fund, 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.

**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. For the past several years, the Brownsville economy has grown at a steady rate. The opening of numerous new businesses in the past several years has had a ripple effect on the housing industry. Housing subdivisions continue to flourish throughout the city, creating a need for more schools in these new developments.

The non-reliance on the manufacturing industry has minimized the problems affecting other parts of the country. Many of the businesses are service oriented, i.e. restaurants, hospitals, retail stores, etc., thus the employment rate has remained at a steady level. The District started construction of three elementary schools, one middle school and one high school during fiscal year 2008-2009. Construction on a fourth new elementary school is expected to start during fiscal year 2009-2010.

**District Long-term Financial Planning** – The District has maintained the fund balance to ensure the needed resources are available when required to meet unexpected revenue shortfalls. Careful budgeting and monitoring of expenditures has allowed the District to make several major acquisitions without resorting to borrowing money. Projected membership for school year 2009-10 is expected to reach 49,500.

Local funding is expected to decrease slightly over the next few years due to a decreased tax rate; however, slight increases are expected in local housing and building improvements, higher appraisals and new construction. The District's maintenance and operations tax rate for tax year 2009-2010 is \$1.012273 per \$100 valuation and the Debt Service rate is \$0.080027 for a total tax rate of \$1.0923. FY 2009-2010 will be the third year for the District to continue using the same tax rate. Any increase in property tax revenues are the result of increased property values.

State funding for the general fund is about 77.7% of the total general fund revenue and is estimated to remain stable for the next two to four years. This funding is driven mainly by student attendance.

Federal funding actually increased as a result of the American Recovery and Reinvestment Act (ARRA) of 2009. The Brownsville Independent School District was allocated \$18 million to be used over a two year period. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement.

The District is focusing on greater efficiency through the use of technology to help reduce the labor and time-consuming paperwork. The implementation of the Bi-Tech system has allowed the district to reduce paperwork significantly. Budgeted purchases can be approved and processed from employee computers, thus eliminating handwritten documents. All necessary internal controls are built into the software, keeping a high degree of security. The district is still in the infant stages of implementing a project that will allow for the scanning and imaging of all documents, eliminating much of the paperwork that is currently kept in filerooms. The Records Management Department and the Finance Department have procured scanners and are making the transition to

management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2009, 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, originally chartered by the State in March 1915, now encompasses ninety-five square miles in Cameron County, Texas.

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.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve for its approximate 49,500 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.

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

a paperless work environment. The outcome of these two pilot projects will determine how soon other departments will initiate the scanning process.

**Cash Management Policies and Practices** – The District is required to execute a depository agreement with a banking institution for a period of two years. Competitive bidding is mandated and state law sets general terms. The District's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All deposits were secured by the Federal Deposit Insurance Corporation (FDIC) and by pledged securities. All investments must be in compliance with the guidelines set by the Public Funds Investments Act. The act set the type of investments governmental entities can make. The District has an active cash management program in prudently investing available cash. Cash temporarily idle during the year was invested in pool investments. The District has investments in the TexasClass, TexPool and TexasTerm investment pools.

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

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

## **Awards**

**Broad Foundation** - During Spring 2008 the Brownsville Independent School District was selected as one of five finalists for the Broad Foundation's "Broad Prize for Urban Education". On October 14, 2008, the Brownsville ISD was selected as the winner of this coveted prize. The prize is the largest in the nation with \$1 million in scholarship money for graduating seniors. Finalists for the Broad prize included these school districts: Aldine, Texas, Broward County, Florida, Long Beach, California and Miami-Dade County, Florida. The remaining finalists received \$250,000 for college scholarships.

Brownsville's school district gained the foundations judges vote by:

- **Outperforming other similar Texas:** in 2007, Brownsville outperformed other Texas districts serving students with similar income levels in reading and math at all grade levels, according to The Broad Prize methodology.
- **Greater improvement by ethnic and income subgroups:** Brownsville ISD students showed the greatest gains in math at all grade levels and in elementary and high school reading for similar Texas schools.
- **Closing achievement gaps:** from 2004 to 2007, Brownsville reduced the gap between Hispanic students and the state average for white students by 12 percentage points in middle school math and reduced the gap between low-income students and Texas non-low-income student average by nine percentage points in high school reading.
- **Strong district-wide policies and practices:** Brownsville's strategic district-wide approach puts student needs first, offering them a challenging curriculum and a range of enrichment opportunities.

Ninety-four percent of students qualify for free or reduced price meals, a common measure of poverty. Surrounding Cameron County had the highest poverty rate for a county of its size at 34.7 percent, according to the U.S. Census Bureau.

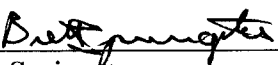
**Association of School Business Officials International (ASBO)** – At June 30, 2008, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for ASBO’s Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate in May 2009. This was the first time the District had submitted its financial statements for this award.

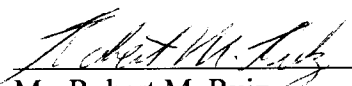
**Government Finance Officers Association (GFOA)** - At June 30, 2008, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for GFOA’s Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate in May 2009. This was the first 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. The primary goal of the Schools FIRST is to improve the management of school districts’ financial resources. The Brownsville Independent School District achieved a “Superior” rating for the Texas Education Agency’s Financial Integrity Rating System of Texas (FIRST). This the seventh consecutive year the district has been able to the highest possible rating.

**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,

  
\_\_\_\_\_  
Mr. Brett Springston  
Interim Superintendent of Schools

  
\_\_\_\_\_  
Mr. Robert M. Ruiz  
Interim Chief Financial Officer



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# 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, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R. +".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2008

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

*Angela Litzman*

President

*John D. Mueser*

Executive Director



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
Brownsville, Texas

**LIST OF PRINCIPAL OFFICIALS**

For The Year Ended June 30, 2009

**BOARD OF TRUSTEES**

Rolando Aguilar – President

Ruben Cortez, Jr. – Vice-President

Joe Colunga – Secretary

Rick Zayas – Assistant Secretary

Dr. Enrique Escobedo, Jr. – Member

Minerva M. Pena – Member

Caty Presas-Garcia – Member

**ADMINISTRATORS**

Brett Springston, Interim Superintendent

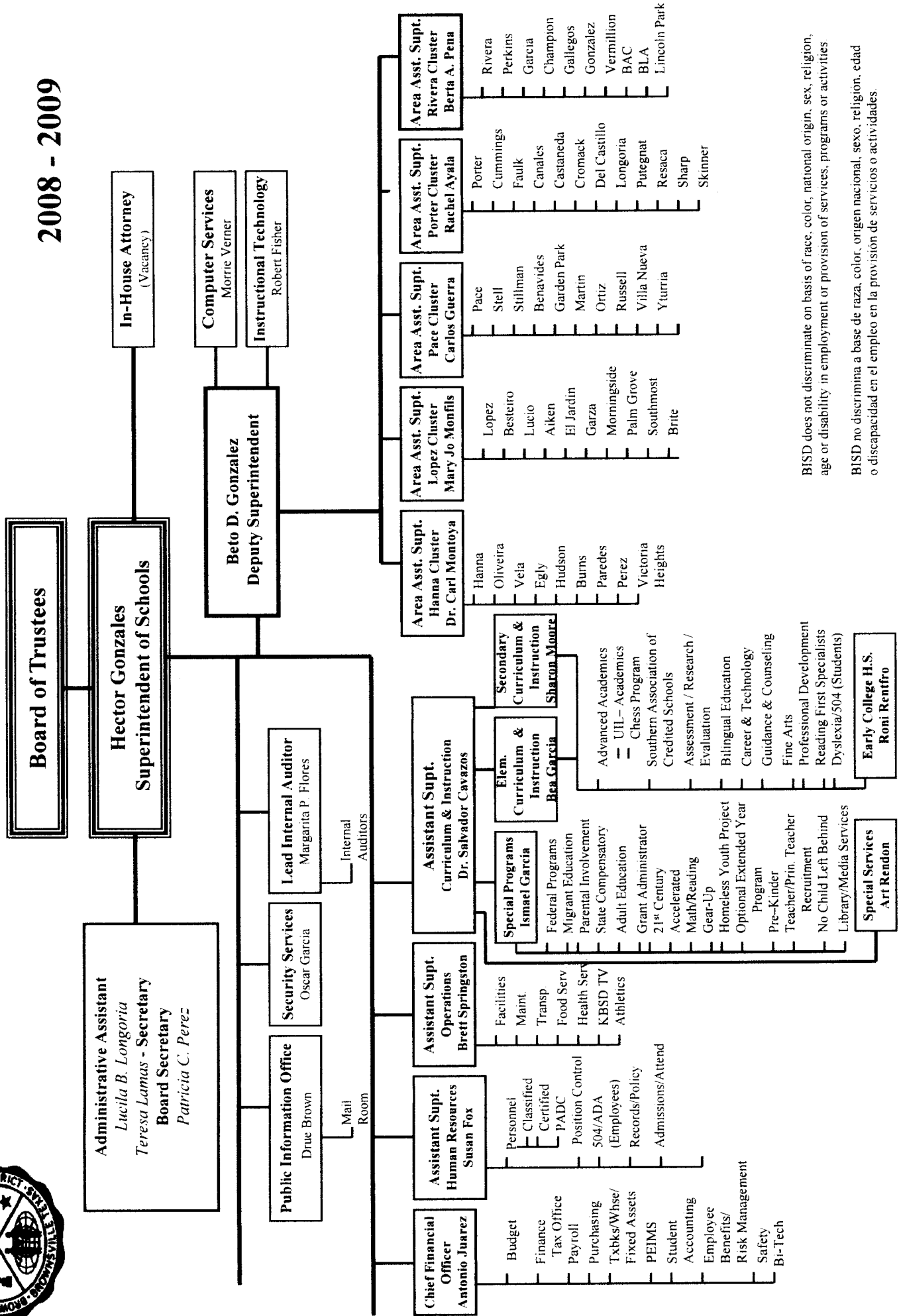
Susan Fox, Assistant Superintendent of Human Resources

Robert M. Ruiz, Interim Chief Financial Officer



# Brownsville Independent School District

2008 - 2009



BISD does not discriminate on basis of race, color, national origin, sex, religion, age or disability in employment or provision of services, programs or activities

BISD no discrimina a base de raza, color, origen nacional, sexo, religion, edad o discapacidad en el empleo en la provision de servicios 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, 2009 at a meeting of the Board of Trustees of such school district on the 15 day of DECEMBER, 2009.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President



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## **FINANCIAL SECTION**



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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, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express 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 also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Brownsville Independent School District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2009, on our consideration of the District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis as listed in the table of contents, are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Patullo, Brown & Hill, LLP*

October 19, 2009





Brownsville Independent School District  
1900 Price Road  
Brownsville, Texas 78521

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

This section of Brownsville Independent School District's comprehensive financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2009. Please read it in conjunction with the District's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

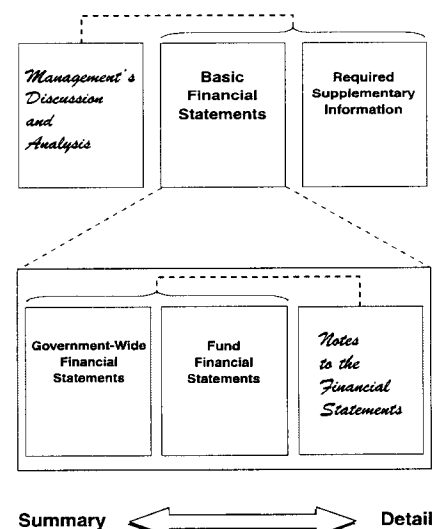
- At June 30, 2009 the District's assets exceed its liabilities by \$410,979,152. Total assets were \$725,411,089 and total liabilities were \$314,431,937. (Exhibit A-1)
- During 2008-2009 fiscal period, the District's district-wide revenues were \$472,536,533 whereas, total district-wide expenses were \$479,005,459 resulting in a (\$6,468,926) change in net assets (Exhibit B-1). At the end of fiscal year 2007-2008, the District incurred a \$13,699,896 surplus.
- The general fund reported a fund balance this year of \$148,871,429. Fund balance for the general fund at June 30, 2008 was \$176,102,088, for a decrease of (\$27,230,659). General fund expenses exceeded revenues by \$26,542,109. Last year's total revenues were \$386,942,152, whereas this year's total revenues were only \$384,716,150, resulting in a decrease of (\$2,226,002) (Exhibit C-3).

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as catering.

Figure A-1, Required Components of the District's Comprehensive Financial Report



- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds	Fund Statements	
	Proprietary Funds	Fiduciary Funds		
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets	• Balance sheet	• Statement of net assets	• Statement of fiduciary net assets
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, average daily membership and average daily attendance.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.

- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District’s basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report activities that provide supplies and services for the District’s other programs and activities.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain 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 assets and a statement of changes in fiduciary net assets. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Assets. The District’s combined net assets were \$410,979,152 at June 30, 2009. (See Table A-1).

**Table A -1**  
Brownsville Independent School District  
(In Thousands Dollars)  
Statement of Changes in Net Assets

	Governmental		Business		Total		Total %
	Activities		Activities				Change
<u>Current Assets</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009-2008</u>
Cash and Cash Equivalents	\$ 3,656	\$ 2,745	\$ -	\$ -	\$ 3,656	\$ 2,745	33.19%
Investments	234,898	345,771	-	-	234,898	345,771	-32.07%
Property Taxes Receivable	11,342	12,076	-	-	11,342	12,076	-6.08%
Due From Other Governments	44,693	46,425	-	-	44,693	46,425	-3.73%
Accrued Interest	310	468	-	-	310	468	-33.76%

Due From Fiduciary Funds	12,086	13,058	-	-	12,086	13,058	-7.44%
Other Receivables (Net)	442	304	-	-	442	304	45.39%
Inventories, At Cost	4,981	4,441	-	-	4,981	4,441	12.16%
Debt Issuance Costs	285	(5,936)	-	-	285	(5,936)	104.80%
Land	23,368	20,987	-	-	23,368	20,987	11.35%
Buildings, Furniture, Equip. (Net)	274,315	260,781	-	-	274,315	260,781	5.19%
Construction in Progress	<u>115,035</u>	<u>24,477</u>	<u>-</u>	<u>-</u>	<u>115,035</u>	<u>24,477</u>	<u>369.97%</u>
<b>Total Assets</b>	<b><u>\$ 725,411</u></b>	<b><u>\$ 725,597</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 725,411</u></b>	<b><u>\$725,597</u></b>	<b><u>0.00%</u></b>
<b><u>Current Liabilities</u></b>							
Accounts Payable	\$ 28,997	\$ 32,471	\$ -	\$ -	\$ 28,997	\$ 32,471	-10.70%
Interest Payable	32	874	-	-	32	874	26,431.25%
Payroll Deductions	12,809	8,490	-	-	12,809	8,490	50.87%
Accrued Wages Payable	34,586	33,816	-	-	34,586	33,816	2.28%
Due to Fiduciary Funds	-	163	-	-	-	163	100.00%
Due to Other Governments	26,456	17,193	-	-	26,456	17,193	53.88%
Due to Student Groups	156	144	-	-	156	144	8.33%
Accrued Expenses	80	401	-	-	80	401	-80.05%
Deferred Revenues	1,720	910	-	-	1,720	910	89.01%
<b><u>Noncurrent Liabilities</u></b>							
Due Within One Year	7,690	7,310	-	-	7,690	7,310	5.20%
Due In More Than One Year	<u>201,906</u>	<u>203,330</u>	<u>-</u>	<u>-</u>	<u>201,906</u>	<u>203,330</u>	<u>-0.70%</u>
<b>Total Liabilities</b>	<b><u>\$ 314,432</u></b>	<b><u>\$305,103</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$314,432</u></b>	<b><u>\$ 305,103</u></b>	<b><u>3.06%</u></b>
<b><u>Nets Assets</u></b>							
Invested In Capital Assets	239,579	210,365	-	-	239,579	210,365	13.89%
Restricted	17,637	29,111	-	-	17,637	29,111	-65.06%
Unrestricted	<u>153,763</u>	<u>181,017</u>	<u>-</u>	<u>-</u>	<u>153,763</u>	<u>181,017</u>	<u>-17.72%</u>
<b>Total Net Assets</b>	<b><u>\$ 410,979</u></b>	<b><u>\$ 420,494</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 410,978</u></b>	<b><u>\$ 420,494</u></b>	<b><u>-2.32%</u></b>

The restricted fund balance amount of \$17.6 million (Table A-2) is comprised of the following:

The restricted fund balance amount of \$17.6 million (Table A-2) is comprised of the following:

**Table A-2**  
**Summary of Restricted Fund Balance**

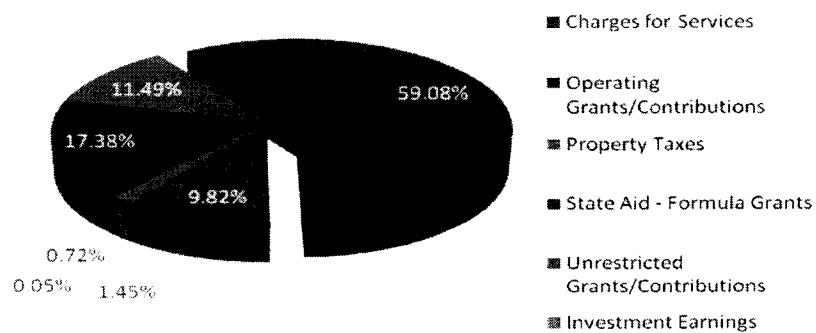
<u>Description</u>	<u>Amount</u>
Restricted - Federal and State Programs	\$ 580,042
Restricted - Debt Service	7,415,666
Restricted - Capital Projects	9,640,879
Total	<u>\$ 17,636,587</u>

**CHANGES IN NET ASSETS:** The District's total revenues were \$472,536,533. Revenues from property taxes were 11.49% of the District's revenue (See Figure A-3). State aid and other formula grants account for 59.08% of revenues. Only 0.72% relates to charges for services.

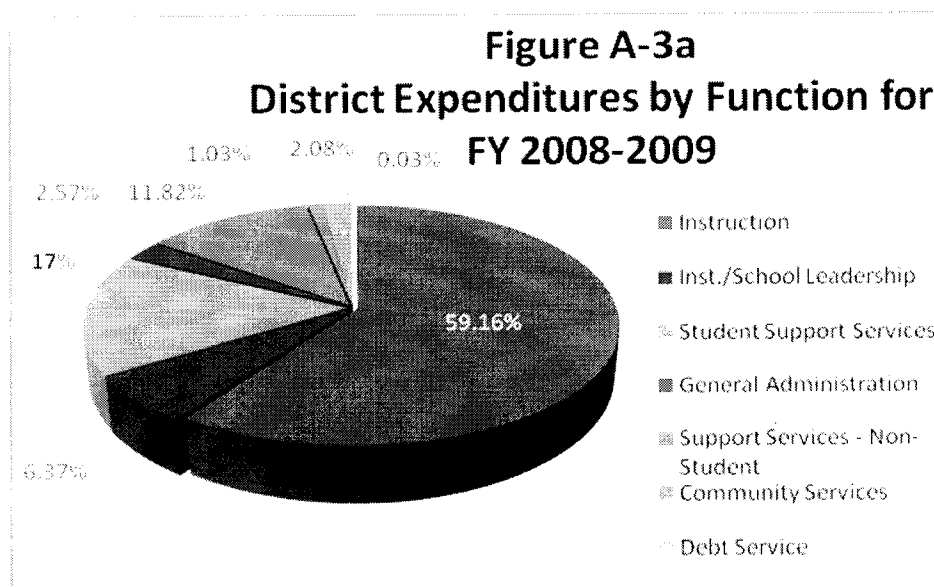
**Summary of Revenues Figure A-3**

<u>Description</u>	<u>Amount</u>	<u>Percent</u>
Charges for Services	\$ 3,406,861	0.72%
Operating		
Grants/contributions	82,140,558	17.38%
Property Taxes	54,307,238	11.49%
State Aid - Formula Grants	279,184,838	59.08%
Unrestricted		
Grants/Contributions	46,407,489	9.82%
Investment Earnings	6,867,205	1.45%
Special Item	222,344	0.05%
	<u>\$ 472,536,533</u>	<u>100.00%</u>

**Figure A-3 District Sources of Revenues  
for FY 2008-2009**



The total cost of all programs and services was \$479,005,459. Eighty-two percent of these costs were for instructional and other student services, such as transportation, food services, health services, extracurricular activities, etc. The remaining eighteen percent in costs were for general administration, security services, maintenance, computer services, debt service, etc. (Figure A-3a).



#### Governmental Activities

- The district's total property tax rate remained the same at \$1.0923 per \$100 of property valuation. Further, the Maintenance and Operations tax rate remained at \$1.0191 per \$100/property valuation and the debt service rate remained at \$0.0732. The beginning tax levy for FY 2007-2008 was \$51,069,707, whereas the beginning tax levy for FY 2008-2009 was \$52,931,405. Total tax revenues were \$54,307,238 (Exhibit B-1 in Comprehensive Annual Financial Report), whereas last year's tax revenues were \$52,488,575, resulting in a \$1,818,663 (3.35%) increase in tax revenues.

**Table A-3**  
**Summary of Tax Rates, Tax Levies and Tax Collections**

	2007-2008	2008-2009	% Change
<b><u>Tax Rates</u></b>			
Maintenance & Operations	\$ 1.0191	\$ 1.0191	0.00%
Debt Service	0.0732	0.0732	0.00%
	<u>\$ 1.0923</u>	<u>\$ 1.0923</u>	<u>0.00%</u>
Beginning Tax Levy	\$ 51,069,707	\$ 52,931,405	3.52%
Tax Collections	\$ 52,488,575	\$ 54,307,238	3.35%

**Table A -4**  
Brownsville Independent School District  
Changes in Net Assets  
(In Thousands Dollars)

	<b>Governmental Activities</b>		<b>Business Activities</b>		<b>Total</b>		<b>Total % Change</b>
<b>Program Revenues</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008-2009</b>
Charges for Services	\$ 2,971	\$ 3,407	\$ -	\$ -	\$ 2,971	\$ 3,407	14.68%
Operating Grants and Contributions	75,268	82,141	-	-	75,268	82,141	9.13%
<b>General Revenues</b>							
Property Taxes	52,489	54,307	-	-	52,489	54,307	3.46%
Investment Earnings	17,368	6,867	-	-	17,368	6,867	-60.46%
State Foundation and Other	322,767	325,592	-	-	322,767	325,592	0.88%
Miscellaneous	1,487	222	-	-	1,487	222	-85.07%
<b>Total Revenues</b>	<b>\$ 472,350</b>	<b>\$ 472,536</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 472,350</b>	<b>\$ 472,536</b>	<b>0.04%</b>
<b>Expenses</b>							
Intruction	\$ 251,459	263,216	\$ -	\$ -	\$ 251,459	\$ 263,216	4.68%
Instr. Resources/Media servi	7,429	8,386	-	-	7,429	8,386	12.88%
Instr. Staff Development	12,469	14,793	-	-	12,469	14,793	18.64%
Instructional Leadership	6,731	7,059	-	-	6,731	7,059	4.87%
School Leadership	22,235	23,439	-	-	22,235	23,439	5.41%
Guidance and Counseling	16,263	17,739	-	-	16,263	17,739	9.08%
Social Work Services	501	712	-	-	501	712	42.12%
Health Services	4,874	5,406	-	-	4,874	5,406	10.92%
Student Transportation	13,387	13,148	-	-	13,387	13,148	-1.79%
Food Services	28,454	27,576	-	-	28,454	27,576	-3.09%
Co-Extra Curricular Activities	14,333	13,531	-	-	14,333	13,531	-5.60%
General Administration	11,628	12,319	-	-	11,628	12,319	5.94%
Maintenance/Operations	47,109	48,055	-	-	47,109	48,055	2.01%
Security Services	4,784.00	5,539	-	-	4,784	5,539	15.78%
Data Services	2,440	3,038	-	-	2,440	3,038	24.51%
Community Services	4,226	4,941	-	-	4,226	4,941	16.92%
Debt - Intererst on GLTD	10,210	9,864	-	-	10,210	9,864	-3.39%
Debt - Bond Issuance/Fees	19	96	-	-	19	96	405.26%
Alternative Ed. Prog.	98	148	-	-	98	148	51.02%
<b>Total Expenses</b>	<b>\$ 458,649</b>	<b>\$ 479,005</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 458,649</b>	<b>\$ 479,005</b>	<b>4.44%</b>
Excess (Deficiency) Before Other Resources & Uses	\$ 13,701	\$ (6,469)	-	-	\$ 13,701	\$ (6,469)	-147.22%
Net Assets - Beginning	\$ 396,618	\$ 420,494	-	-	\$ 396,618	\$ 420,494	6.02%
Prior Period Adjustment	10,175	(3,046)	-	-	10,175	(3,046)	-129.94%
Increase in Net Assets	\$ 13,701	(6,469)	-	-	13,701	(6,469)	-147.22%
Net Assets - Ending	<u>\$ 420,494</u>	<u>\$ 410,979</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 420,494</u>	<u>\$ 410,979</u>	<u>-2.26%</u>

Table A-5 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$479,005,459.
- The amount that our taxpayers paid for these activities through property taxes was \$ 54,307,238 (11.34%).
- Some of the cost was paid by those who directly benefited from the programs (\$3,406,861), or by grants and contributions (\$82,140,558).

**Table A-5**  
**Net Cost of District Functions**  
**(In Million of Dollars)**

	Total Cost of Services			Net Cost of Services		
	2008	2009	% Change	2008	2009	% Change
Instruction	\$ 271.4	\$ 286.4	5.52%	\$ (208.3)	\$ (218.8)	5.04%
School Administration	29.0	30.5	5.17%	(25.8)	(27.3)	5.66%
Student Support	77.8	78.1	0.40%	(71.7)	(70.2)	-2.09%
General Administration	11.6	12.3	6.20%	(11.4)	(11.8)	3.47%
Support Services - Non Student	54.3	56.6	4.29%	(52.7)	(54.9)	4.21%
Community Services	4.2	5.1	21.20%	(0.4)	(0.5)	30.48%
Debt Sevice	10.2	10.0	-2.34%	(10.1)	(10.0)	-1.37%
	<u>\$ 458.5</u>	<u>\$ 479.0</u>	<u>4.47%</u>	<u>\$ (380.4)</u>	<u>\$ (393.5)</u>	<u>3.43%</u>

#### **Business-type Activities**

The District does not have any business-type activities.

#### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Revenues from Summary of Activities governmental fund types totaled \$472,536,532, an increase of \$186,726 (.04%) more than the preceding year (Table A-6).



**Table A-6**  
**Summary of Revenues**

	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>Change</b>	<b>% Change</b>
Local Revenues (C-3)	\$ 72,981,879	\$ 65,075,118	\$ (7,906,761)	-10.83%
State Program Revenues (C-3)	318,983,153	325,210,977	6,227,824	1.95%
Federal Program Revenues (C-3)	79,555,189	82,428,653	2,873,464	3.61%
Total Revenues (C-3)	\$ 471,520,221	\$ 472,714,748	\$ 1,194,527	0.25%

**Reconciling Amounts**

Reclassifications To Expenditures (B-1/C-3)	(28,412,437)	(113,872,468)	(85,460,031)	300.78%
Sale of Property (C-3)	24,496	23,657	(839)	-3.43%
Other Resources (C-3)	16,500,179	26,575,391	10,075,212	61.06%
Other Uses (C-3)	(15,537,753)	(26,798,159)	(11,260,406)	72.47%
ExtraOrdinary Item (C-3)	500,500	197,276	(303,224)	-60.58%
Agency Funds (C-2/C-4)	(17,069)	(135,585)	(118,516)	694.33%
Current Year Capital Outlay (C-2/C-4)	40,514,631	129,446,761	88,932,130	219.51%
Depreciaton (C-2/C-4)	(12,410,278)	(15,936,587)	(3,526,309)	28.41%
Misc. Reconciling Items (C-2/C-4)	(332,684)	321,498	654,182	-196.64%
Total Revenues (B-1)	\$ 472,349,806	\$ 472,536,532	\$ 186,726	0.04%

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the district revised its general fund budget twenty-one times. Seven amendments were for carryover purchase order re-appropriations (\$13,535,457), one amendment for a FEMA reimbursement (\$195,610) with the remaining thirteen for budget increases from fund balance (\$64,283,867) (Table A-6a).

**Summary of General Fund Budgets - Adopted vs Final**  
**Table A-6a**

	<b>Object Code</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Change</b>
Salaries/Wages	6100	\$ 313,507,697	\$ 315,798,639	\$ 2,290,942
Contracted Services	6200	24,636,212	28,292,779	3,656,567
Supplies	6300	29,897,673	36,388,223	6,490,550
Operating Expenses	6400	13,659,131	14,969,600	1,310,469
Debt Service	6500	869,400	932,409	63,009
Capital Outlay	6600	6,100,966	70,304,362	64,203,396
		\$ 388,671,079	\$ 466,686,012	\$ 78,014,933

General fund actual expenditures were \$55,427,753 below final budget amounts. Please refer to Table A-7 for a listing of budget versus actual variances at June 30, 2009. This favorable variance is the result of the District administration's aggressive spending restraints and planning for the district's future facility and other needs.

**Table A-7**  
**General Fund Expenditures - Budget Vs. Actual**  
**FY 2008-2009**

<b>Description</b>	<b>Object</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Change</b>
Salaries/Wages	6100	\$ 315,798,638	\$ 314,991,182	\$ 807,456
Contracted Services	6200	28,292,778	25,494,358	2,798,420
Supplies	6300	36,388,224	30,696,732	5,691,492
Other Operating	6400	14,969,601	11,307,752	3,661,849
Debt Service	6500	932,409	932,409	-
Capital Outlay	6600	70,304,362	27,835,826	42,468,536
Total		<u>\$ 466,686,012</u>	<u>\$ 411,258,259</u>	<u>\$ 55,427,753</u>

The General Fund experienced a shortfall of \$5,645,868 in available resources below the final budgeted amount please refer to Table A-8. Below are some of the factors affecting budgeted revenues:

- The student enrollment projections used for the FY 2008-2009 original adopted budget did not materialize; this resulted in less state revenues in State Compensatory, State Vocational, State Special Education and State Foundation revenues. (-\$3,377,230).
- General Fund investment income was budgeted at \$6,252,000, while \$3,250,442 materialized, resulting in a (\$3,001,558) budget shortfall for local revenues.
- General Fund tax revenues were budgeted for \$50,928,056 however, total amounts realized were \$47,950,114 causing the district to experience a (\$2,977,942) revenue budget shortfall.
- Federal revenues were budgeted for \$26,429,637, while \$28,638,001 was recognized during FY 08-09. Total Child Nutrition Program revenues were budgeted at \$25,772,843 and actual revenues were \$25,414,369 for a \$358,474 budget shortfall.

**Table A-8**  
**General Fund Revenues - Budget Vs. Actual (Exhibit C-5)**

<b>Description</b>	<b>Object</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Change</b>
Local	5700	\$ 61,894,032	\$ 57,417,030	\$ (4,477,002)
State	5800	302,038,349	298,661,119	(3,377,230)
Federal	5900	26,429,637	28,638,001	2,208,364
Total		<u>\$ 390,362,018</u>	<u>\$ 384,716,150</u>	<u>\$ (5,645,868)</u>

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **CAPITAL ASSETS**

At the end of 2009, the District had invested \$566,589,408 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-9). This amount represents a net increase (including additions and deductions) of \$121,372,827 or 27.27% percent over last year.

**Table A-9**  
**Brownsville Independent School District's Capital Assets**  
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2008	2009	2008	2009	2008	2009	2008-2009
Land	\$ 21.0	\$ 23.4	\$ -	\$ -	\$ 21.0	\$ 23.4	11.43%
Buildings and improvements	364.2	392.1	-	-	364.2	392.1	7.66%
Vehicles	22.8	22.4	-	-	22.8	22.4	1.76%
Equipment	12.7	13.6	-	-	12.7	13.6	7.09%
Construction in Progress	24.5	115.0	-	-	24.5	115.0	369.39%
Totals at historical cost	\$ 445.2	\$ 566.5	-	-	\$ 445.2	\$ 566.5	27.25%
Total accumulated depreciation	139.0	153.9	-	-	139.0	153.9	10.72%
Net capital assets	\$ 306.2	\$ 412.7	\$ -	\$ -	\$ 306.2	\$ 412.7	34.75%

The District's fiscal year 2009 capital projects spending (Function 81) of \$121,189,943 was principally for the construction of the new bond and locally funded high school, middle school, three elementary schools, various wing additions, new libraries, parking lot improvements, parking lots and numerous other projects district wide (Table A-10)

**Table A-10**  
**Summary of Construction Expenditures**

Fund Name	Fund #	Budget	Actual	Balance
Food Service	101	\$ 25,907	\$ -	\$ 25,907
Local Maint.	199	65,388,913	24,888,075	40,500,838
\$30M - 2 Elementary Schools	631	24,691,347	18,039,280	6,652,067
\$25M - 1 Middle School	632	18,333,603	10,902,460	7,431,143
\$50M - 1 High School	633	48,184,038	45,673,298	2,510,740
\$30M - District Wide Projects	634	25,973,513	21,686,830	4,286,683
		\$ 182,597,321	\$ 121,189,943	\$ 61,407,378

Function 81 budgeted amounts and actual expenditures by fund are summarized in Table A-10.

The change in construction in progress is illustrated in Table A-11 below.

**Table A-11**  
**Summary of Construction in Progress**

	Amounts
Beginning Balance at June 30, 2008	\$ 24,476,841
Additions	103,523,949
Reclassifications (Completed Projects)	(12,965,241)
Ending Balance at June 30, 2009	\$ 115,035,549

The \$103,523,949 addition to construction in progress was for a new high school, one middle school, three elementary schools, windstorm shutter projects, re-roofing projects district-wide, parking lot projects, air conditioning upgrades/replacements and other ongoing district wide projects.

The reclassification of Construction in Progress (\$12,965,241) was for the finalization of new libraries at various elementary schools, the near completion amount for two new elementary schools (Mittie Pullam and Raquel Peña), and the pro-rata amount of construction in progress for projects which are still underway.

For more detailed information on additions, deletions, reclassifications and depreciation for capital asset activity, please refer to the Notes to the Financial Statements, Note E – Capital Asset Activity.

## LONG TERM DEBT

At year-end the District had \$203.2 million in bonds and notes outstanding as shown in Table A-12. More detailed information about the District's debt is presented in the notes (Note F) to the financial statements.

### Bond Ratings

At June 30, the District's bonds carried the following ratings:

Moody's: Aaa

Standard & Poors: AAA

Fitch: AAA

**Table A-12**  
**Brownsville Independent School District's Long Term Debt**  
(In millions of dollars)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2008-2009
	2008	2009	2008	2009	2008	2009	
Leases payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	N/A
Bonds payable	203.8	197.0	0	0	203.8	197.0	-3.34
Notes payable	6.8	6.2	0	0	6.8	6.2	-8.82
Less deferred amount							
On refundings	(0)	(0)	(0)	(0)	(0)	(0)	N/A
Total bonds & notes payable	<u>\$ 210.6</u>	<u>\$ 203.2</u>	<u>\$ 0</u>	<u>\$ (0)</u>	<u>\$ 210.6</u>	<u>\$ 203.2</u>	-3.51%

Below (Table A-13) is a summary of the District's bonded debt at June 30, 2009.

**Table A-13**  
**Summary of Bonded Debt**

	Amount
Beginning Balance at June 30, 2008	\$ 203,835,000
Bonds Issued & Accreted Interest	7,320,000
Retired Current Year	(14,095,000)
Ending Balance at June 30, 2009	<u>\$ 197,060,000</u>

Note F to the comprehensive financial statements within this report presents more detailed information on bonded debt.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Appraised value used for the 2010 budget preparation is up \$83,784,657 million, or 1.71% from FY 08-09 (Table A-14).

**Table A-14**  
**Appraised Values**

	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>Variance</b>
Appraised Value (Beginning)	\$ 4,909,923,402	\$ 4,993,708,059	1.71%
Tax Levy (Beginning)	\$ 52,931,405	\$ 53,382,448	0.85%

The District's FY 2009-2010 refined average daily attendance (ADA) is expected to be 44,990 for an increase of 325 (0.73%) from the FY 2008-009 near final refined ADA of 44,665.

Amounts available for appropriation in the FY 2009-2010 general fund budget are \$423,079,073, a decrease of 6.93% over the final FY 08-09 budget of \$454,582,876. Property tax revenues will increase due to an increase in property values, which went up by 5.02%. The decrease in state funding may be attributed to student population not increasing as projected.

Table A-15 below illustrates the expected change in revenues for fiscal year 2009-2010.

**Table A-15**  
**General Fund**  
**Summary of Final Versus Adopted Revenue Budgets**

	<b>Object</b>	<b>Final FY 08-09</b>	<b>Adopted FY 09-10</b>	<b>Variance</b>
Local	5700	\$ 61,894,032	\$ 61,527,172	\$ (366,860)
State	5800	302,038,349	311,008,694	8,970,345
Federal	5900	26,429,637	27,512,457	1,082,820
Other Sources	7900	64,220,858	23,030,750	(41,190,108)
Total		<u>\$ 454,582,876</u>	<u>\$ 423,079,073</u>	<u>\$ (31,503,803)</u>

General fund expenditures are budgeted to decrease nearly 9.56% to \$423 million (Table A-16). Although the FY 2009-2010 adopted budget is \$44.7 million less than the final FY 2008-2009 budget, it is expected that the budget will increase significantly as construction projects are approved and carryover budgets and purchase orders are reappropriated.

Salary and wage expenditures are budgeted to increase by \$8.014 million as a result of the generous pay increase granted to all staff members.

**Table A-16**  
**General Fund**  
**Summary of Final Versus Adopted Expenditure Budgets**

	<b>Object</b>	<b>Final FY 08-09</b>	<b>Adopted FY 09-10</b>	<b>Variance</b>
Salaries	6100	\$ 315,798,638	\$ 323,813,177	\$ 8,014,539
Contracted Services	6200	28,292,778	28,562,351	269,573
Supplies	6300	36,388,224	34,556,124	(1,832,100)
Other Operating Exp.	6400	1,469,600	14,339,012	12,869,412
Debt Service	6500	932,409	812,000	(120,409)
Capital Outlay	6600	70,304,363	9,801,704	(60,502,659)
Other Uses	8900	14,587,533	11,194,705	(3,392,828)
Total		<u>\$ 467,773,545</u>	<u>\$ 423,079,073</u>	<u>\$ (44,694,472)</u>

The district adopted a balanced General Fund budget (revenues equal expenditures) which includes a contribution of \$11,836,045 from fund balance. Increases to the revenue and expenditure budgets are expected as new funding is obtained or as carryover budgets and carryover purchase orders are re-appropriated.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This comprehensive financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to 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.

## **BASIC FINANCIAL STATEMENTS**



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**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

EXHIBIT A-1

Data Control Codes	Primary Government  Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 3,655,889
1120 Current Investments	234,897,744
1220 Property Taxes Receivable (Delinquent)	11,693,699
1230 Allowance for Uncollectible Taxes	(350,811)
1240 Due from Other Governments	44,693,533
1250 Accrued Interest	310,104
1267 Due from Fiduciary Funds	12,086,038
1290 Other Receivables, Net	441,590
1300 Inventories	4,980,783
1420 Capitalized Bond and Other Debt Issuance Costs	284,606
Capital Assets:	
1510 Land	23,367,874
1520 Buildings, Net	263,864,171
1530 Furniture and Equipment, Net	10,450,320
1580 Construction in Progress	115,035,549
1000 Total Assets	725,411,089
LIABILITIES	
2110 Accounts Payable	28,996,735
2140 Interest Payable	31,720
2150 Payroll Deductions & Withholdings	12,809,647
2160 Accrued Wages Payable	34,586,784
2180 Due to Other Governments	26,456,036
2190 Due to Student Groups	155,901
2200 Accrued Expenses	79,700
2300 Unearned Revenues	1,719,683
Noncurrent Liabilities	
2501 Due Within One Year	7,690,000
2502 Due in More Than One Year	201,905,731
2000 Total Liabilities	314,431,937
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	239,579,610
3820 Restricted for Federal and State Programs	580,042
3850 Restricted for Debt Service	7,415,666
3860 Restricted for Capital Projects	9,640,879
3900 Unrestricted Net Assets	153,762,955
3000 Total Net Assets	\$ 410,979,152

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT B-1

Data Control Codes	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	1	3	4	6
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 263,214,508	\$ 1,164,731	\$ 56,563,114	\$ (205,486,663)
12 Instructional Resources and Media Services	8,386,006	-	2,792,314	(5,593,692)
13 Curriculum and Instructional Staff Development	14,793,150	-	7,076,036	(7,717,114)
21 Instructional Leadership	7,059,359	-	1,505,194	(5,554,165)
23 School Leadership	23,438,655	-	1,732,271	(21,706,384)
31 Guidance, Counseling and Evaluation Services	17,738,872	-	3,213,546	(14,525,326)
32 Social Work Services	711,711	-	152,520	(559,191)
33 Health Services	5,405,783	-	1,800,488	(3,605,295)
34 Student (Pupil) Transportation	13,147,513	-	655,439	(12,492,074)
35 Food Services	27,575,534	1,419,206	38,413	(26,117,915)
36 Extracurricular Activities	13,531,209	343,771	286,856	(12,900,582)
41 General Administration	12,319,564	-	523,417	(11,796,147)
51 Plant Maintenance and Operations	48,055,290	-	1,336,760	(46,718,530)
52 Security and Monitoring Services	5,538,612	-	284,205	(5,254,407)
53 Data Processing Services	3,038,063	-	90,598	(2,947,465)
61 Community Services	4,941,913	479,153	4,089,387	(373,373)
72 Debt Service - Interest on Long Term Debt	9,864,827	-	-	(9,864,827)
73 Debt Service - Bond Issuance Cost and Fees	96,332	-	-	(96,332)
95 Payments to Juvenile Justice Alternative Ed. Prg.	148,558	-	-	(148,558)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 479,005,459	\$ 3,406,861	\$ 82,140,558	(393,458,040)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			50,698,836
DT	Property Taxes, Levied for Debt Service			3,608,402
SF	State Aid - Formula Grants			279,184,838
GC	Grants and Contributions not Restricted			46,407,489
IE	Investment Earnings			6,867,205
S1	Special Item - Insurance Proceeds			222,344
TR	Total General Revenues and Special Items			386,989,114
CN	Change in Net Assets			(6,468,926)
NB	Net Assets--Beginning			420,493,846
PA	Prior Period Adjustment			(3,045,768)
NE	Net Assets--Ending			\$ 410,979,152

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



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**GOVERNMENT FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

Data Control Codes	10 General Fund	60 Capital Projects	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 2,016,297	\$ 108,077	\$ 947,887	\$ 3,072,261
1120 Investments - Current	165,386,588	51,599,413	9,824,923	226,810,924
1220 Property Taxes - Delinquent	10,871,434	-	822,265	11,693,699
1230 Allowance for Uncollectible Taxes (Credit)	(326,143)	-	(24,668)	(350,811)
1240 Due from Other Governments	31,043,767	-	13,649,766	44,693,533
1250 Accrued Interest	299,160	4,462	6,482	310,104
1260 Due from Other Funds	28,729,025	1,422,800	8,691,186	38,843,011
1290 Other Receivables	418,351	-	23,237	441,588
1300 Inventories	4,980,783	-	-	4,980,783
1000 Total Assets	<u>\$ 243,419,262</u>	<u>\$ 53,134,752</u>	<u>\$ 33,941,078</u>	<u>\$ 330,495,092</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110 Accounts Payable	\$ 7,935,978	\$ 10,241,326	\$ 2,607,028	\$ 20,784,332
2140 Interest Payable - Current	-	-	31,720	31,720
2150 Payroll Deductions and Withholdings Payable	12,809,647	-	-	12,809,647
2160 Accrued Wages Payable	31,190,472	-	3,396,312	34,586,784
2170 Due to Other Funds	8,300,848	402,552	17,731,111	26,434,511
2180 Due to Other Governments	24,137,294	2,288,283	30,459	26,456,036
2190 Due to Student Groups	73,101	-	82,800	155,901
2200 Accrued Expenditures	79,700	-	-	79,700
2300 Deferred Revenues	10,020,793	-	2,065,940	12,086,733
2000 Total Liabilities	<u>94,547,833</u>	<u>12,932,161</u>	<u>25,945,370</u>	<u>133,425,364</u>
Fund Balances:				
Reserved For:				
3410 Investments in Inventory	4,980,783	-	-	4,980,783
3420 Retirement of Long Term Debt	3,920	-	7,415,666	7,419,586
3440 Outstanding Encumbrances	10,855,448	20,471,549	56,608	31,383,605
3450 Food Service	1,693,073	-	-	1,693,073
3490 Other Purposes	11,216,238	5,074,657	451,609	16,742,504
Unreserved Designated For:				
3510 Construction	31,953,995	-	-	31,953,995
Unreserved and Undesignated:				
3600 Reported in the General Fund	88,167,972	-	-	88,167,972
3610 Reported in Special Revenue Funds	-	-	71,825	71,825
3620 Reported in Capital Projects Funds	-	14,656,385	-	14,656,385
3000 Total Fund Balances	<u>148,871,429</u>	<u>40,202,591</u>	<u>7,995,708</u>	<u>197,069,728</u>
4000 Total Liabilities and Fund Balances	<u>\$ 243,419,262</u>	<u>\$ 53,134,752</u>	<u>\$ 33,941,078</u>	<u>\$ 330,495,092</u>

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

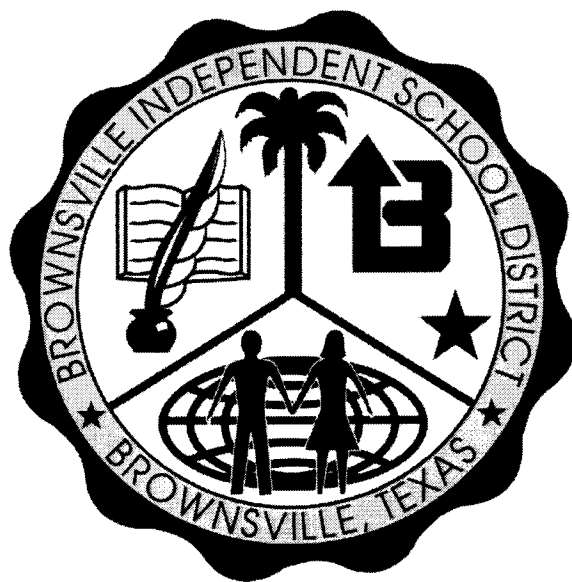


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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 197,069,728</b>
<b>1</b> The District uses internal service funds to charge the costs of certain activities, such as self-insurance and catering, 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 assets. The net effect of this consolidation is to increase net assets.	135,585
<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 \$445,216,581 and the accumulated depreciation was \$138,971,837. 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 assets.	95,604,744
<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 2009 capital outlays and debt principal payments is to increase net assets.	129,446,761
<b>4</b> The 2009 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.	(15,936,587)
<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 deferred revenue 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. The net effect of these reclassifications and recognitions is to increase net assets.	4,658,921
<b>19 Net Assets of Governmental Activities</b>	<b>\$ 410,979,152</b>

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

EXHIBIT C-3

Data Control Codes	10 General Fund	60 Capital Projects	Other Nonmajor Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 57,417,030	\$ 3,840,121	\$ 3,817,967	\$ 65,075,118
5800 State Program Revenues	298,661,119	-	26,549,858	325,210,977
5900 Federal Program Revenues	28,638,001	-	53,790,652	82,428,653
5020 Total Revenues	384,716,150	3,840,121	84,158,477	472,714,748
EXPENDITURES:				
Current:				
0011 Instruction	206,583,311	-	48,061,970	254,645,281
0012 Instructional Resources and Media Services	5,595,594	-	2,524,075	8,119,669
0013 Curriculum and Instructional Staff Development	7,369,237	-	6,963,001	14,332,238
0021 Instructional Leadership	5,476,483	-	1,377,130	6,853,613
0023 School Leadership	22,006,999	-	656,498	22,663,497
0031 Guidance, Counseling and Evaluation Services	14,386,084	-	2,750,989	17,137,073
0032 Social Work Services	565,257	-	122,309	687,566
0033 Health Services	3,611,328	-	1,611,061	5,222,389
0034 Student (Pupil) Transportation	12,716,870	-	2,375	12,719,245
0035 Food Services	26,552,782	-	35,003	26,587,785
0036 Extracurricular Activities	13,019,988	-	138,133	13,158,121
0041 General Administration	11,911,112	-	-	11,911,112
0051 Facilities Maintenance and Operations	46,206,945	-	193,796	46,400,741
0052 Security and Monitoring Services	5,515,817	-	97	5,515,914
0053 Data Processing Services	3,066,968	-	20,859	3,087,827
0061 Community Services	704,443	-	4,069,813	4,774,256
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	555,000	-	6,755,000	7,310,000
0072 Debt Service - Interest on Long Term Debt	314,400	-	9,892,043	10,206,443
0073 Debt Service - Bond Issuance Cost and Fees	63,009	-	143,647	206,656
Capital Outlay:				
0081 Facilities Acquisition and Construction	24,888,074	96,301,869	-	121,189,943
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	148,558	-	-	148,558
6030 Total Expenditures	411,258,259	96,301,869	85,317,799	592,877,927
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,542,109)	(92,461,748)	(1,159,322)	(120,163,179)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	7,320,000	7,320,000
7912 Sale of Real and Personal Property	23,657	-	-	23,657
7914 Non-Current Loans	6,250,000	-	-	6,250,000
7915 Transfers In	13,005,391	-	-	13,005,391
7916 Premium or Discount on Issuance of Bonds	-	-	187,074	187,074
7949 Other Resources	1,411	-	-	1,411
8911 Transfers Out (Use)	(13,147,872)	-	-	(13,147,872)
8949 Other (Uses)	(6,283,516)	-	(7,366,771)	(13,650,287)
7080 Total Other Financing Sources (Uses)	(150,929)	-	140,303	(10,626)
EXTRAORDINARY ITEMS:				
7919 Extraordinary Item - Resource	197,276	-	-	197,276
1200 Net Change in Fund Balances	(26,495,762)	(92,461,748)	(1,019,019)	(119,976,529)
0100 Fund Balance - July 1 (Beginning)	176,102,088	134,952,621	8,919,079	319,973,788
1300 Increase (Decrease) in Fund Balance	(734,897)	(2,288,282)	95,648	(2,927,531)
3000 Fund Balance - June 30 (Ending)	\$ 148,871,429	\$ 40,202,591	\$ 7,995,708	\$ 197,069,728

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



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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, 2009

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (119,976,529)</b>
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and catering, 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 assets.	52,835
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 2009 capital outlays and debt principal payments is to increase net assets.	129,446,761
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.	(15,936,587)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue 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 (decrease) net assets.	(55,406)
<b>Change in Net Assets of Governmental Activities</b>	<b>\$ (6,468,926)</b>

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009

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	\$ 61,894,032	\$ 61,894,032	\$ 57,417,030	\$ (4,477,002)
5800 State Program Revenues	302,038,349	302,038,349	298,661,119	(3,377,230)
5900 Federal Program Revenues	26,234,027	26,429,637	28,638,001	2,208,364
5020 Total Revenues	390,166,408	390,362,018	384,716,150	(5,645,868)
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	199,245,682	207,100,246	206,583,311	516,935
0012 Instructional Resources and Media Services	6,350,549	7,175,004	5,595,594	1,579,410
0013 Curriculum and Instructional Staff Development	7,032,065	8,059,862	7,369,237	690,625
0021 Instructional Leadership	5,438,252	5,872,222	5,476,483	395,739
0023 School Leadership	22,894,527	23,089,367	22,006,999	1,082,368
0031 Guidance, Counseling and Evaluation Services	13,375,910	14,639,779	14,386,084	253,695
0032 Social Work Services	567,818	567,818	565,257	2,561
0033 Health Services	3,599,295	3,658,915	3,611,328	47,587
0034 Student (Pupil) Transportation	14,267,065	14,292,641	12,716,870	1,575,771
0035 Food Services	28,014,843	27,290,274	26,552,782	737,492
0036 Extracurricular Activities	14,157,317	14,961,178	13,019,988	1,941,190
0041 General Administration	13,877,079	14,308,243	11,911,112	2,397,131
0051 Facilities Maintenance and Operations	46,598,374	48,851,423	46,206,945	2,644,478
0052 Security and Monitoring Services	5,633,141	5,691,525	5,515,817	175,708
0053 Data Processing Services	3,181,257	3,425,967	3,066,968	358,999
0061 Community Services	748,505	1,144,319	704,443	439,876
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	555,000	555,000	555,000	-
0072 Debt Service - Interest on Long Term Debt	314,400	314,400	314,400	-
0073 Debt Service - Bond Issuance Cost and Fees	-	63,009	63,009	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	2,660,000	65,414,820	24,888,074	40,526,746
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	160,000	210,000	148,558	61,442
6030 Total Expenditures	388,671,079	466,686,012	411,258,259	55,427,753
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,495,329	(76,323,994)	(26,542,109)	49,781,885
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	-	23,657	23,657
7914 Non-Current Loans	-	-	6,250,000	6,250,000
7915 Transfers In	13,092,204	13,092,204	13,005,391	(86,813)
7949 Other Resources	-	64,220,858	1,411	(64,219,447)
8911 Transfers Out (Use)	(14,587,533)	(14,587,533)	(13,147,872)	1,439,661
8949 Other (Uses)	-	-	(6,283,516)	(6,283,516)
7080 Total Other Financing Sources (Uses)	(1,495,329)	62,725,529	(150,929)	(62,876,458)
<b>EXTRAORDINARY ITEMS:</b>				
7919 Extraordinary Item - Resource	-	63,009	197,276	134,267
1200 Net Change in Fund Balances	-	(13,535,456)	(26,495,762)	(12,960,306)
0100 Fund Balance - July 1 (Beginning)	176,102,088	176,102,088	176,102,088	-
1300 Increase (Decrease) in Fund Balance	-	-	(734,897)	(734,897)
3000 Fund Balance - June 30 (Ending)	\$ 176,102,088	\$ 162,566,632	\$ 148,871,429	\$ (13,695,203)

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



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**PROPRIETARY FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 583,628
Investments - Current	8,086,820
Due from Other Funds	212,865
Other Receivables	<u>2</u>
Total Assets	<u>8,883,315</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	8,212,403
Due to Other Funds	<u>535,327</u>
Total Liabilities	<u>8,747,730</u>
NET ASSETS	
Unrestricted Net Assets	<u>135,585</u>
Total Net Assets	<u>\$ 135,585</u>

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 184,006
Total Operating Revenues	<u>184,006</u>
OPERATING EXPENSES:	
Payroll Costs	228,726
Professional and Contracted Services	339
Supplies and Materials	44,587
Total Operating Expenses	<u>273,652</u>
Income Before Transfers	(89,646)
Transfer In	<u>142,481</u>
Change in Net Assets	52,835
Total Net Assets - July 1 (Beginning)	83,967
Prior Period Adjustment	<u>(1,217)</u>
Total Net Assets - June 30 (Ending)	<u>\$ 135,585</u>

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$ 303,320
Cash Payments to Employees for Services	(228,726)
Cash Payments for Suppliers	(44,587)
Other Operating Cash Receipts (Payments)	552,722
Net Cash Provided by Operating Activities	582,729
Net Increase in Cash and Cash Equivalents	582,729
Cash and Cash Equivalents at Beginning of the Year:	899
Cash and Cash Equivalents at the End of the Year:	\$ 583,628
<u>Reconciliation of Operating Income (Loss) to Net Cash     Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ (89,646)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Current Investments	9,742,924
Decrease (increase) in Due from Other Funds	11,884,723
Decrease (increase) in Other Receivables	(2)
Increase (decrease) in Accounts Payable	(9,546,498)
Increase (decrease) in Due to Other Funds	(11,123,517)
Increase (decrease) in Other Liabilities	(285,255)
Net Cash Provided by Operating Activities	\$ 582,729

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



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**FIDUCIARY FUND  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009

	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 95,186	\$ 1,118,054
Investments - Current	-	24,122,710
Accrued Interest	-	36,795
Due from Other Funds	145,203	30,739
Other Receivables	100	12,350,000
Total Assets	<u>240,489</u>	<u>\$ 37,658,298</u>
<b>LIABILITIES</b>		
Accounts Payable	975	\$ 24,352,805
Due to Other Funds	-	12,261,980
Due to Student Groups	24,943	1,043,513
Accrued Expenses	1,200	-
Total Liabilities	<u>27,118</u>	<u>\$ 37,658,298</u>
<b>NET ASSETS</b>		
Unrestricted Net Assets	<u>213,371</u>	
Total Net Assets	<u>\$ 213,371</u>	

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



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Private Purpose Trust Funds
ADDITIONS:	
Local and Intermediate Sources	\$ 148
Total Additions	<u>148</u>
Change in Net Assets	148
 Total Net Assets - July 1 (Beginning)	 216,323
Prior Period Adjustment	<u>(3,100)</u>
Total Net Assets - June 30 (Ending)	<u>\$ 213,371</u>

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



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**NOTES TO THE  
FINANCIAL STATEMENTS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**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 other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. REPORTING ENTITY**

The Board is elected by the public 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") in its Statement No. 14, *The Financial Reporting Entity* and there are no component units included within the reporting entity.

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

The Statement of Net Assets 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 Assets 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 Fund Net Assets. 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, 2009

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 some times 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.

The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Assets. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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.
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.

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.
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 services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund.

Fiduciary funds:

1. **Private Purpose Trust Funds** - are used to account for donations, which have stipulations that the principal may not be expended; 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 agency funds.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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, 2009. The only prepaid expenses included are for unexpired insurance policy premiums paid by June 30, 2009, 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 assets.
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 is 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 assets.
7. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change for future construction needs.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

8. 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.
9. 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.
10. 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, 2009, is \$390,016, and an accrual has been made.

**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 ASSETS**

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

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 Assets
Land	\$ 20,987,216	\$ -	\$ 20,987,216	
Buildings & Improvements	364,237,923	(115,605,896)	248,632,027	
Vehicles	22,789,067	(15,443,683)	7,345,384	
Furniture & Equipment	12,725,534	(7,922,258)	4,803,276	
Construction in Progress	24,476,841	-	24,476,841	
Change in Net Assets				<u>\$ 306,244,744</u>
Long -Term Liabilities at the Beginning of Year			Payable at the Beginning of Year	
Bonds Payable			\$ (203,835,000)	
Notes Payable			(6,805,000)	
Change in Net Assets				<u>(210,640,000)</u>
Net Adjustment to Net Assets				<u>\$ 95,604,744</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

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

**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 a 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 assets 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 assets. The details of this adjustment are as follows:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Assets</u>	<u>Adjustments in Net Assets</u>
Land	\$ 2,268,922	\$ 2,268,922	
Buildings & Improvements	14,855,503	14,855,503	
Furniture & Equipment	1,352,081	1,352,081	
Vehicles	136,306	136,306	
Construction in Progress	103,523,949	103,523,949	
Total Capital Outlay			<u>\$ 122,136,761</u>
Debt Principal Payments			
Note Payable	555,000	555,000	
Bonds Payable	6,755,000	6,755,000	
Total Principal Payments	<u>7,310,000</u>	<u>7,310,000</u>	<u>7,310,000</u>
Net Adjustment to Net Assets			<u>\$ 129,446,761</u>

**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 Food Service Fund 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 general-purpose 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.



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

III. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY** (Continued)

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 function 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 30th, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

IV. **DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

A. **DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with 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, 2009, the carrying amount of the District's deposits was \$3,665,889 and the bank balance was \$5,662,289. The District's cash deposits at June 30, 2009 and during the year were covered by FDIC 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: BBVA Compass Bank
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$120,803,016.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$112,441,691 and occurred during the month of February 2009.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$200,000.

**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.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**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. 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, 2009, are shown below:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Certificates of Deposit	\$ 100,500,000	\$ 100,500,000	\$ -	\$ -	\$ -
Texas Term Investment Pool	44,067,742	44,067,742	-	-	-
Lone Star Investment Pool	78,896,793	78,896,793	-	-	-
TexPool	5,890,488	5,890,488	-	-	-
MBIA	29,665,431	29,665,431	-	-	-
Total	<u>\$ 259,020,454</u>	<u>\$ 259,020,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**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, 2009, the District's investments in Lone Star Investment Pool were rated AAAsf/S1 by Standard and Poor's (S&P), TexPool was rated AAAm by Standard and Poor's (S&P), Texas Term was rated AAAsf by Standard and Poor's (S&P), and MBIA was rated AAA/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.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**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, 2009, the District had 39% of its investments in certificates of deposits in its depository bank, BBVA Compass Bank. These certificate of deposit were fully covered by eligible pledged securities. The District had 61% 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, 2008, upon which the levy for the 2008-2009 fiscal year was based, was \$4,909,923,402. 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 12% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2009, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.0191 and \$0.0732 per \$100 valuation, respectively, for a total of \$1.0923 per \$100 valuation.

Current tax collections for the year ended June 30, 2009, were 91% 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, 2009, property taxes receivable of \$10,871,434 and \$822,265, net of estimated uncollectible taxes of \$326,143 and \$24,668, totaled \$10,545,291 and \$797,597 for the General and Debt Service Funds, respectively.

**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, 2009:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 6,732,589	Transfer to Athletic Fund
General Fund	General Fund	6,272,802	Transfer to State Special Ed. Fund
Internal Service Fund	General Fund	142,481	Transfer to Special Self-Funded Insurance
		<u>\$ 13,147,872</u>	

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Interfund balances at June 30, 2009 consisted of the following individual fund balances:

	Due from Other Funds	Due To Other Funds
<b><u>General Fund</u></b>		
General Fund	\$ 3,892,202	\$ 3,892,202
Special Revenue Funds	10,550,500	4,030,660
Debt Service Fund	1,144,004	-
Capital Projects Fund	355,833	-
Internal Service Fund	535,327	212,865
Trust and Agency Fund	12,251,159	165,121
	<u>28,729,025</u>	<u>8,300,848</u>
<b><u>Special Revenue Fund</u></b>		
General Fund	4,030,660	10,550,500
Special Revenue Fund	4,660,526	4,660,526
	<u>8,691,186</u>	<u>15,211,026</u>
<b><u>Debt Service Fund</u></b>		
General Fund	-	1,144,004
Capital Projects Fund	-	1,376,081
	<u>-</u>	<u>2,520,085</u>
<b><u>Capital Projects Fund</u></b>		
General Fund	-	355,833
Debt Service	1,376,081	-
Capital Projects Fund	46,719	46,719
	<u>1,422,800</u>	<u>402,552</u>
<b><u>Internal Service Fund</u></b>		
General Fund	212,865	535,327
Internal Service Fund	-	-
	<u>212,865</u>	<u>535,327</u>
<b><u>Trust and Agency Fund</u></b>		
General Fund	165,121	12,251,159
Trust and Agency Fund	10,821	10,821
Total Trust and Agency Fund	<u>175,942</u>	<u>12,261,980</u>
Totals	<u>\$ 39,231,818</u>	<u>\$ 39,231,818</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, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**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	\$ 28,178,806	\$ 2,776,939	\$ 88,022	\$ 31,043,767
Special Revenue	2,475,399	10,610,204	219,172	13,304,775
Debt Service	344,991	-	-	344,991
Totals	<u>\$ 30,999,196</u>	<u>\$ 13,387,143</u>	<u>\$ 307,194</u>	<u>\$ 44,693,533</u>

**E. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended June 30, 2009, was as follows:

	Primary Government				
	Balance	Changes During Year			Balance
	<u>7/1/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>6/30/2009</u>
Governmental Activities:					
Land	\$ 20,987,216	\$ 2,268,922	\$ -	\$ 111,736	\$ 23,367,874
Construction in Progress	24,476,841	103,523,949	-	(12,965,241)	115,035,549
Buildings and Improvements	364,237,923	14,855,503	-	13,019,555	392,112,981
Furniture and Equipment	12,725,534	1,352,081	(553,721)	106,946	13,630,840
Vehicles	22,789,067	136,306	(483,209)	-	22,442,164
Totals at Historic Cost	<u>445,216,581</u>	<u>122,136,761</u>	<u>(1,036,930)</u>	<u>272,996</u>	<u>566,589,408</u>
Less Accumulated Depreciation:					
Buildings & Improvements	(115,605,896)	(12,642,914)	-	-	(128,248,810)
Furniture and Equipment	(7,922,258)	(1,668,343)	553,721	-	(9,036,880)
Vehicles	(15,443,683)	(1,625,330)	483,209	-	(16,585,804)
Total Accum. Depreciation	<u>(138,971,837)</u>	<u>(15,936,587)</u>	<u>1,036,930</u>	<u>-</u>	<u>(153,871,494)</u>
Governmental Activities					
Capital Assets, Net	\$ 306,244,744	\$ 106,200,174	\$ -	\$ 272,996	\$ 412,717,914

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 8,942,333
Instructional Resources and Media Services	285,137
Curriculum and Instructional Staff Development	503,303
Instructional Leadership	240,677
School Leadership	795,870
Guidance, Counseling and Evaluation Services	601,799
Social Work Services	24,145
Health Services	183,394
Student (Pupil) Transportation	446,659
Food Services	933,679
Extracurricular Activities	462,071
General Administration	418,280
Plant Maintenance and Operations	1,629,447
Security and Monitoring Services	193,701
Data Processing Services	108,435
Community Services	167,657
Totals	<u><u>\$ 15,936,587</u></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, 2008	Issued	Retired	Amounts Outstanding June 30, 2009	Due Within One Year
04/01/98	Unlimited Tax School Building Bonds, Series 1998	6.75%	2024	\$ 25,000,000	\$ 8,210,000	\$ -	\$ 8,210,000	\$ -	\$ -
08/31/99	Unlimited Tax School Building Bonds, Series 1999	7.25%	2011	36,805,000	2,475,000	-	780,000	1,695,000	825,000
09/25/01	Unlimited Tax School Building Bonds, Series 2001	2.50 - 4.00%	2015	38,195,000	8,520,000	-	1,080,000	7,440,000	1,120,000
08/15/05	Unlimited Tax Refunding Bonds, Series 2005	4.00%	2030	65,435,000	65,195,000	-	-	65,195,000	-
09/28/06	Unlimited Tax School Building Bonds, Series 2006	4.50%	2027	129,985,000	119,435,000	-	4,025,000	115,410,000	4,205,000
03/10/09	Unlimited Tax Refunding Bonds, Series 2009	4.00%	2024	7,320,000	-	7,320,000	-	7,320,000	945,000
Totals					<u>\$ 203,835,000</u>	<u>\$ 7,320,000</u>	<u>\$ 14,095,000</u>	<u>\$ 197,060,000</u>	<u>\$ 7,095,000</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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, 2009.

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

Year Ending June 30,	Bonds Payable		Total Requirements
	Principal	Interest	
2010	\$ 7,095,000	\$ 9,511,137	\$ 16,606,137
2011	7,380,000	9,194,807	16,574,807
2012	7,765,000	8,853,113	16,618,113
2013	8,115,000	8,512,981	16,627,981
2014	8,510,000	8,119,991	16,629,991
2015-2019	49,280,000	33,855,575	83,135,575
2020-2024	62,970,000	20,194,925	83,164,925
2025-2029	43,740,000	4,914,453	48,654,453
2030	2,205,000	48,234	2,253,234
Totals	<u>\$ 197,060,000</u>	<u>\$ 103,205,216</u>	<u>\$ 300,265,216</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, 2008	Issued	Retired	Amounts Outstanding June 30, 2009	Due Within One Year
09/01/03	Maintenance Tax Note Series 2003C	1.250 - 5.20%	2018	\$ 9,155,000	\$ 6,805,000	\$ -	\$ 6,805,000	\$ -	\$ -
03/17/09	Limited Tax Refunding Notes, Series 2009	3.80%	2018	6,250,000	-	6,250,000	-	6,250,000	595,000
	Totals				<u>\$ 6,805,000</u>	<u>\$ 6,250,000</u>	<u>\$ 6,805,000</u>	<u>\$ 6,250,000</u>	<u>\$ 595,000</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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

Year Ending June 30,	Note Payable		Total Requirements
	Principal	Interest	
2010	\$ 595,000	\$ 211,771	\$ 806,771
2011	615,000	214,890	829,890
2012	640,000	191,520	831,520
2013	665,000	167,200	832,200
2014	690,000	141,930	831,930
2015-2019	3,045,000	294,690	3,339,690
Totals	<u>\$ 6,250,000</u>	<u>\$ 1,222,001</u>	<u>\$ 7,472,001</u>

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

Bonded indebtedness of the District is as follows:

Description	Balance 7/01/08	Issued	Retired	Balance 06/30/09	Due Within One Year
Bonds Payable	\$ 203,835,000	\$ 7,320,000	\$ (14,095,000)	\$ 197,060,000	\$ 7,095,000
Note Payable	6,805,000	6,250,000	(6,805,000)	6,250,000	595,000
Compensated Absences	355,067	34,949	-	390,016	-
Totals	<u>\$ 210,995,067</u>	<u>\$ 13,604,949</u>	<u>\$ (20,900,000)</u>	<u>\$ 203,700,016</u>	<u>\$ 7,690,000</u>

**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, 2009, as follows:

Year Ending June 30,	Total Requirements
2010	\$ 1,623,674
2011	926,682
2012	595,059
2013	587,558
2014	583,440
Total Minimum Rentals	<u>\$ 4,316,413</u>
Rental Expenditures in Fiscal Year 2009	<u>\$ 1,937,303</u>



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**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, 2009 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.

The District is involved in various legal proceedings arising from its operations, including investigations into alleged misconduct by certain employees. In addition, the Texas Education Agency has issued a report indicating that the District failed to comply with various competitive procurement standards. 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 and 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 2009, 2008 and 2007, and a state contribution rate of 6.58% for fiscal years 2009 and 2008 and 6.0% for fiscal year 2007. State contributions to TRS made on behalf of the District's employees' for the years ending June 30, 2009, 2008 and 2007, were \$19,097,652, \$18,181,505 and \$16,732,601, respectively. The District paid additional state contributions for the years ending June 30, 2009, 2008 and 2007, in the amount of \$5,749,478, \$5,211,080 and \$4,139,030, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

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 Insurance Program (TRS-Care) to receive retiree 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, 2009, 2008 and 2007 were \$714,347, \$722,809 and \$598,762, respectively.

**K. RISK MANAGEMENT**

Health Care Coverage

During the fiscal year ended June 30, 2009, the District sponsored a self-funded insurance plan to provide health care benefits to employees and their dependents. The District paid premiums of \$380 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 are included in the contractual provisions. The latest financial statements for American Administrative Group (AAG) 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, 2009:

Unpaid claims, beginning of the year	\$ 2,945,892
Incurred claims (including IBNRs)	39,621,222
Claim payments	<u>(39,459,707)</u>
Unpaid claims, end of the year	<u><u>\$ 3,107,407</u></u>

Worker's Compensation Coverage

For the year ended June 30, 2009, 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 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, 2009, the fund purchased excess coverage from Wachovia Insurance Services. The fund uses an independent actuary to determine reserve adequacy and fully funds those reserves.

As of June 30, 2009, the District has reserved for estimated claims incurred, but not reported that do not exceed the required reserves. The liability reported at June 30, 2009, 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 tactual 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, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**L. CONSTRUCTION COMMITMENTS**

At June 30, 2009, the District had the following construction commitments:

Project	Estimated Project Costs	Expended Through June 30, 2009	Amount Committed
ADA Compliance Consultant	\$ 35,100	\$ 21,613	\$ 13,487
Athletic Buildings - Porter & Pace High Schools	474,500	371,701	102,799
Central Annex Building	2,343,200	1,758,557	584,643
Central Warehouse, Maintenance & Records Mgmt	704,000	337,920	366,080
Field House - Porter & Pace High Schools	6,836,526	2,058,696	4,777,830
Fire Alarm Upgrades - Cromack, Longoria, Martin El Jardin, Garden Park, Clearwater, Egly, Burns Elem.	968,868	891,925	76,943
Fire Alarm Upgrades - Faulk, Stell, Oliviera & Perkins	612,251	544,160	68,091
HVAC Upgrades at Faulk and Stell Middle Schools	392,860	-	392,860
Library Building Additions to Elementary Schools	2,783,575	2,742,738	40,837
Lopez High School Theatrical Lighting	213,298	-	213,298
Main Administration Building Electrical Upgrades	208,000	180,450	27,550
New Elementary #144	690,000	442,980	247,020
Parking Lots - Main Administration Building	305,652	288,821	16,831
Parking Lots - Yturria and Stillman schools	500,332	-	500,332
Pena Elementary	11,497,784	11,050,997	446,787
Wing Additions - Pace High School	3,197,183	-	3,197,183
Total	31,763,129	20,690,558	11,072,571

**2006 BOND PROJECTS**

HVAC District-wide	240,000	239,220	780
Keller Elementary School	13,042,250	7,478,437	5,563,813
Manzano Middle School	20,094,000	11,070,746	9,023,254
Pullman Elementary School	12,626,150	11,243,107	1,383,043
Re-roofing - Hanna, Faulk, Stell, Canales, Martin	2,686,178	2,205,840	480,338
Veterans Memorial High School	62,519,319	50,763,788	11,755,531
Wing Additions - Canales	3,931,450	2,348,469	1,582,981
Wing Additions - Palm Grove, Perez, Egly	6,120,444	5,372,397	748,047
Wing Additions - Villa Nueva, Hudson	3,668,516	3,644,591	23,925
Total	124,928,307	94,366,595	30,561,712
Total Construction in Progress	\$ 156,691,436	\$ 115,057,153	\$ 41,634,283

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**M. DEFERRED REVENUE**

Deferred revenue at year-end consisted of the following:

Description	General Fund	Special Revenue	Debt Service	Total
BISD - taxes	\$ 9,631,404	\$ -	\$ 735,646	\$ 10,367,050
BISD - athletics	1,280	-	-	1,280
BISD - other	979	-	-	979
BISD- Redention Fees	22,045	-	-	22,045
BISD-CCED Taxes	79,941	-	-	79,941
Food service receipts	285,144	-	-	285,144
Special revenue grants	-	1,330,294	-	1,330,294
Total deferred revenue	<u>\$ 10,020,793</u>	<u>\$ 1,330,294</u>	<u>\$ 735,646</u>	<u>\$ 12,086,733</u>

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

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

Description	General Fund	Capital Projects Fund	Other Governmental Funds	Internal Service Funds	Total
Property Taxes	\$ 47,950,115	\$ -	\$ 3,415,915	\$ -	\$ 51,366,030
Penalties, Interest & Other Tax-Related Income	1,889,890	-	133,764	-	2,023,654
Tuition and Fees	588,449	-	-	-	588,449
Food Sales	1,491,111	-	-	184,006	1,675,117
Investment Income	3,250,442	3,441,730	175,033	-	6,867,205
Co-curricular Student Act.	343,771	-	-	-	343,771
CCED	91,032	-	-	-	91,032
Other	1,812,220	398,391	93,255	-	2,303,866
Totals	<u>\$ 57,417,030</u>	<u>\$ 3,840,121</u>	<u>\$ 3,817,967</u>	<u>\$ 184,006</u>	<u>\$ 65,259,124</u>

**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.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**P. INCREASE (DECREASE) IN FUND BALANCES**

Adjustments to the fund balance during the 2008-2009 school year consisted of the following:

Description	General Fund	Capital Projects	Other Nonmajor Funds	Total
To pay loan from Self Funded Workman's Comp.	\$ 650,000	\$ -	\$ -	\$ 650,000
To reclassify balance sheet accounts	(4,317)	2,288,282	778,717	3,062,682
Adjustments for Summary of Finances	79,330	-	-	79,330
To close out liabilities that never materialized	(5,323)	-	(874,365)	(879,688)
Other	15,207	-	-	15,207
Total	<u>\$ 734,897</u>	<u>\$ 2,288,282</u>	<u>\$ (95,648)</u>	<u>\$ 2,927,531</u>

**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 2008-2009: \$ 32,813,096

B. Subtract any non-medical expenditures:

Life insurance	\$ 173,821
Dental insurance	-
Vision insurance	-
Long-term disability	-
Short-term disability	-
Alternate plans	-
COBRA expense	-
Retiree expense	-
	<u>173,821</u>

C. 2008-2009 Maintenance of Effort: \$ 32,639,275

**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:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended June 30, 2009

**IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

Member Districts	Expenditures
Harlingen CISD	\$ 110,000
Los Fresnos CISD	71,250
Point Isabel ISD	20,000
Raymondville ISD	110,000
San Benito ISD	131,250
Total	<u>\$ 442,500</u>

**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, 2009 from various federal sources as follows:

Program or Source	CFDA Number	Amount
R.O.T. C.	N/A	\$ 404,488
National School Lunch Program	10.555	17,880,520
School Breakfast Program	10.553	6,576,798
Food Distribution (USDA Commodities)	10.550	957,051
School Health Related Services	N/A	2,198,789
Medicaid Administrative Claiming Program	N/A	181,042
Total Programs		<u>28,198,688</u>
<i>Indirect Costs:</i>		
Adult Education English Lit & Civics Ed	84.002A	1,249
ESEA Title I - Part A	84.010	332,244
ESEA Title I - Part D	84.013	248
ESEA Title I - Part C	84.011	30,966
Carl Perkins Vocational Grant	84.048A	13,823
ESEA Title II - Part A-TPTR	84.340	38,958
ESEA Title II - Part D - Enhanc. Ed. Thru Tech.	84.318X	3,188
ESEA Title III - Part A - L.E.P.	84.365	18,637
Total Indirect Costs		<u>439,313</u>
Total		<u>\$ 28,638,001</u>

**T. SPECIAL ITEMS (USES)**

The District received \$222,344 which consisted of disaster relief proceeds collected during the fiscal year. The amount was classified as special item – insurance proceeds within the statement of activities.

## **COMBINING STATEMENTS**



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## **NONMAJOR GOVERNMENTAL FUNDS**



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*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 IV-SAVE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT (204).** To account for funds granted as a result of the Improving Americas School Act of 1994. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs.

**ESEA, TITLE III-SUBTITLE B-EDUCATION FOR THE HOMELESS CHILDREN (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 D SUBPART 2-PREVENTION AND INTERVENTION PROGRAMS FOR CHILDREN AND YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT (211).** To account for funds granted to serve neglected or delinquent children receiving services from institutions for the neglected or delinquent.

**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.

**ESEA TITLE I PART A-SCHOOL IMPROVEMENT PROGRAM (216).** The purpose of School Improvement Program (SIP) funds is to provide supplemental funds to LEAs to assist Title 1 Part A schools identified in need of improvement to provide a high quality education which will enable all school children to meet the State and Federal student performance standards.

**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.

**ADULT EDUCATION ENGLISH LITERANCE AND CIVICS (231).** 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. And to assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.

**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.

**READING FIRST GRANT (261).** To account for funds granted to establish reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3.

**ENHANCING EDUCATION THROUGH TECHNOLOGY (262).** To account for funds granted for the implementation and support of a comprehensive system that effectively uses technology in elementary and secondary schools to improve student academic achievement.

**TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT/IMMIGRANT (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.

**ESEA, TITLE V PART A INNOVATIVE PROGRAMS (269).** To account for funds granted to implement or expand innovative assistance programs to improve student, teacher and school performance through a variety of local reform and improvement activities.

**GAINING EARLY AWARENESS FOR COLLEGE READINESS (GEAR UP) (274 / 289).** 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.

**SCHOOL IMPROVEMENT PROGRAM SUMMER ACADEMY (SPA GRANT) (276).** Through campus-wide improvement planning in the summer, optional additional TAP (Technical Assistance Provider) days, coaching provided to the campus leadership team, and further customized professional development, campus are able to take another positive step towards bringing together key people, programs, and information in order to meet Adequate Yearly Progress (AYP) and raise even higher the level of student and adult learning on campus

**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.

**VISUALLY IMPAIRED (385).** To account for state supplemental visually impaired monies.

**TEXAS SUCCESSFUL SCHOOL AWARDS PROGRAM (393).** To account for funds granted on a project basis, monies that were applied for after being notified by TEA of their eligibility based on Academic Excellence Indicator System (AEIS) criteria.

**PREGNANCY, EDUCATION AND PARENTING PROGRAM (394).** To account for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion.

**ADVANCED PLACEMENT (AVID) (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.

**OPTIONAL EXTENDED YEAR PROGRAM (401).** To account for extended year programs not to exceed thirty instructional days for students from K to Eighth grade who are identified as likely not to be promoted to the next grade level succeeding school year.

**ACCELERATED READING AND MATH INSTRUCTION PROGRAM (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.

**HIGH SCHOOL COMPLETION AND SUCCESS (409).** This fund classification is to be used to account, on a project basis, for funds granted for schools to implement programs to support the improvement of high school graduation rates and post-secondary readiness.

**TECHNOLOGY FUND (411).** To account for funds awarded to school districts to purchase technological software or equipment that contributes to student learning or to pay for training for educational personnel involved in the use of these materials.

**PRE KINDERGARTEN PROGRAM (415).** To account for funds granted to implement or expand the pre kindergarten programs.

**HIGH SCHOOL ALLOTMENT (428).** This fund classification is to be used to account for the \$275 per high school student to prepare students to go on to higher education, encourage students to take advanced academic course work, increase the rigor of academic course work, align secondary and postsecondary curriculum and support promising high school completion and success initiatives in grades 6 through 12. This amount is not paid separately, but is combined with other Foundation School Program funds. The breakdown of the amount is provided on the Summary of Finance for journal entry purposes.

**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.

**STATE TEMP ASST/NEEDY FAMILIES (TANF) (432).** To account for funds granted to provide adult education services to TANF recipients who are out of school beyond the age of compulsory school attendance, and who function at less than a secondary completion level.

**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).

**GEAR UP: AVID (496).** This program is a college preparatory program that serves underachieving students in the academic middle by placing them in advanced level courses and providing them with academic and social support.

**OTHER NON-GOVERNMENTAL FUNDS (GENERAL FUNDS) INCLUDE:**

**MEDICAL ASSISTANCE PROGRAM (MAC) (196).** To account for funds allocated for eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

**SCHOOL HEALTH and RELATED SERVICES (SHARS) (198).** This code is to be used to account for funds received from the School Health and Related Services (SHARS) Program. Funds received represent reimbursements to the school district for school-based health services, which are provided to special education students enrolled in the Medicaid Program.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

Data Control Codes		204 ESEA Title IV Safe & Drug Free Schools	206 ESEA Title X, C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ (23,113)	\$ 51,255	\$ (2,347,812)	\$ 539,012
1120	Investments - Current	-	-	343,602	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	24,134	23,943	6,004,680	382,632
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	45,489	-	4,546,431	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 46,510</u>	<u>\$ 75,198</u>	<u>\$ 8,546,901</u>	<u>\$ 921,644</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ 1,486,639	\$ 27,047
2140	Interest Payable - Current	-	-	-	-
2160	Accrued Wages Payable	-	-	1,583,974	257,428
2170	Due to Other Funds	46,510	75,198	5,476,288	636,969
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	200
2300	Deferred Revenues	-	-	-	-
2000	Total Liabilities	<u>46,510</u>	<u>75,198</u>	<u>8,546,901</u>	<u>921,644</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	-	-
3490	Other Purposes	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 46,510</u>	<u>\$ 75,198</u>	<u>\$ 8,546,901</u>	<u>\$ 921,644</u>

## EXHIBIT H-1 (Cont'd)

216 Title I School Improvement	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	231 JTPA Title II, A Job Training	244 Vocational Ed Basic Grant	255 ESEA II,A Training and Recruiting	261 Reading First	262 Title II, D Education Technology
\$ (16,269)	\$ 1,827,449	\$ 24,906	\$ 34,977	\$ 149,115	\$ 164,701	\$ (121,399)	\$ 21,230
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
597,194	609,760	3,125	1,144	377,357	871,620	663,713	49,260
-	-	-	-	-	-	-	-
198,076	21,393	41,636	7,160	290,524	-	352,422	-
-	-	-	-	-	-	-	-
\$ 779,001	\$ 2,458,602	\$ 69,667	\$ 43,281	\$ 816,996	\$ 1,036,321	\$ 894,736	\$ 70,490
\$ 356,109	\$ -	\$ -	\$ 358	\$ 248,380	\$ 26,328	\$ 28,661	\$ 9,375
-	-	-	-	-	-	-	-
54,067	761,763	10,235	-	-	330,973	-	-
368,825	1,696,839	59,432	42,923	568,616	679,020	866,075	61,115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
779,001	2,458,602	69,667	43,281	816,996	1,036,321	894,736	70,490
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,862	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(5,862)	-
-	-	-	-	-	-	-	-
\$ 779,001	\$ 2,458,602	\$ 69,667	\$ 43,281	\$ 816,996	\$ 1,036,321	\$ 894,736	\$ 70,490

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

Data Control Codes	263 Title III, A English Lang. Acquisition	269 Title V, Pt A Innovative Programs	274 GEAR Up	276 Title I SIP Academy Grant
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ (368,151)	\$ 62	\$ (153,600)	\$ (164,018)
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Due from Other Governments	595,293	-	141,256	183,340
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	618,679	-	19,190	58,436
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 845,821</u>	<u>\$ 62</u>	<u>\$ 6,846</u>	<u>\$ 77,758</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110 Accounts Payable	\$ 74,984	\$ -	\$ 5,594	\$ 68,620
2140 Interest Payable - Current	-	-	-	-
2160 Accrued Wages Payable	391,873	-	-	-
2170 Due to Other Funds	296,364	62	1,252	9,138
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	82,600	-	-	-
2300 Deferred Revenues	-	-	-	-
2000 Total Liabilities	<u>845,821</u>	<u>62</u>	<u>6,846</u>	<u>77,758</u>
Fund Balances:				
Reserved For:				
3420 Retirement of Long Term Debt	-	-	-	-
3440 Outstanding Encumbrances	-	-	-	-
3490 Other Purposes	-	-	-	-
Unreserved and Undesignated:				
3610 Reported in Special Revenue Funds	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 845,821</u>	<u>\$ 62</u>	<u>\$ 6,846</u>	<u>\$ 77,758</u>



289 Other Federal Special Revenue Funds	309 SSA Adult Education	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	385 Visually Impaired
\$ 708,424	\$ (28,463)	\$ (33,826)	\$ 12,075	\$ 50,143	\$ 1,923	\$ 4,649	\$ 11,370
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
55,113	1,096	23,886	-	1,554	-	104	-
-	-	-	-	-	-	-	-
-	73,130	23,125	62,888	3,042	-	170	-
-	-	-	-	-	-	-	-
\$ 763,537	\$ 45,763	\$ 13,185	\$ 74,963	\$ 54,739	\$ 1,923	\$ 4,923	\$ 11,370
\$ 3,972	\$ 106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100,720	45,657	13,185	5,334	54,739	237	4,923	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
658,845	-	-	69,629	-	1,686	-	11,370
763,537	45,763	13,185	74,963	54,739	1,923	4,923	11,370
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 763,537	\$ 45,763	\$ 13,185	\$ 74,963	\$ 54,739	\$ 1,923	\$ 4,923	\$ 11,370

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

Data Control Codes		392 Non-Ed. Community Based Support	393 Texas Successful Schools Prog.	394 Pregnancy, Education and Parenting	397 Advanced Placement Incentives
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 678,045	\$ 30,527	\$ 8,923	\$ 193,441
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Due from Other Governments	-	-	6,668	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ 678,045</u>	<u>\$ 30,527</u>	<u>\$ 15,591</u>	<u>\$ 193,441</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ 3,850	\$ 7,299
2140	Interest Payable - Current	-	-	-	-
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	644,123	-	11,741	7,300
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Deferred Revenues	33,922	30,527	-	178,842
2000	Total Liabilities	<u>678,045</u>	<u>30,527</u>	<u>15,591</u>	<u>193,441</u>
Fund Balances:					
Reserved For:					
3420	Retirement of Long Term Debt	-	-	-	-
3440	Outstanding Encumbrances	-	-	-	-
3490	Other Purposes	-	-	-	-
Unreserved and Undesignated:					
3610	Reported in Special Revenue Funds	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 678,045</u>	<u>\$ 30,527</u>	<u>\$ 15,591</u>	<u>\$ 193,441</u>

401 Optional Extended Year Program	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	415 Kindergarten and Pre-K Grants	418 Employee Health Insurance	427 Security Services Grant	428 High School Allotment
\$ 26,638	\$ 307,670	\$ (435)	\$ (296,751)	\$ (1,081,299)	\$ 644,877	\$ 2,691	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,117	235,293	659	514,529	1,376,967	-	-	-
-	-	-	-	-	-	-	-
32,553	225,887	-	643,409	701,193	-	-	-
-	-	-	-	-	-	-	-
\$ 77,308	\$ 768,850	\$ 224	\$ 861,187	\$ 996,861	\$ 644,877	\$ 2,691	\$ -
\$ -	\$ 33,663	\$ -	\$ 85,056	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
77,308	735,187	224	165,630	996,861	644,877	2,691	-
-	-	-	30,459	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
77,308	768,850	224	281,145	996,861	644,877	2,691	-
-	-	-	-	-	-	-	-
-	-	1,800	31,060	-	-	-	-
-	-	-	451,609	-	-	-	-
-	-	(1,800)	97,373	-	-	-	-
-	-	-	580,042	-	-	-	-
\$ 77,308	\$ 768,850	\$ 224	\$ 861,187	\$ 996,861	\$ 644,877	\$ 2,691	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

Data Control Codes	429 Public Welfare Foundation	431 SSA - Educational Technology	432 SSA - TANF Temporary Assistance	435 SSA Regional Day School - Deaf
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ (171,546)	\$ 70,837	\$ 35,469	\$ (17,955)
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Due from Other Governments	332,806	11,438	6,789	-
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	309,231	-	-	417,122
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 470,491</u>	<u>\$ 82,275</u>	<u>\$ 42,258</u>	<u>\$ 399,167</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
2110 Accounts Payable	\$ 117,141	\$ 689	\$ -	\$ -
2140 Interest Payable - Current	-	-	-	-
2160 Accrued Wages Payable	5,999	-	-	-
2170 Due to Other Funds	318,633	81,586	42,258	371,300
2180 Due to Other Governments	-	-	-	-
2190 Due to Student Groups	-	-	-	-
2300 Deferred Revenues	28,718	-	-	27,867
2000 Total Liabilities	<u>470,491</u>	<u>82,275</u>	<u>42,258</u>	<u>399,167</u>
Fund Balances:				
Reserved For:				
3420 Retirement of Long Term Debt	-	-	-	-
3440 Outstanding Encumbrances	16,461	-	-	-
3490 Other Purposes	-	-	-	-
Unreserved and Undesignated:				
3610 Reported in Special Revenue Funds	(16,461)	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 470,491</u>	<u>\$ 82,275</u>	<u>\$ 42,258</u>	<u>\$ 399,167</u>

496	497	498	499	Total	511	Total
GEAR Up AVID	Redesigned HS Planning Grant	DSTI/NASA Grant	Other Local Special Revenue Funds	Nonmajor Special Revenue Funds	Debt Service Funds	Nonmajor Governmental Funds
\$ (12,315)	\$ 98,449	\$ 26,365	\$ 10,127	\$ 898,398	\$ 49,489	\$ 947,887
-	-	-	-	343,602	9,481,321	9,824,923
-	-	-	-	-	822,265	822,265
-	-	-	-	-	(24,668)	(24,668)
16,734	26,874	147,697	-	13,304,775	344,991	13,649,766
-	-	-	-	-	6,482	6,482
-	-	-	-	8,691,186	-	8,691,186
-	-	-	-	-	23,237	23,237
\$ 4,419	\$ 125,323	\$ 174,062	\$ 10,127	\$ 23,237,961	\$ 10,703,117	\$ 33,941,078
\$ 2,682	\$ 6,113	\$ 14,362	\$ -	\$ 2,607,028	\$ -	\$ 2,607,028
-	-	-	-	-	31,720	31,720
-	-	-	-	3,396,312	-	3,396,312
1,737	29	120	-	15,211,026	2,520,085	17,731,111
-	-	-	-	30,459	-	30,459
-	-	-	-	82,800	-	82,800
-	119,181	159,580	10,127	1,330,294	735,646	2,065,940
4,419	125,323	174,062	10,127	22,657,919	3,287,451	25,945,370
-	-	-	-	-	7,415,666	7,415,666
-	-	1,425	-	56,608	-	56,608
-	-	-	-	451,609	-	451,609
-	-	(1,425)	-	71,825	-	71,825
-	-	-	-	580,042	7,415,666	7,995,708
\$ 4,419	\$ 125,323	\$ 174,062	\$ 10,127	\$ 23,237,961	\$ 10,703,117	\$ 33,941,078

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

Data Control Codes		204 ESEA Title IV Safe & Drug Free Schools	206 ESEA Title X, C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	239,363	108,277	30,719,356	2,268,232
5020	Total Revenues	239,363	108,277	30,719,356	2,268,232
EXPENDITURES:					
Current:					
0011	Instruction	-	-	18,921,486	1,184,955
0012	Instructional Resources and Media Services	-	-	2,499,723	-
0013	Curriculum and Instructional Staff Development	-	-	3,559,912	2,300
0021	Instructional Leadership	-	-	788,535	158,230
0023	School Leadership	-	-	348,650	2,433
0031	Guidance, Counseling and Evaluation Services	239,363	-	517,977	78,850
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	1,594,429	-
0034	Student (Pupil) Transportation	-	-	2,375	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	125,741	-
0051	Facilities Maintenance and Operations	-	-	139,216	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	108,277	2,221,312	841,464
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	239,363	108,277	30,719,356	2,268,232
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8949	Other (Uses)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
1300	Increase (Decrease) in Fund Balance	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

216 Title I School Improvement	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	231 JTPA Title II, A Job Training	244 Vocational Ed Basic Grant	255 ESEA II,A Training and Recruiting	261 Reading First	262 Title II, D Education Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,013,609	8,565,470	123,875	93,475	1,036,239	3,529,095	1,796,272	246,187
1,013,609	8,565,470	123,875	93,475	1,036,239	3,529,095	1,796,272	246,187
820,756	6,989,362	123,875	-	1,015,941	2,808,208	156,251	-
-	-	-	-	-	-	-	514
132,955	2,898	-	200	18,864	673,524	1,591,359	245,673
-	105,328	-	-	1,434	47,363	25,392	-
59,898	-	-	-	-	-	23,270	-
-	1,430,166	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	840	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,392	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	20,859	-	-	-	-	-	-
-	3,625	-	93,275	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,013,609	8,565,470	123,875	93,475	1,036,239	3,529,095	1,796,272	246,187
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

Data	263	269	274	276
Control	Title III, A	Title V, Pt A		Title I
Codes	English Lang.	Innovative	GEAR	SIP Academy
	Acquisition	Programs	Up	Grant
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	2,454,305	-	470,747	535,612
5020 Total Revenues	2,454,305	-	470,747	535,612
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	2,104,617	-	162,174	70,982
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	92,346	-	10,029	435,074
0021 Instructional Leadership	93,340	-	-	-
0023 School Leadership	31,532	-	1,390	18,017
0031 Guidance, Counseling and Evaluation Services	127,211	-	202,099	11,539
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	5,259	-	95,055	-
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	-	-	-	-
0072 Debt Service - Interest on Long Term Debt	-	-	-	-
0073 Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	2,454,305	-	470,747	535,612
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
1300 Increase (Decrease) in Fund Balance	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -



289 Other Federal Special Revenue Funds	309 SSA Adult Education	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	385 Visually Impaired
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
35,088	328,262	152,925	49,599	23,769	-	895	-
35,088	328,262	152,925	49,599	23,769	-	895	-
5,012	-	-	44,877	23,769	-	895	-
-	-	-	-	-	-	-	-
14,849	-	-	1,988	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,178	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,049	328,262	152,925	2,734	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
35,088	328,262	152,925	49,599	23,769	-	895	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

Data Control Codes		392 Non-Ed. Community Based Support	393 Texas Successful Schools Prog.	394 Pregnancy, Education and Parenting	397 Advanced Placement Incentives
	REVENUES:				
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	95,191	42,516
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	-	-	95,191	42,516
	EXPENDITURES:				
	Current:				
0011	Instruction	-	-	-	27,174
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	15,342
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	95,191	-
	Debt Service:				
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	-	-	95,191	42,516
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8949	Other (Uses)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
1300	Increase (Decrease) in Fund Balance	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

401 Optional Extended Year Program	404 Student Success Initiative	409 Basic Skills Program High School	411 Technology Allotment	415 Kindergarten and Pre-K Grants	418 Employee Health Insurance	427 Security Services Grant	428 High School Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
224,620	1,202,931	122,309	1,832,161	4,264,058	-	-	3,140,284
-	-	-	-	-	-	-	-
224,620	1,202,931	122,309	1,832,161	4,264,058	-	-	3,140,284
177,695	1,126,074	-	1,780,516	4,264,058	-	-	3,140,284
-	-	-	-	-	-	-	-
-	76,689	-	621	-	-	-	-
228	168	-	84,153	-	-	-	-
46,697	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	122,309	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
224,620	1,202,931	122,309	1,865,290	4,264,058	-	-	3,140,284
-	-	-	(33,129)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	(33,129)	-	-	-	-
-	-	-	613,171	778,717	-	-	-
-	-	-	-	(778,717)	-	-	-
\$ -	\$ -	\$ -	\$ 580,042	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

Data Control Codes		429 Public Welfare Foundation	431 SSA - Educational Technology	432 SSA - TANF Temporary Assistance	435 SSA Regional Day School - Deaf
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	2,839,609	77,782	-	768,612
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	2,839,609	77,782	-	768,612
EXPENDITURES:					
Current:					
0011	Instruction	2,437,896	-	-	616,876
0012	Instructional Resources and Media Services	23,838	-	-	-
0013	Curriculum and Instructional Staff Development	66,884	-	-	-
0021	Instructional Leadership	7,257	-	-	65,702
0023	School Leadership	123,955	-	-	-
0031	Guidance, Counseling and Evaluation Services	55,572	-	-	86,034
0032	Social Work Services	-	-	-	-
0033	Health Services	15,792	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	35,003	-	-	-
0036	Extracurricular Activities	-	-	-	-
0051	Facilities Maintenance and Operations	41,712	-	-	-
0052	Security and Monitoring Services	97	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	31,603	77,782	-	-
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	-	-	-	-
0072	Debt Service - Interest on Long Term Debt	-	-	-	-
0073	Debt Service - Bond Issuance Cost and Fees	-	-	-	-
6030	Total Expenditures	2,839,609	77,782	-	768,612
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	-	-	-
8949	Other (Uses)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
1300	Increase (Decrease) in Fund Balance	-	-	-	-
3000	Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

496	497	498	499	Total	511	Total
GEAR Up AVID	Redesigned HS Planning Grant	DSTI/NASA Grant	Other Local Special Revenue Funds	Nonmajor Special Revenue Funds	Debt Service Funds	Nonmajor Governmental Funds
\$ 47,809	\$ 19,382	\$ 26,064	\$ -	\$ 93,255	\$ 3,724,712	\$ 3,817,967
-	-	-	-	14,610,073	11,939,785	26,549,858
-	-	-	-	53,790,652	-	53,790,652
47,809	19,382	26,064	-	68,493,980	15,664,497	84,158,477
30,170	14,946	13,121	-	48,061,970	-	48,061,970
-	-	-	-	2,524,075	-	2,524,075
17,639	3,780	75	-	6,963,001	-	6,963,001
-	-	-	-	1,377,130	-	1,377,130
-	656	-	-	656,498	-	656,498
-	-	-	-	2,750,989	-	2,750,989
-	-	-	-	122,309	-	122,309
-	-	-	-	1,611,061	-	1,611,061
-	-	-	-	2,375	-	2,375
-	-	-	-	35,003	-	35,003
-	-	-	-	138,133	-	138,133
-	-	12,868	-	193,796	-	193,796
-	-	-	-	97	-	97
-	-	-	-	20,859	-	20,859
-	-	-	-	4,069,813	-	4,069,813
-	-	-	-	-	6,755,000	6,755,000
-	-	-	-	-	9,892,043	9,892,043
-	-	-	-	-	143,647	143,647
47,809	19,382	26,064	-	68,527,109	16,790,690	85,317,799
-	-	-	-	(33,129)	(1,126,193)	(1,159,322)
-	-	-	-	-	7,320,000	7,320,000
-	-	-	-	-	187,074	187,074
-	-	-	-	-	(7,366,771)	(7,366,771)
-	-	-	-	-	140,303	140,303
-	-	-	-	(33,129)	(985,890)	(1,019,019)
-	-	-	-	1,391,888	7,527,191	8,919,079
-	-	-	-	(778,717)	874,365	95,648
\$ -	\$ -	\$ -	\$ -	\$ 580,042	\$ 7,415,666	\$ 7,995,708



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2009

	753	770	791	
	Insurance	Self Funded Insurance	Catering	Total Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ -	\$ 553,960	\$ 29,668	\$ 583,628
Investments - Current	-	8,086,820	-	8,086,820
Due from Other Funds	-	212,865	-	212,865
Other Receivables	-	2	-	2
Total Assets	-	8,853,647	29,668	8,883,315
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	-	8,211,166	1,237	8,212,403
Due to Other Funds	5	500,000	35,322	535,327
Total Liabilities	5	8,711,166	36,559	8,747,730
<b>NET ASSETS</b>				
Unrestricted Net Assets	(5)	142,481	(6,891)	135,585
Total Net Assets	\$ (5)	\$ 142,481	\$ (6,891)	\$ 135,585



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	753	770	791	
	Insurance	Self Funded Insurance	Catering	Total Internal Service Funds
OPERATING REVENUES:				
Local and Intermediate Sources	\$ -	\$ -	\$ 184,006	\$ 184,006
Total Operating Revenues	-	-	184,006	184,006
OPERATING EXPENSES:				
Payroll Costs	-	-	228,726	228,726
Professional and Contracted Services	-	-	339	339
Supplies and Materials	-	-	44,587	44,587
Total Operating Expenses	-	-	273,652	273,652
Income (Loss) Before Transfers	-	-	(89,646)	(89,646)
Transfer In	-	142,481	-	142,481
Change in Net Assets	-	142,481	(89,646)	52,835
Total Net Assets - July 1 (Beginning)	1,212	-	82,755	83,967
Prior Period Adjustment	(1,217)	-	-	(1,217)
Total Net Assets - June 30 (Ending)	\$ (5)	\$ 142,481	\$ (6,891)	\$ 135,585



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	753	770	791	Total Internal Service Funds
	Insurance	Self Funded Insurance	Catering	
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$ -	\$ -	\$ 303,320	\$ 303,320
Cash Payments to Employees for Services	-	-	(228,726)	(228,726)
Cash Payments for Suppliers	-	-	(44,587)	(44,587)
Other Operating Cash Receipts (Payments)	(899)	553,960	(339)	552,722
Net Cash Provided by (Used for) Operating Activities	(899)	553,960	29,668	582,729
Net Increase (Decrease) in Cash and Cash Equivalents	(899)	553,960	29,668	582,729
Cash and Cash Equivalents at Beginning of the Year:	899	-	-	899
Cash and Cash Equivalents at the End of the Year:	\$ -	\$ 553,960	\$ 29,668	\$ 583,628
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss):	\$ -	\$ -	\$ (89,646)	\$ (89,646)
Effect of Increases and Decreases in Current Assets and Liabilities:				
Decrease (increase) in Current Investments	-	9,742,924	-	9,742,924
Decrease (increase) in Due from Other Funds	11,990,106	(212,791)	107,408	11,884,723
Decrease (increase) in Other Receivables	-	(2)	-	(2)
Increase (decrease) in Accounts Payable	(11,991,010)	2,444,786	(274)	(9,546,498)
Increase (decrease) in Due to Other Funds	5	(11,135,702)	12,180	(11,123,517)
Increase (decrease) in Other Liabilities	-	(285,255)	-	(285,255)
Net Cash Provided by (Used for) Operating Activities	\$ (899)	\$ 553,960	\$ 29,668	\$ 582,729



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	BALANCE JULY 1 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2009
<b>STUDENT ACTIVITIES</b>				
Assets:				
Cash and Temporary Investments	\$ 1,178,300	\$ 4,109,701	\$ 4,237,626	\$ 1,050,375
Due From Other Funds	19,918	-	-	19,918
Total Assets	<u>\$ 1,198,218</u>	<u>\$ 4,109,701</u>	<u>\$ 4,237,626</u>	<u>\$ 1,070,293</u>
Liabilities:				
Accounts Payable	\$ 41,423	\$ 68,651	\$ 82,654	\$ 27,420
Due to Student Groups	1,156,795	4,082,377	4,196,298	1,042,874
Total Liabilities	<u>\$ 1,198,218</u>	<u>\$ 4,151,028</u>	<u>\$ 4,278,952</u>	<u>\$ 1,070,294</u>
<b>WORKERS' COMPENSATION</b>				
Assets:				
Cash and Temporary Investments	\$ 45,640	\$ 2,669,730	\$ 2,647,691	\$ 67,679
Investments - Current	25,624,371	895,484	2,397,145	24,122,710
Accrued Interest	23,534	36,795	23,534	36,795
Due From Other Funds	10,821	-	-	10,821
Other Receivables	-	13,000,000	650,000	12,350,000
Total Assets	<u>\$ 25,704,366</u>	<u>\$ 16,602,009</u>	<u>\$ 5,718,370</u>	<u>\$ 36,588,005</u>
Liabilities:				
Accounts Payable	\$ 12,634,980	\$ 14,343,894	\$ 2,653,489	\$ 24,325,385
Due to Other Funds	13,069,126	405,283	1,212,429	12,261,980
Due to Student Groups	260	379	-	639
Total Liabilities	<u>\$ 25,704,366</u>	<u>\$ 14,749,556</u>	<u>\$ 3,865,918</u>	<u>\$ 36,588,004</u>
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 1,223,940	\$ 6,779,431	\$ 6,885,317	\$ 1,118,054
Investments - Current	25,624,371	895,484	2,397,145	24,122,710
Accrued Interest	23,534	36,795	23,534	36,795
Due From Other Funds	30,739	-	-	30,739
Other Receivables	-	13,000,000	650,000	12,350,000
Total Assets	<u>\$ 26,902,584</u>	<u>\$ 20,711,710</u>	<u>\$ 9,955,996</u>	<u>\$ 37,658,298</u>
Liabilities:				
Accounts Payable	\$ 12,676,403	\$ 14,412,545	\$ 2,736,143	\$ 24,352,805
Due to Other Funds	13,069,126	405,283	1,212,429	12,261,980
Due to Student Groups	1,157,055	4,082,756	4,196,298	1,043,513
Total Liabilities	<u>\$ 26,902,584</u>	<u>\$ 18,900,584</u>	<u>\$ 8,144,870</u>	<u>\$ 37,658,298</u>



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2009

	810 Campus Crime Stoppers	816 Johnny & Nena Cavazos Athletic Fund	828 Filemon Vela Memorial Scholarship	829 Supt Scholarship	Total Private Purpose Trust Funds
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 975	\$ 86,900	\$ 35	\$ 7,276	\$ 95,186
Due from Other Funds	-	123,429	19,274	2,500	145,203
Other Receivables	-	-	-	100	100
Total Assets	975	210,329	19,309	9,876	240,489
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	975	-	-	-	975
Due to Student Groups	-	-	19,309	5,634	24,943
Accrued Expenses	-	-	-	1,200	1,200
Total Liabilities	975	-	19,309	6,834	27,118
<b>NET ASSETS</b>					
Unrestricted Net Assets	-	210,329	-	3,042	213,371
Total Net Assets	\$ -	\$ 210,329	\$ -	\$ 3,042	\$ 213,371



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

	810 Campus Crime Stoppers	816 Johnny & Nena Cavazos Athletic Fund	828 Filemon Vela Memorial Scholarship	829 Supt Scholarship	Total Private Purpose Trust Funds
ADDITIONS:					
Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 148	\$ 148
Total Additions	-	-	-	148	148
Change in Net Assets	-	-	-	148	148
Net Assets - July 1 (Beginning)	-	213,429	-	2,894	216,323
Prior Period Adjustment	-	(3,100)	-	-	(3,100)
Net Assets - June 30 (Ending)	\$ -	\$ 210,329	\$ -	\$ 3,042	\$ 213,371



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**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2009

Last 10 Years	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2000 and prior years	Various	Various	\$ Various
2001	1.393800	0.071800	2,599,669,529
2002	1.407900	0.057700	2,893,639,134
2003	1.427900	0.037700	3,151,355,675
2004	1.467900	0.017700	3,372,158,099
2005	1.471900	0.013700	3,695,481,340
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 (School year under audit)	1.019100	0.073200	4,909,923,402
100 TOTALS			

	(10) Beginning Balance 7/1/2008	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2009
\$	1,866,343	\$ -	\$ 63,608	\$ 15,756	\$ (700,415)	\$ 1,086,564
	331,427	-	34,633	1,784	(1,961)	293,049
	384,509	-	44,997	1,844	(2,873)	334,795
	485,792	-	69,134	1,825	210	415,043
	609,126	-	111,679	1,347	1,874	497,974
	844,128	-	188,751	1,756	(4,839)	648,782
	1,168,187	-	346,076	11,282	(19,210)	791,619
	2,308,363	-	863,045	58,909	(36,045)	1,350,364
	4,452,570	-	2,304,428	165,523	(189,491)	1,793,128
	-	52,931,405	45,154,407	3,243,357	(51,260)	4,482,381
\$	12,450,445	\$ 52,931,405	\$ 49,180,758	\$ 3,503,383	\$ (1,004,010)	\$ 11,693,699



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2010-2011  
 GENERAL AND SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2009

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

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
611X-6146	PAYROLL COSTS	\$ -	\$ -	\$ 413,393	\$ 5,448,013	\$ -	\$ 4,260,330	\$ 10,121,736
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	(275,539)	-	-	(275,539)
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	582,797	-	-	-	-	-	582,797
6212	Audit Services	-	-	-	51,500	-	-	51,500
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	772,172	-	-	-	-	772,172
621X	Other Professional Services	1,410	-	-	58,165	-	123,057	182,632
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	-	-	-	6,210	-	58,584	64,794
6240	Contr. Maint. and Repair	-	-	-	-	424,887	-	424,887
6250	Utilities	-	-	-	-	19,540	-	19,540
6260	Rentals	-	-	10,102	40,871	-	101,042	152,015
6290	Miscellaneous Contr.	-	-	-	49,719	-	807,770	857,489
6320	Textbooks and Reading	-	-	768	2,991	-	3,523	7,282
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	4,870	-	12,976	254,140	-	509,444	781,430
6410	Travel, Subsistence, Stipends	55,970	-	15,334	81,833	-	112,339	265,476
6420	Ins. and Bonding Costs	-	-	-	-	-	9,311	9,311
6430	Election Costs	179,821	-	-	-	-	-	179,821
6490	Miscellaneous Operating	19,070	-	3,071	95,109	-	236,351	353,601
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	448,000	448,000
6000	TOTAL	\$ 843,938	\$ 772,172	\$ 455,644	\$ 5,813,012	\$ 444,427	\$ 6,669,751	\$ 14,998,944

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 479,785,368

LESS: Deductions of Unallowable Costs  
 FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 30,698,445
Total Debt & Lease(6500)	(11)	932,409
Plant Maintenance (Function 51, 6100-6400)	(12)	46,252,695
Food (Function 35, 6341 and 6499)	(13)	12,197,751
Stipends (6413)	(14)	1,048
Column 4 (above) - Total Indirect Cost		5,813,012

SubTotal: 95,895,360

Net Allowed Direct Cost \$ 383,890,008

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 392,167,794
Historical Cost of Building over 50 years old	(16)	\$ 10,185,584
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ 8,625,351
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 36,073,004
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 3,285,215
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 5,835,130

(8) NOTE A: \$3,087,829 in Function 53 expenditures are included in this report on administrative costs.

No Function 99 expenditures for appraisal district costs are included in this report on administrative costs.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET  
FOR THE YEAR ENDED JUNE 30, 2009

**UNAUDITED**

1	Total General Fund Balance as of 6/30/09 (Exhibit C-1 object 3000 for the General Fund Only)	\$ 148,871,429
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$ 28,749,462
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)	31,953,995
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)	-
5	Estimate of one month's average cash disbursements during the regular school session (9/1/09-5/31/10).	35,961,528
6	Estimate of delayed payments from state sources (58xx) including August payment delays	21,435,512
7	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount.	-
8	Estimate of delayed payments from federal sources (59xx)	-
9	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	-
10	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9)	<u>118,100,497</u>
11	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 10)	<u>\$ 30,770,932</u>

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

The District expects to use the unreserved, undesignated General Fund balance for future capital projects.



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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, 2009

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	\$ 1,552,000	\$ 1,552,000	\$ 1,539,395	\$ (12,605)
5800	State Program Revenues	680,000	680,000	209,856	(470,144)
5900	Federal Program Revenues	25,772,843	25,772,843	25,414,369	(358,474)
5020	Total Revenues	28,004,843	28,004,843	27,163,620	(841,223)
EXPENDITURES:					
0035	Food Services	28,004,843	27,277,574	26,506,316	771,258
0051	Facilities Maintenance and Operations	-	1,729,998	1,571,428	158,570
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	25,907	-	25,907
6030	Total Expenditures	28,004,843	29,033,479	28,077,744	955,735
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,028,636)	(914,124)	114,512
OTHER FINANCING SOURCES (USES):					
7949	Other Resources	-	1,000,000	-	(1,000,000)
7080	Total Other Financing Sources (Uses)	-	1,000,000	-	(1,000,000)
1200	Net Change in Fund Balances	-	(28,636)	(914,124)	(885,488)
0100	Fund Balance - July 1 (Beginning)	4,604,818	4,604,818	4,604,818	-
3000	Fund Balance - June 30 (Ending)	\$ 4,604,818	\$ 4,576,182	\$ 3,690,694	\$ (885,488)



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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, 2009

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	\$ 4,157,903	\$ 4,157,903	\$ 3,724,712	\$ (433,191)
5800	State Program Revenues	12,499,142	12,499,142	11,939,785	(559,357)
5020	Total Revenues	16,657,045	16,657,045	15,664,497	(992,548)
EXPENDITURES:					
Debt Service:					
0071	Debt Service - Principal on Long Term Debt	6,755,000	6,755,000	6,755,000	-
0072	Debt Service - Interest on Long Term Debt	9,892,045	9,892,045	9,892,043	2
0073	Debt Service - Bond Issuance Cost and Fees	10,000	166,881	143,647	23,234
6030	Total Expenditures	16,657,045	16,813,926	16,790,690	23,236
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(156,881)	(1,126,193)	(969,312)
OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued (Regular Bonds)	-	-	7,320,000	7,320,000
7916	Premium or Discount on Issuance of Bonds	-	-	187,074	187,074
8949	Other (Uses)	-	-	(7,366,771)	(7,366,771)
7080	Total Other Financing Sources (Uses)	-	-	140,303	140,303
OTHER FINANCING SOURCES (USES):					
7919	Extraordinary Item - Resource	-	156,881	-	(156,881)
1200	Net Change in Fund Balances	-	-	(985,890)	(985,890)
0100	Fund Balance - July 1 (Beginning)	7,527,191	7,527,191	7,527,191	-
1300	Increase (Decrease) in Fund Balance	-	-	874,365	874,365
3000	Fund Balance - June 30 (Ending)	\$ 7,527,191	\$ 7,527,191	\$ 7,415,666	\$ (111,525)



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**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2009

	June 30,	
	2009	2008
<hr/> ASSETS <hr/>		
Land	\$ 23,367,874	\$ 20,987,216
Building and Improvements	392,112,981	364,237,923
Furniture, Equipment and Vehicles	36,073,004	35,514,601
Construction In Progress	115,035,549	24,476,841
Total	<u>\$ 566,589,408</u>	<u>\$ 445,216,581</u>

INVESTMENTS IN CAPITAL ASSETS

Investments in Capital Assets Acquired from		
General Fund	\$ 319,153,179	\$ 293,971,515
Special Revenue Fund	4,600,978	4,446,795
Capital Projects Fund	242,835,251	146,798,271
Total	<u>\$ 566,589,408</u>	<u>\$ 445,216,581</u>



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2009

Function	Land	Building and Improvements	Furniture, Equipment and Vehicles	Construction In Progress	Total
Instructional and Instructional Related Services	\$ 4,776,997	\$ 334,635	\$ 4,345,562	\$ -	\$ 9,457,194
Instructional and School Leadership	-	-	677,035	-	677,035
Support Services - Student (Pupil)	386,865	4,630,610	22,632,217	-	27,649,692
Administration Services	-	15,069	210,612	-	225,681
Support Services - Nonstudent Based	621,456	52,565,544	6,800,122	-	59,987,122
Ancillary Services	-	-	35,166	-	35,166
Facilities	17,582,557	334,567,123	1,372,289	115,035,549	468,557,518
Total	\$ 23,367,875	\$ 392,112,981	\$ 36,073,003	\$ 115,035,549	\$ 566,589,408



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION  
JUNE 30, 2009

Function	Balance July 1, 2008	Additions	Deletions	Adjustments	Balance June 30, 2009
Instructional and Instructional Related Services	\$ 9,225,146	\$ 434,046	\$ (215,806)	\$ 13,808	\$ 9,457,194
Instructional and School Leadership	730,159	55,644	(122,951)	14,183	677,035
Support Services - Student (Pupil)	27,959,299	142,949	(537,056)	84,500	27,649,692
Administration Services	263,970	9,828	(48,117)	-	225,681
Support Services - Nonstudent Based	59,678,395	421,729	(113,001)	-	59,987,123
Ancillary Services	21,071	-	-	14,095	35,166
Facilities	347,338,541	121,072,567	-	146,409	468,557,517
Total	\$ 445,216,581	\$ 122,136,763	\$ (1,036,931)	\$ 272,995	\$ 566,589,408



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## **STATISTICAL SECTION**



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# 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.

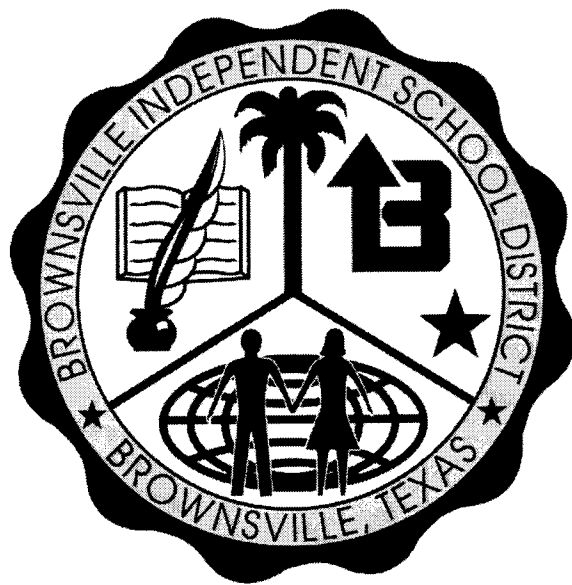
**Demographic and Economic Information** – This section contains schedule that provide an understanding of the environment within which the District's financial activities take place.

**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.



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## **GOVERNMENT-WIDE INFORMATION**



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SCHEDULE 1  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
NET ASSETS BY COMPONENT

LAST EIGHT YEARS

(Unaudited)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>								
Invested in Capital Assets								
Net of Related Debt	\$ 151,806,264	\$ 120,320,803	\$ 153,436,185	\$ 152,489,514	\$ 171,184,508	\$ 61,006,564	\$ 95,604,744	\$ 239,579,610
Restricted	61,443,594	81,035,422	57,451,563	98,358,180	81,665,840	229,355,987	235,087,962	17,636,587
Unrestricted	46,964,189	71,946,548	99,384,748	97,534,738	110,748,123	106,255,875	89,801,140	153,762,955
Total Net Assets	\$ 260,214,047	\$ 273,302,773	\$ 310,272,496	\$ 348,382,432	\$ 363,598,471	\$ 396,618,426	\$ 420,493,846	\$ 410,979,152

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

Note: Comparative data is for seven years only, due to the implementation of GASB Statement 34 effective September 1, 2001.

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

LAST EIGHT YEARS

(Unaudited)

	Fiscal Year			
	2002	2003	2004	2005
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 189,334,516	\$ 196,315,290	\$ 198,820,719	\$ 190,802,261
Instructional Resources & Media Services	6,891,698	7,184,837	7,349,494	5,810,592
Curriculum & Staff Development	10,531,718	9,847,038	9,838,935	9,926,103
Instructional Leadership	5,364,306	5,594,994	5,408,783	4,375,756
School Leadership	17,664,556	18,659,040	18,409,987	15,715,709
Guidance, Counseling & Evaluation Services	12,715,447	13,175,288	13,537,844	12,985,210
Social Work Services	1,658,114	1,586,117	752,463	391,898
Health Services	3,519,815	3,739,444	3,617,567	3,437,790
Student (Pupil) Transportation	9,604,473	9,598,533	9,632,174	9,817,842
Food Services	21,406,434	22,004,598	24,265,522	23,620,249
Cocurricular/Extracurricular Activities	9,041,099	9,742,845	9,681,919	8,863,883
General Administration	10,506,833	10,710,934	9,762,781	8,383,267
Plant Maintenance & Operations	31,133,107	32,325,347	32,483,497	28,726,621
Security & Monitoring Services	3,127,298	3,197,648	3,078,800	2,742,852
Data Processing Services	1,584,435	1,650,918	1,830,399	1,679,255
Community Services	2,536,223	2,622,454	3,297,355	3,692,366
Debt Service - Interest on Long Term Debt	5,333,838	5,385,669	5,439,580	2,602,523
Debt Service - Bond Issuance Cost & Fees	445,794	10,704	10,958	9,279
Facilities Acquisition & Construction	1,140,898	644,881	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	-	-
Total Governmental Activities	343,540,602	353,996,579	357,218,777	333,583,456
<b>Program Revenues</b>				
Charges for Services				
Instruction	526,523	704,007	902,814	802,992
Instructional Resources and Media Services	-	-	-	-
Curriculum and Instructional Staff Development	-	8,033	8,209	-
Instructional Leadership	-	1,785	-	-
School Leadership	-	1,785	-	-
Guidance, Counseling and Evaluation Services	-	5,356	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student (Pupil) Transportation	-	-	-	-
Food Services	1,267,160	1,359,047	1,250,211	1,226,537
Extracurricular Activities	301,151	321,105	378,632	337,198
General Administration	-	832	-	-
Plant Maintenance and Operations	-	832	-	-
Security and Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	8,027	59,784	77,169	71,812
Debt Service - Interest on Long Term Debt	-	-	-	-
Debt Service - Bond Issuance Cost & Fees	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Operating Grants and Contributions	81,351,354	62,108,902	64,272,584	64,729,396
Total Governmental Activities	83,454,215	64,571,468	66,889,619	67,167,935
<b>Net Governmental Activities</b>				
Revenue/(Expense)	\$ (260,086,387)	\$ (289,425,111)	\$ (290,329,158)	\$ (266,415,521)

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

Note: Comparative data is for seven years only, due to the implementation of GASB Statement 34 effective September 1, 2001.

	2006	2007	2008	2009
\$	225,127,661	\$ 235,656,199	\$ 251,458,965	\$ 263,214,508
	8,298,444	7,082,218	7,429,329	8,386,006
	12,710,160	13,073,733	12,468,934	14,793,150
	5,481,316	6,191,546	6,731,053	7,059,359
	19,982,255	21,261,506	22,234,884	23,438,655
	14,261,105	15,708,534	16,262,550	17,738,872
	514,318	520,648	500,457	711,711
	3,774,733	4,452,657	4,874,905	5,405,783
	11,877,527	13,088,226	13,386,936	13,147,513
	26,407,131	28,341,364	28,453,632	27,575,534
	12,121,352	13,405,545	14,333,394	13,531,209
	10,310,051	11,121,851	11,628,184	12,319,564
	39,631,342	43,270,873	47,109,642	48,055,290
	3,566,191	3,909,690	4,784,350	5,538,612
	1,897,662	2,240,079	2,440,008	3,038,063
	3,815,334	4,165,693	4,226,094	4,941,913
	4,999,747	7,866,188	10,209,593	9,864,827
	304,446	735,785	19,442	96,332
	-	-	-	-
	34,886	103,152	97,558	148,558
	405,115,661	432,195,487	458,649,910	479,005,459
	975,830	841,225	1,010,092	1,164,731
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	1,306,641	1,371,261	1,528,468	1,419,206
	321,630	357,281	344,025	343,771
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	55,553	87,070	88,226	479,153
	-	-	-	-
	-	-	-	-
	-	-	-	-
	70,078,445	73,063,663	75,268,303	82,140,558
	72,738,099	75,720,500	78,239,114	85,547,419
\$	(332,377,562)	\$ (356,474,987)	\$ (380,410,796)	\$ (393,458,040)

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

LAST EIGHT YEARS

(Unaudited)

	Fiscal Year			
	2002	2003	2004	2005
<b>Net Governmental Activities</b>				
<b>Revenue /(Expense)</b>	\$ (260,086,387)	\$ (289,425,111)	\$ (290,329,158)	\$ (266,415,521)
General Revenues and Changes in Net Assets:				
Property Taxes - M&O	40,151,900	44,554,733	48,788,334	52,878,425
Property Taxes - Debt Service	1,826,320	1,255,494	1,369,951	1,382,834
State Aid	-	229,959,049	253,487,266	228,779,857
Grants & Contributions not Restricted	205,480,529	23,091,064	20,841,629	18,809,954
Investment Earnings	5,291,349	2,862,070	2,302,612	4,021,279
Special Item	-	132,210	2,319,010	347,248
Special - (Use)	-	-	(95,242)	(456,883)
Extraordinary Item - resource	-	-	-	-
Miscellaneous	271,243	-	-	-
Total General Revenues	253,021,341	301,854,620	329,013,560	305,762,714
Change in Net Assets	\$ (7,065,046)	\$ 12,429,509	\$ 38,684,402	\$ 39,347,193

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

Note: Comparative data is for seven years only, due to the implementation of GASB Statement 34 effective September 1, 2001.



2006	2007	2008	2009
\$ (332,377,562)	\$ (356,474,987)	\$ (380,410,796)	\$ (393,458,040)
54,900,026	57,100,739	47,622,425	50,698,836
2,672,946	4,777,354	4,866,150	3,608,402
252,078,847	256,856,481	273,801,373	279,184,838
27,912,159	53,491,917	48,965,278	46,407,489
9,262,177	17,281,072	17,368,044	6,867,205
1,179,641	187,043	2,656,772	222,344
(973,775)	(1,608,033)	(1,669,850)	-
-	1,794,147	500,500	-
-	-	-	-
347,032,021	389,880,720	394,110,692	386,989,114
\$ 14,654,459	\$ 33,405,733	\$ 13,699,896	\$ (6,468,926)



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## **FUND INFORMATION**

SCHEDULE 4  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

	2000	2001	2002	2003	2004
<b>General Fund</b>					
<i>Reserved Fund Balances:</i>					
Investments in Inventory	\$ 2,984,016	\$ 3,989,421	\$ 3,989,420	\$ 3,520,491	\$ 3,195,213
Retirement of Long-Term Debt	-	-	-	-	-
Outstanding Encumbrances	7,993,350	8,116,068	8,116,068	5,155,218	3,527,911
Food Service	13,314,776	7,482,674	1,483,059	7,834,877	7,897,198
Other Purposes	10,372,574	10,511,128	10,617,984	12,199,625	11,824,307
<i>Unreserved Designated For:</i>					
Construction	5,940,220	3,985,068	7,253,170	8,822,619	11,091,043
Capital/Expenditures for Equipment	547,000	77,516	25,000	-	-
Other Purposes	13,325,539	23,874,884	26,380,099	-	-
<i>Unreserved and Undesignated:</i>					
Reported in the General Fund	44,354,240	38,431,316	34,496,186	62,979,829	98,815,933
<b>Total General Fund Balance</b>	<b>98,831,715</b>	<b>96,468,075</b>	<b>92,360,986</b>	<b>100,512,659</b>	<b>136,351,605</b>
<b>All Other Governmental Funds</b>					
<i>Reserved, Reported In:</i>					
Special Revenues					
Outstanding Encumbrances	184,449	176,403	-	-	-
Food Service	341,882	356,764	375,183	375,183	-
Other Reserves	1,808,795	-	1,854,554	2,022,909	2,034,223
Debt Service					
Retirement of Long Term Debt	19,242,263	20,802,156	5,553,219	4,848,987	3,610,532
Outstanding Encumbrances	-	2,667	-	-	-
Capital Projects					
Outstanding Encumbrances	21,236,452	18,985,767	21,236,452	25,431,250	6,869,468
Other Purposes	-	-	22,536,518	10,871,073	7,789,986
<i>Unreserved Designated, Reported In:</i>					
Capital Projects Fund Construction	24,994,167	-	-	-	-
Capital Expenditures for Equipment	-	6,079,359	-	-	-
<i>Unreserved and Undesignated:</i>					
Reported in the Capital Projects funds	-	-	-	-	-
Reported in Special Revenue funds	-	1,764,207	-	(46,810)	(388,318)
<b>Total All Other Governmental Fund Balance</b>	<b>67,808,008</b>	<b>48,167,323</b>	<b>51,555,926</b>	<b>43,502,592</b>	<b>19,915,891</b>
<b>Total Government Funds -- Fund Balance</b>	<b>\$ 166,639,723</b>	<b>\$ 144,635,398</b>	<b>\$ 143,916,912</b>	<b>\$ 144,015,251</b>	<b>\$ 156,267,496</b>
<b>Governmental Funds</b>					
Beginning Fund Balance	\$ 159,958,285	\$ 166,639,723	\$ 144,635,398	\$ 143,916,912	\$ 144,015,251
Net Change in Fund Balance	6,681,438	(22,004,325)	(718,486)	98,339	12,252,245
<b>Ending Balance</b>	<b>\$ 166,639,723</b>	<b>\$ 144,635,398</b>	<b>\$ 143,916,912</b>	<b>\$ 144,015,251</b>	<b>\$ 156,267,496</b>

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

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.

	2005	2006	2007	2008	2009
\$	3,725,141	\$ 3,952,630	\$ 5,073,314	\$ 4,440,512	\$ 4,980,783
	178,062	172,868	172,868	165,895	3,920
	10,549,147	11,816,841	15,417,596	13,535,457	10,855,448
	7,160,197	7,063,466	7,238,318	5,550,630	1,693,073
	20,862,132	15,921,314	16,711,053	17,129,854	11,216,238
	40,438,286	26,034,570	33,779,582	50,393,914	31,953,995
	-	-	-	-	-
	-	850,000	-	-	-
	84,797,128	99,630,833	94,599,727	84,885,826	88,167,972
	167,710,093	165,442,522	172,992,458	176,102,088	148,871,429

	6,310	126,247	52,238	57,921	56,608
	-	-	-	-	-
	2,110,798	1,463,554	1,246,819	1,230,326	451,609
	7,582,861	9,579,439	8,488,045	7,527,191	7,415,666
	-	-	-	-	-
	3,086,876	6,515	3,763,740	65,678,823	20,471,549
	4,023,645	5,074,658	5,074,658	5,074,658	5,074,657
	-	-	-	-	-
	-	-	-	-	-
	-	-	132,276,179	64,199,140	14,656,385
	(1,365,275)	(396,262)	61,577	103,641	71,825
	15,445,215	15,854,151	150,963,256	143,871,700	48,198,299
\$	183,155,308	\$ 181,296,673	\$ 323,955,714	\$ 319,973,788	\$ 197,069,728

\$	156,267,496	\$ 183,155,308	\$ 181,296,673	\$ 323,955,714	\$ 319,973,788
	26,887,812	(1,858,635)	142,659,041	(3,981,926)	(122,904,060)
\$	183,155,308	\$ 181,296,673	\$ 323,955,714	\$ 319,973,788	\$ 197,069,728



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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		
2000	\$32,920,399	\$432,487	\$ 12,544,695	\$193,738,780	\$ 10,083,215	\$ 6,199,738	\$ 44,479,026	\$300,398,340
2001	36,775,042	432,990	12,204,071	192,806,872	10,547,746	6,974,791	44,379,450	304,120,962
2002	41,191,602	526,523	7,114,003	218,601,200	11,567,425	4,736,326	51,901,931	335,639,010
2003	45,397,092	595,230	4,767,891	229,956,700	11,887,202	16,308,114	56,917,738	365,829,967
2004	49,461,019	584,243	4,364,197	253,487,266	11,502,122	5,972,967	67,639,124	393,010,938
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

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
2000	\$ 168,899,354	\$ 17,544,549	\$ 46,863,703	\$ 7,957,030	\$ 28,276,993	\$ 1,996,088
2001	173,874,968	19,494,147	49,650,009	8,965,306	32,047,674	2,215,047
2002	203,127,797	22,619,080	61,435,926	10,163,610	35,640,477	2,487,299
2003	209,064,558	23,757,017	59,316,261	10,490,330	36,905,260	2,568,151
2004	211,056,891	23,299,272	62,520,333	9,545,271	36,594,986	3,220,729
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	4,774,256

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



Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter- Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Service to Operating Expenditures
\$ 4,982,953	\$ 4,176,661	\$ 13,710,875	\$ -	\$ 294,408,206	3.37%
5,380,000	3,767,972	33,180,797	-	328,575,920	3.20%
6,920,000	5,755,481	24,805,857	-	372,955,527	3.78%
5,375,000	5,332,413	13,714,065	-	366,523,055	3.13%
5,175,000	5,521,842	34,696,336	-	391,630,660	3.09%
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	2.17%
9,950,000	9,200,003	25,664,640	103,152	458,733,811	4.63%
6,990,000	10,554,188	30,651,788	97,558	487,062,347	4.00%
7,310,000	10,413,099	121,189,943	148,558	592,877,927	3.91%

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

LAST TEN YEARS

(Unaudited)

	2000	2001	2002	2003	2004
Excess of Revenues Over (Under) Expenditures	\$ 5,990,134	\$ (903,580)	\$ (37,316,517)	\$ (693,088)	\$ 1,379,278
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	38,195,000	-	-
Capital-Related Debt Issued	-	-	-	-	-
Sale of Real and Personal Property	-	-	45,839	24,146	23,464
Non-Current Loans	-	-	-	-	9,155,000
Transfers In	-	-	27,877,000	13,324,682	11,731,275
Premium or Discount on Issuance of Bonds	-	-	4,089	-	-
Other Resources	7,532,806	893,212	-	-	2,142,120
Transfers Out	-	-	(27,877,000)	(13,324,682)	(11,731,275)
Other Uses	(7,489,970)	-	(150,000)	-	(95,242)
Total Other Financing Sources (Uses)	42,836	893,212	38,094,928	24,146	11,225,342
Special Items	-	-	-	108,064	153,426
Net Change in Fund Balances	\$ 6,032,970	\$ (10,368)	\$ 778,411	\$ (560,878)	\$ 12,758,046

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

2005	2006	2007	2008	2008	2009
\$ 26,817,171	\$ (2,882,625)	\$ 5,868,776	\$ (15,542,126)	\$ (15,542,126)	\$ (120,163,179)
-	-	-	-	-	-
-	65,435,000	129,985,000	-	-	7,320,000
51,099	49,803	17,645	24,496	24,496	23,657
-	-	-	-	-	6,250,000
8,101,880	11,455,350	12,898,480	13,867,904	13,867,904	13,005,391
-	-	-	-	-	187,074
-	4,336,541	6,391,081	-	-	-
296,149	1,129,838	169,398	3,132,776	3,132,776	1,411
(8,101,880)	(11,455,350)	(12,898,480)	(13,867,904)	(13,867,904)	(13,147,872)
(456,883)	(70,488,772)	(1,608,033)	(1,669,850)	(1,669,850)	(13,650,287)
(109,635)	462,410	134,955,091	1,487,422	1,487,422	(10,626)
-	-	1,794,147	-	-	197,276
\$ 26,707,536	\$ (2,420,215)	\$ 142,618,014	\$ (14,054,704)	\$ (14,054,704)	\$ (119,976,529)

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
2000	37,015	4,563	474	1,266	215	764
2001	37,687	4,614	517	1,317	238	850
2002	39,302	5,168	576	1,563	259	907
2003	40,779	5,127	583	1,455	257	905
2004	42,274	4,993	551	1,479	226	866
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	45,717	5,791	617	1,686	248	1,164
2009	44,665	6,204	661	1,691	267	1,231

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. 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.

\*\* 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
54	135	113	370	-	7,954
59	143	100	880	-	8,719
63	176	146	631	-	9,489
63	132	131	336	-	8,988
76	122	131	821	-	9,264
83	11	60	358	-	7,943
85	65	126	558	1	9,533
91	224	207	577	2	10,311
92	153	231	670	2	10,654
107	164	233	2,713	3	13,274



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## **REVENUE CAPACITY INFORMATION**



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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			
2000	\$ 2,037,037,522	\$ 367,775,360	\$2,404,812,882	\$ 3,108,907,156	77.35%	1.415600
2001	2,196,290,394	403,379,135	2,599,669,529	3,340,098,821	77.83%	1.465600
2002	2,460,152,265	433,486,869	2,893,639,134	3,680,769,208	78.62%	1.465600
2003	2,664,399,367	486,956,308	3,151,355,675	3,975,780,844	79.26%	1.465600
2004	2,885,792,870	486,365,229	3,372,158,099	4,160,431,798	81.05%	1.485600
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

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	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2000	\$ 33,454,823	\$ 30,598,643	91.46%	\$ 1,742,109	\$ 32,340,752	96.67%	\$ 7,155,461	21.39%
2001	37,425,350	34,083,748	91.07%	1,870,352	35,954,100	96.07%	8,235,683	22.01%
2002	41,692,044	37,889,504	90.88%	2,360,909	40,250,413	96.54%	9,256,546	22.20%
2003	45,411,431	41,491,775	91.37%	2,852,181	44,343,956	97.65%	9,783,241	21.54%
2004	49,326,280	45,414,638	92.07%	3,082,888	48,497,526	98.32%	10,435,507	21.16%
2005	53,980,789	48,224,568	89.34%	2,938,924	51,163,492	94.78%	12,827,873	23.76%
2006	56,893,668	51,372,178	90.30%	4,963,134	56,335,312	99.02%	12,774,956	22.45%
2007	61,639,120	55,207,914	89.57%	4,890,553	60,098,467	97.50%	13,390,777	21.72%
2008	51,069,707	46,597,854	91.24%	5,436,046	52,033,900	101.89%	12,450,446	24.38%
2009	52,931,405	48,397,764	91.43%	4,286,377	52,684,141	99.53%	11,693,699	22.09%

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
2000	1.348400	0.067200	1.415600	\$ 31,866,688	\$ 1,588,135	\$ 33,454,823
2001	1.393800	0.071800	1.465600	35,591,508	1,833,842	37,425,350
2002	1.407900	0.057700	1.465600	40,049,378	1,642,667	41,692,044
2003	1.427900	0.037700	1.465600	43,354,293	2,057,138	45,411,431
2004	1.467900	0.017700	1.485600	48,739,298	586,982	49,326,280
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

Source: Brownsville Independent School District Annual Financial and Compliance Reports

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



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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	
2000	1999	1.415600	0.037200	0.670000	0.086601	0.325934	0.040386	0.122026	2.697747
2001	2000	1.465600	0.037200	0.685000	0.085701	0.345843	0.036344	0.131400	2.787088
2002	2001	1.465600	0.039200	0.680000	0.077494	0.340536	0.034376	0.131400	2.768606
2003	2002	1.465600	0.039200	0.680000	0.074125	0.340536	0.033130	0.131400	2.763991
2004	2003	1.485600	0.039200	0.680000	0.073935	0.358191	0.053130	0.131400	2.821456
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

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 2009	
		Tax Year 2008 Assessed Valuation	Percentage of Total Assessed Valuation
CBL/Sunrise Commons LP	Real Estate/Shopping Mall	\$ 38,922,610	0.79%
TRICO Products Corp.	Manufacturer	20,152,539	0.41%
Columbia Valley Healthcare Systems LP	Hospital	31,461,407	0.64%
Southwestern Bell Telephone	Telephone Utility	22,733,690	0.46%
Rich-Seapak Co	Retail Store	15,555,344	0.32%
KIMCO Brownsville LP	Land/ Improvements	19,412,635	0.40%
Wal-Mart Stores Texas LP	Retail Store	14,993,693	0.31%
Wal-Mart Stores Inc.	Retail Store	15,998,655	0.33%
H E Butt Grocery Co	Grocery	14,034,227	0.29%
Columbia Valley Healthcare Systems LP	Hospital	-	-
Brownsville Medical Center	Hospital	-	-
Security Capital Industrial Trust	Real Estate Investments	-	-
Simon Property Group	Real Estate/Shopping Mall	-	-
Saint Gobain Corporation	Manufacturer	-	-
Morrison Crossing LTD	Home Improvements	13,840,317	0.28%
Totals		<u>\$ 207,105,117</u>	<u>4.22%</u>

Source: Cameron County Appraisal District

Fiscal Year 2000		
	Tax Year	
	1999	Percentage of
	Assessed	Total Assessed
	Valuation	Valuation
\$	-	-
	37,047,255	1.65%
	20,474,790	91.00%
	26,113,170	116.00%
	21,168,343	94.00%
	-	-
	13,474,921	60.00%
	-	-
	15,463,939	69.00%
	-	-
	21,488,820	96.00%
	10,047,702	45.00%
	9,658,204	43.00%
	16,953,996	76.00%
	-	-
\$	191,891,140	8.61%



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## **DEBT CAPACITY INFORMATION**

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
2000	\$ 75,631,676	\$ -	\$ -	\$ -	\$ 75,631,676
2001	70,960,250	-	-	-	70,960,250
2002	102,561,040	-	-	-	102,561,040
2003	97,250,000	-	-	-	97,250,000
2004	92,415,000	-	8,815,000	-	101,230,000
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

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Ratio of Total Debt to Estimated Actual Property Value	Total Debt Per Average Daily Membership
2.43%	1876
2.12%	1726
2.79%	2399
2.45%	2187
2.43%	2201
2.22%	2148
2.02%	2022
3.92%	4497
3.59%	4311
3.36%	4181



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

As Of June 30, 2009

(Unaudited)

Political Subdivision	Net Debt Amounts		As of	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Brownsville Navigation District	\$ 19,585,990	A	09/30/09	80.32%	\$ 15,731,467
City Of Brownsville	161,698,234	A	09/30/09	90.65%	146,579,449
Cameron County	68,345,000	A	09/30/09	32.80%	22,417,160
Paseo De La Resaca MUD #1	1,720,000	A	09/30/09	100.00%	1,720,000
Paseo De La Resaca MUD #2	2,625,000	A	09/30/09	100.00%	2,625,000
Paseo De La Resaca MUD #3	5,475,000	A	09/30/09	100.00%	5,475,000
Paseo De La Resaca MUD #3	3,285,000	A	09/30/09	100.00%	3,285,000
Rancho Viejo, Town of	1,050,000	A	09/30/09	59.40%	623,700
Texas Southmost College District	78,000,000	A	09/30/09	48.04%	37,471,200
Valley MUD #2	6,420,000	A	09/30/09	66.76%	4,285,992
					<u>\$ 240,213,968</u>
Brownsville ISD Direct Debt		B	06/30/09	100.00%	<u>\$ 197,060,000</u>
Total Direct and Overlapping Debt					<u><u>\$ 437,273,968</u></u>

Source:

A - Municipal Advisory Council of Texas

B - Brownsville Independent School District Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the district. This process recognizes that, when considering the district's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping

SCHEDULE 16  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	2000	2001	2002	2003
Assessed Valuation	\$ 2,404,812,882	\$2,599,669,529	\$2,893,639,134	\$3,151,355,675
Debt Limit - 10% of Assessed Valuation	240,481,288	259,966,953	289,363,913	315,135,568
General Obligation Bonds	75,631,677	70,960,250	102,561,040	97,250,000
Deduct Amount Available in Debt Service Fund	19,242,263	20,804,823	5,553,219	4,848,988
Applicable Debt	56,389,414	50,155,427	97,007,821	92,401,012
Legal Debt Margin	\$ 184,091,874	\$ 209,811,526	\$ 192,356,093	\$ 222,734,555
Debt Margin as a Percentage of the Debt Limit	76.55%	80.71%	66.48%	70.68%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<u>\$3,372,158,099</u>	<u>\$3,695,481,340</u>	<u>\$3,895,196,875</u>	<u>\$4,465,529,944</u>	<u>\$4,773,440,004</u>	<u>\$4,909,923,402</u>
337,215,810	369,548,134	389,519,688	446,552,994	477,344,000	490,992,340
92,415,001	92,415,000	89,735,000	210,290,000	203,835,000	197,060,000
3,610,532	7,582,861	9,579,439	8,488,045	7,527,191	7,415,666
88,804,468	84,832,139	80,155,561	201,801,955	196,307,809	189,644,334
<u>\$ 248,411,342</u>	<u>\$ 284,715,995</u>	<u>\$ 309,364,127</u>	<u>\$ 244,751,039</u>	<u>\$ 281,036,192</u>	<u>\$ 301,348,006</u>
73.67%	77.04%	79.42%	54.81%	58.87%	61.38%

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
2000	41,104	\$ 3,108,907,156	\$ 75,631,676	\$19,242,263	\$56,389,413	1.81%	1,371.87
2001	42,747	3,340,098,821	70,960,250	20,802,156	50,158,094	1.50%	1,173.37
2002	44,452	3,680,769,208	102,561,040	5,553,219	97,007,821	2.64%	2,182.30
2003	45,986	3,975,780,844	97,250,000	4,848,987	92,401,013	2.32%	2,009.33
2004	46,908	4,160,431,798	101,230,000	3,610,532	97,619,468	2.35%	2,081.08
2005	48,261	4,548,022,961	100,770,000	7,582,861	93,187,139	2.05%	1,930.90
2006	48,391	4,840,839,426	97,595,000	9,579,439	88,015,561	1.82%	1,818.84
2007	48,858	5,548,457,738	217,630,000	8,488,045	209,141,955	3.77%	4,280.61
2008	45,717	5,871,154,152	210,640,000	7,527,191	203,112,809	3.46%	4,442.83
2009	44,665	6,053,536,586	203,310,000	7,415,666	195,894,334	3.24%	4,385.86

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
2000	\$ 4,982,953	\$ 4,168,477	\$ 9,151,430	\$ 247,784,729	3.69%
2001	5,380,000	3,764,155	9,144,155	261,975,583	3.49%
2002	6,920,000	5,333,838	12,253,838	298,482,914	4.11%
2003	5,375,000	5,321,709	10,696,709	297,110,763	3.60%
2004	5,175,000	5,439,580	10,614,580	306,391,596	3.46%
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%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: \* Excludes Other Fees



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## **DEMOGRAPHIC AND ECONOMIC INFORMATION**



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

(Unaudited)

Employer	2009 *			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brownsville ISD	7,080	1	5.66%	-	0	5.66%
AMFELS	2,273	2	1.82%	661	0	1.82%
University of Texas at Brownsville	2,077	3	1.66%	-	0	1.66%
Cameron County	1,838	4	1.47%	-	0	1.47%
Wal-mart	1,174	5	0.94%	555	0	0.94%
City of Brownsville	1,114	6	0.89%	-	0	0.89%
Covergys Corp.	800	7	0.64%	400	0	0.64%
HEB Food Stores	760	8	0.61%	713	0	0.61%
Valley Regional Medical Center	757	9	0.61%	773	0	0.61%
Valley Baptist Medical Center	717	10	0.57%	-	0	0.57%
Trico Technologies	-		0.00%	537		0.00%
National Electric Coil	-		0.00%	225		0.00%
Allison Manufacturing	-		0.00%	384		0.00%
Brownsville Medical Center	-		0.00%	930		0.00%
Fort Brown Manufacturing	-		0.00%	-		0.00%
Horace Small Apparel	-		0.00%	482		0.00%
Johnson Intermediate Materials	-		0.00%	230		0.00%
Levi Strauss	-		0.00%	630		0.00%
Well Fargo (Mercantile Bank)	-		0.00%	-		0.00%
Norton Company	-		0.00%	250		0.00%
Public Utilities Board	-		0.00%	398		0.00%
Rich Sea Pack	-		0.00%	354		0.00%
Texas Visting Nurses	-		0.00%	-		0.00%
Titan Tire Co.	-		0.00%	-		0.00%
VF Workwear	-		0.00%	-		0.00%
Total	<u>18,590</u>		<u>14.87%</u>	<u>7,522</u>		<u>14.87%</u>

Source: \* 2009 Brownsville Economic Development Council estimated information as of 11/09/09.

SCHEDULE 20  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Number of Permits	Construction Value	Total Property Value
2000	3,271	\$ 99,156,971	\$ 3,345,174,406
2001	2,907	110,131,917	3,678,398,203
2002	3,595	113,852,213	3,973,934,573
2003	3,328	131,589,633	4,174,837,933
2004	3,665	118,052,886	4,544,846,906
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	1,705	166,418,482	6,116,283,173
2009	2,993	103,987,896	6,174,353,951

Source: Cameron Appraisal District Certified Entity Totals Report

## **OPERATING INFORMATION**

SCHEDULE 21  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2000	2001	2002	2003	2004
<b>Number of Employees</b>					
Teachers	2,740	2,737	2,912	3,023	3,014
Professional Support	505	522	545	524	526
Campus Administration	122	120	144	191	181
Central Administration	23	23	45	42	35
Educational Aides	757	732	816	797	792
Auxiliary Staff	2,023	2,026	2,093	2,252	2,202
Total Employees	6,170	6,159	6,555	6,828	6,750
<b>Percent of Total</b>					
Teachers	44.42%	44.43%	44.43%	44.27%	44.66%
Professional Support	8.18%	8.48%	8.32%	7.67%	7.79%
Campus Administration	1.98%	1.94%	2.20%	2.80%	2.69%
Central Administration	0.37%	0.37%	0.68%	0.61%	0.51%
Educational Aides	12.26%	11.88%	12.45%	11.67%	11.73%
Auxiliary Staff	32.79%	32.90%	31.93%	32.98%	32.63%
	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).  
2008 Data taken from P.E.I.M.S. report(s).



2005	2006	2007	2008	2009
2,952	3,093	3,166	3,273	3,322
512	518	537	582	606
187	189	194	195	199
34	28	31	18	12
797	814	873	841	808
2,124	2,166	2,229	2,415	2,487
6,605	6,808	7,030	7,323	7,434

44.69%	45.44%	45.04%	44.69%	44.69%
7.75%	7.61%	7.64%	7.94%	8.15%
2.83%	2.77%	2.76%	2.66%	2.68%
0.51%	0.41%	0.44%	0.25%	0.16%
12.06%	11.95%	12.42%	11.48%	10.87%
32.16%	31.82%	31.70%	32.98%	33.45%
100.00%	100.00%	100.00%	100.00%	100.00%

SCHEDULE 22  
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	
2000	\$ 29,000	\$ 44,092	\$ 32,000	\$ 47,092	\$ 32,750	\$ 47,842	\$ 37,390
2001	30,000	44,692	33,000	47,692	33,750	48,442	38,036
2002	30,500	45,606	33,500	48,606	34,250	49,356	38,990
2003	30,614	45,720	33,614	48,720	34,364	49,470	38,853
2004	31,000	45,734	34,000	48,734	34,750	49,484	39,129
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

Source: Academic Excellence Indicator System (AEIS)

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. They are based on zero years of experience to 27+ years.

Average Years of Experience	Bachelor's Education	Master's Education
12.0	82.3%	16.8%
12.1	82.5%	16.6%
11.9	83.0%	16.0%
12.3	83.5%	15.4%
12.0	84.2%	15.0%
12.1	83.8%	15.2%
11.7	84.5%	14.6%
11.6	85.3%	14.0%
11.6	84.6%	13.8%
11.8	81.8%	15.2%

SCHEDULE 23  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance *	Average Daily Membership	Percent of Attendance
2000	37,015	40,297	91.86%
2001	37,687	41,104	91.69%
2002	39,302	42,747	91.94%
2003	40,779	44,452	91.74%
2004	42,274	45,986	91.93%
2005	43,211	46,908	92.12%
2006	44,516	48,261	92.24%
2007	44,491	48,391	91.94%
2008	44,790	48,858	91.67%
2009	44,665	48,617	91.87%

Source: The District's PEIMS & Student Accounting Office

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

SCHEDULE 24  
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
2000 *	37,015	\$ 242,744,011	\$ 6,558	8.73%	N/A	N/A	N/A
2001 *	37,687	252,527,968	6,701	2.18%	N/A	N/A	N/A
2002	39,302	293,797,639	7,475	11.56%	\$ 336,620,072	\$ 8,565	0.00%
2003	40,779	291,736,342	7,154	-4.30%	347,955,325	8,533	-0.37%
2004	42,274	293,023,477	6,932	-3.11%	351,768,239	8,321	-2.48%
2005 **	43,211	268,252,867	6,208	-10.44%	330,971,654	7,659	-7.95%
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	45,717	376,792,487	8,242	3.69%	448,323,317	9,806	3.02%
2009	44,665	385,289,218	8,626	4.66%	468,895,742	10,498	7.05%

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

Note: \* GASB 34 was not in effect. No data available.

\*\* 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.

SCHEDULE 25  
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
2000	14.7	90%	36,536	90.9%
2001	14.9	90%	37,566	91.9%
2002	14.6	90%	39,499	92.8%
2003	14.7	90%	41,202	93.0%
2004	15.2	90%	42,680	93.1%
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%	46,125	94.4%
2009	14.6	90%	46,090	0.0%

Source: Academic Excellence Indicator System (AEIS)

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.

**SCHEDULE 26**  
**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF SCHOOL BUILDINGS**

(Unaudited)

			Estimated Square	Recommended	
			Footage	Capacity	
<b>HIGH SCHOOLS</b>			<b>ELEMENTARY SCHOOLS</b>		
HANNA	341,691	2,996	AIKEN	91,790	726
LOPEZ	317,264	2,350	BENAVIDES	80,416	880
PACE	231,938	2,385	BRITE	94,000	800
PORTER	254,798	2,385	BURNS	92,093	1,188
RIVERA	315,648	2,785	CANALES	75,543	880
<b>TOTAL</b>	<b>1,461,339</b>	<b>12,901</b>	CASTAÑEDA	71,909	628
			CHAMPION	78,209	880
			CROMACK	78,087	1,056
			DEL CASTILLO	42,217	550
			EGLY	66,060	946
			EL JARDIN	79,594	946
			GALLEGOS	78,209	880
			GARDEN PARK	73,774	902
			GARZA	65,661	880
			GONZALEZ	80,216	968
			HUDSON	73,793	682
			LONGORIA	44,916	418
			MARTIN	69,360	902
			MORNINGSIDE	74,095	880
			ORTIZ	80,732	880
			PALM GROVE	51,035	484
			PAREDES	78,144	792
			PEREZ	52,203	726
			PUTEGNAT	61,563	594
			RESACA	30,722	242
			RUSSELL	84,930	968
			SHARP	53,802	528
			SKINNER	71,621	836
			SOUTHMOST	67,117	638
			VERMILLION	84,547	1,210
			VICTORIA	45,303	506
			VILLA NUEVA	44,475	528
			YTURRIA	65,306	792
			<b>TOTAL</b>	<b>2,281,442</b>	<b>25,716</b>
<b>MIDDLE SCHOOLS</b>					
BESTEIRO	153,231	1,490			
CUMMINGS	94,489	1,200			
FAULK	98,590	1,100			
GARCIA	120,927	1,240			
LUCIO	127,052	1,240			
OLIVEIRA	124,441	1,485			
PERKINS	140,104	1,865			
STELL	102,587	1,280			
STILLMAN	131,860	1,255			
VELA	132,346	1,565			
<b>TOTAL</b>	<b>1,225,627</b>	<b>13,720</b>			
<b>SPECIAL CAMPUSES</b>					
Brownsville Academic Center	N/A	350			
Brownsville Learning Academy	17,159	345			
Lincoln Park	45,374	380			
Early College High School	40,737	186			
<b>TOTAL</b>	<b>103,270</b>	<b>1,261</b>			

Source: Facility Area Inventory Report for 2006-2007



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## **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, 2009, 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.

#### **La Esperanza Home for Boys**

Southwest Key Program, Inc. is a private, non-profit agency that operates La Esperanza Home for Boys in Brownsville. This residential facility for troubled youth is licensed by the Texas Department of Family and Protective Services to serve up to sixty-six youths between the ages of eleven and seventeen.



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## **FEDERAL AWARDS SECTION**



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**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 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, 2009, which collectively comprise the District’s basic financial statements and have issued our report thereon dated October 19, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly we do not express an opinion on the effectiveness of Brownsville Independent School District’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the District’s financial statements that is more than inconsequential will not be prevented or detected by the District’s internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2009-01 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District’s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, 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*.

We noted certain matters that we reported to management of the District in a separate letter dated October 19, 2009.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

*Pattillo, Brown & Hill, LLP*

October 19, 2009

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

Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

**Compliance**

We have audited the compliance of Brownsville Independent School District (the “District”) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District’s management. Our responsibility is to express an opinion on the District’s compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District’s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

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

*Pattillo, Brown & Hall, LLP.*

October 19, 2009



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

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

<b>Financial Statements</b>			
	Type of auditors' report issued:	Unqualified	
	Internal control over financial reporting:		
	• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported
	Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

<b>Identification of Major Programs</b>			
	CFDA Number(s)	Name of Federal Program or Cluster	
	84.340	ESEA Title II, Part A TPTR	
	10.550	Child Nutrition Cluster	
	10.553		
	10.555		
	Dollar threshold used to distinguish between Type A and Type B programs:	\$2,401,465	
	Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

SECTION II – FINANCIAL STATEMENT FINDINGS

<b><u>Program</u></b>	<b><u>Findings/Noncompliance</u></b>
<i><u>Finding 09-01</u></i>	<i>Purchase Orders</i>
<i>Criteria:</i>	The District's policy delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services that exceeds \$25,000 shall require Board approval before a transaction may take place. The District's procedure for approved purchase orders that exceeds the encumbered amount requires a purchase modification form to be authorized and submitted prior to payment.
<i>Condition:</i>	During our testing of the capital assets additions for the year, we found that the District exceeded the amount of the purchase order. The purchase order modification form was not completed until the subsequent month. Therefore, the District paid an invoice without proper authorization.
<i>Questioned Cost:</i>	Questioned costs could not be quantified because the finding does not relate to specific dollar amount.
<i>Effect:</i>	The District was not in compliance with their policies and procedures for the uses of purchase requisitions, purchase orders and purchase order modifications.
<i>Recommendation:</i>	We recommend the District adhere to its policies and procedures for the uses of purchase requisitions, purchase orders and purchase order modifications. These procedures will help ensure that only proper and authorized expenditures are paid and that a proper audit trail is maintained

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2009

Finding 09-01

*Purchase Orders*

The District makes every effort to comply with applicable regulations, policies, procedures and accepted accounting practices.

A large payment for one construction project was made which exceeded the purchase order ("PO") amount. It should be noted that all construction payments receive approval from the Board of Trustees before they are made. It should also be noted that there was no violation of board policy due to the fact that there was a purchase order in place for the payment in question. Steps are being taken to make sure that the purchase order amount coincides with the contract for the construction project. This will ensure that the aggregate payments do not exceed the purchase order amount.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2009

There were no prior audit findings reported.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

(1)	(2)	(3)	(4)
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. (Note A)	N/A	N/A	404,488
Total U.S. Department of Defense			<u>404,488</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Texas Education Agency:</i>			
Family Support Act AFDC Jobs 2009	93.558	073625017110138	116,114
Family Support Act AFDC Jobs 2008	93.558	083625017110164	36,811
Total U.S. Department of Health and Human Services			<u>152,925</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Pass Through Texas Education Agency:</i>			
Federal Adult Ed English Literacy & Civics Ed	84.002A	074100087110141	94,724
Federal Adult Ed English Literacy & Civics Ed	84.002A	074100017110150	328,262
Total CFDA Number 84.002A			<u>422,986</u>
ESEA Title I, Part A 2009	84.010A	08610101031901	31,051,848
Title I-School Improvement Program 2009-Hanna	84.010A	08610104031901001	185,001
Title I-School Improvement Program 2009-Porter	84.010A	08610104031901002	102,286
Title I-School Improvement Program 2009-Pace	84.010A	08610104031901003	214,614
Title I-School Improvement Program 2009-Rivera	84.010A	08610104031901004	296,920
Title I-School Improvement Program 2009-Lopez	84.010A	08610104031901007	214,788
Total CFDA Number 84.010A			<u>32,065,457</u>
ESEA Title I, Ed. For Migrant Child 2009	84.011	08615001031901	2,299,198
IDEA B - Formula 2009	84.027	086600010319016600	8,565,470
IDEA B- Discretionary (DEAF) 2009	84.027	076600020319036673	46,099
IDEA B- Discretionary (DEAF) 2008	84.027	0866000203190166673	3,500
IDEA B- Formula (DEAF) 2009	84.027	086600010319016601	23,769
Total CFDA Number 84.027			<u>8,638,838</u>
Carl Perkins Grant for Career & Technology Ed 2009	84.048	0842000603190101	1,050,062
IDEA B - Preschool 2009	84.173	086610010319016610	123,875
IDEA C- Early Intervention 2009	84.181A	073911010319013911	895
ESEA Title IV, Part A Safe and Drug Free Schools	84.186A	08691001031901	239,363
ESEA Title II, Part D - Enhancing Ed Thru Tech 2009	84.318X	08630001031901	249,375
ESEA Title III-Part A, Limited English Proficiency	84.365	08671001031901	2,472,942



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**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

(1)	(2)	(3)	(4)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
ESEA Title II, Part A-TPTR	84.340	08694501031901	2,446,992
Governor's Excellence Award 2008	84.340	076945157110011	89,858
Governor's Excellence Award 2008	84.340	076945157110012	179,632
Governor's Excellence Award 2008	84.340	076945157110013	179,650
Governor's Excellence Award 2008	84.340	076945157110014	89,799
Governor's Excellence Award 2008	84.340	076945157110015	179,461
Governor's Excellence Award 2008	84.340	076945157110016	179,112
Governor's Excellence Award 2008	84.340	076945157110017	133,947
Governor's Excellence Award 2008	84.340	076945157110018	89,602
Total CFDA Number 84.340			<u>3,568,053</u>
Title I - SIP Academy Grant 2009 - Hanna	84.377A	09610701031901001	221,004
Title I - SIP Academy Grant 2009 - Porter	84.377A	09610701031901002	62,086
Title I - SIP Academy Grant 2009 - Pace	84.377A	09610701031901003	72,197
Title I - SIP Academy Grant 2009 - Rivera	84.377A	09610701031901004	80,116
Title I - SIP Academy Grant 2009 - Lopez	84.377A	09610701031901007	100,209
Total CFDA Number 84.377A			<u>535,612</u>
Texas Reading First Initiative for Grades K-3 2009	84.357A	066455057110007	1,442,335
Texas Reading First Initiative for Grades K-3 2008	84.357A	076455057110007	353,937
Total CFDA Number 84.357A			<u>1,796,272</u>
Total Passed Through Texas Education Agency			<u>53,462,928</u>
<i>Pass Through Education Service Center Region 10:</i>			
ESEA Title III Subtitle B-Ed. For the Homeless Children	84.196	44013	71,162
ESEA Title III Subtitle B-Ed. For the Homeless Children	84.196	44013	37,115
Total Passed Through Education Service Center Region 10			<u>108,277</u>
<i>Pass Through The University of Texas at Edinburg:</i>			
GEAR UP	84.334	-	470,747
GEAR UP	84.334	-	35,088
Total Passed Through The University of Texas at Edinburg			<u>505,835</u>
Total Department of Education			<u>54,077,040</u>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Texas Education Agency:</i>			
Food Distribution * (Note A)	10.550	031-901	957,051
School Breakfast Program * (Note A)	10.553	031-901	6,576,798
National School Lunch Program * (Note A)	10.555	031-901	17,880,520
Total Passed Through Texas Education Agency			<u>25,414,369</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 80,048,822</u></u>



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**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

(1)	(2)	(3)	(4)
Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures

\* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

(Note A) \$404,488 of R.O.T.C., \$17,880,520 of National School Lunch Program,  
\$6,576,798 of School Breakfast Program, \$957,051 of Food Distribution,  
\$439,313 of indirect costs are in the General Fund.



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BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2009

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) and Medicaid Administrative Claims (MAC) have been excluded from the Schedule of Expenditures of Federal Awards.



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