

***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

**SEGUIN INDEPENDENT
SCHOOL DISTRICT, TEXAS**

**For the Year Ended
June 30, 2012**

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

June 30, 2012

	<u>Page</u>	<u>Exhibit</u>
<u>INTRODUCTORY SECTION</u>		
Letter of Transmittal	3	
GFOA Certificate of Achievement	7	
Organizational Chart	8	
List of Principal Officers	9	
Certificate of Board	11	
 <u>FINANCIAL SECTION</u>		
Independent Auditors' Report	15	
Management's Discussion and Analysis (Required Supplementary Information)	19	
 <u>BASIC FINANCIAL STATEMENTS</u>		
Government-Wide Financial Statements		
Statement of Net Assets	27	A-1
Statement of Activities	28	B-1
 Fund Financial Statements		
Governmental Funds Financial Statements		
Balance Sheet – Governmental Funds	30	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	33	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	34	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36	C-3
Proprietary Fund Financial Statements		
Statement of Net Assets – Proprietary Funds	37	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	38	D-2
Statement of Cash Flows – Proprietary Funds	39	D-3
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Assets – Fiduciary Funds	40	E-1
 Notes to the Financial Statements	41	
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	57	G-1

SEGUIN INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

June 30, 2012

OTHER SUPPLEMENTARY INFORMATION

	<u>Page</u>	<u>Exhibit</u>
Combining Balance Sheet – Nonmajor Governmental Funds	60	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	66	H-2
Combining Statement of Net Assets – Internal Service Funds	72	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	73	H-4
Combining Statement of Cash Flows – Internal Service Funds	74	H-5
Combining Statement of Fiduciary Net Assets	75	I-1
Schedule of Delinquent Taxes Receivable	76	J-1
Schedule of Expenditures for Computation of Indirect Costs	78	J-2
Fund Balance and Cash Flow Calculation Schedule – General Fund	79	J-3
Budgetary Comparison Schedule – National School Breakfast and Lunch Program	80	J-4
Budgetary Comparison Schedule – Debt Service Fund	81	J-5

COMPLIANCE SECTION

Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	85	
Independent Auditors' Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	87	
Summary Schedule of Prior Year Audit Findings	89	
Schedule of Findings and Questioned Costs	91	
Schedule of Expenditures of Federal Awards	92	K-1
Notes to Schedule of Expenditures of Federal Awards	95	
Schedule of Required Responses to Selected School First Indicators	97	K-2

STATISTICAL SECTION

Net Assets by Component	100	L-1
Expenses, Program Revenues, and Net (Expense)/ Revenue	102	L-2
General Revenues and Total Change in Net Assets	104	L-3
Fund Balances of Governmental Funds	106	L-4
Changes in Fund Balances of Governmental Funds	108	L-5
Assessed Value and Estimated Actual Value of Taxable Property	110	L-6
Direct and Overlapping Property Tax Rates	112	L-7
Principal Property Tax Payers	115	L-8
Property Tax Levies and Collections	116	L-9
Ratios of Outstanding Debt by Type	118	L-10
Ratios of General Bonded Debt Outstanding	120	L-11
Direct and Overlapping Governmental Activities Debt	123	L-12
Legal Debt Margin Information	124	L-13

SEGUIN INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

June 30, 2012

STATISTICAL SECTION (Continued)

Demographic and Economic Statistics	127	L-14
Principal Employers	129	L-15
Full Time Equivalent Employees by Function/Program	131	L-16
Operating Statistics	132	L-17
Teacher Base Salaries	134	L-18
School Building Information	136	L-19

(This page intentionally left blank.)

INTRODUCTORY SECTION

(This page intentionally left blank.)



Independent School District

September 28, 2012

Louis Reyes, President
Board of Trustee Members
Seguin Independent School District
1221 East Kingsbury
Seguin, Texas 78155

Dear Mr. Reyes and Members of the Board:

The Comprehensive Annual Financial Report of the Seguin Independent School District (Seguin ISD) for the year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. In our opinion, the data, as presented, is accurate in all material aspects; is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included in this report.

THE REPORTING ENTITY AND ITS SERVICES

This report includes all funds of the District, and it includes all activities considered by the State of Texas to be part of the K-12 public school system. Seguin Independent School District is an independent school district incorporated as a political subdivision of the State of Texas. A seven-member board governs the District in accordance with state statutes and regulations. Members of the Board serve staggered four-year terms without compensation and are elected from single-member districts. The Board of Trustees operates as a policy making body, delegates management to the Superintendent, determines District goals, and evaluates policies in terms of effectiveness in attaining those goals. The Superintendent and the administrative staff execute the policies of the Board, assume responsibility for the operation of the District, make recommendations to the Board in matters of policy and professional personnel, prepare the budget, and report to the Board on matters related to the progress of the District in attaining the goals set by the Board.

The District provides a comprehensive range of school programs and services, as contemplated by state statute, to 7,548 students (average daily attendance is 6,745) in grades Pre-kindergarten through 12. The District has 14 campuses, including one pre-kindergarten campus; seven elementary schools (grades K-5); one sixth grade center; two middle schools (grades 7-8); one traditional 5-A high school (grades 9-12); one non-traditional high school learning center (grades 9-12); and one disciplinary alternative campus (grades 2-12).

The District's student population is comprised of these percentages: 65.3 percent Hispanic, 27.6 percent White, 5.5 percent African-American, less than one percent Native American/Asian/Pacific Islander and nearly one percent two or more races. Additionally, 69.1 percent of students are Economically Disadvantaged.

In addition to regular classroom instruction, the district offers a wide array of programs to meet the needs of its students, including bilingual/English as a Second Language (ESL) education, special education and

career/technical education (CTE). Other special programs for accelerated and enriched education include Title I services and gifted and talented instruction. A wide variety of electives in fine arts, athletics, foreign language, physical education, and technology supplement the basic programs. The District provides pupil transportation and serves daily meals, including breakfast, lunch and snacks.

Seguin ISD's vision is that Technology must be authentically integrated to create a relevant, rigorous and engaging learning culture for students and teachers. Technology is integrated into the curriculum at every grade level (pre K-12). At each campus, students enjoy access to computers in the classroom and various laboratory settings including multimedia carts and mobile labs. The use of interactive Whiteboards is supported at all campuses. Students learn Mac and PC platforms and use numerous software programs. Students use peripherals, such as scanners, digital cameras, e-instruction, iPads and iPods. Seguin High School offers advanced technology course offerings such as: computer science, multimedia, web mastery, information technology and security assurance, computer maintenance, and principals of information technology. Instruction is also offered in pre-engineering, manufacturing technology and computer aided drafting and design (CADD). All schools have filtered Internet access and automated library systems. Technology helps students individualize learning, address deficiency and earn credit via special software and lab settings. The integration of technology into the curriculum has resulted in increased student achievement.

Accrual of college credit is available to students at Seguin High School through several avenues. Classes, which prepare students for the College Board Advanced Placement Exams, are taught for many subjects. In partnership with the Alamo Area Community College District, dual credit courses are taught on the high school campus during the school day. Dual credit courses are also offered at the Central Texas Technology Center (CTTC); and students are provided transportation to the CTTC. Dual credit is also offered through online virtual classes with APEX Learning. Concurrent enrollment is provided to qualifying students through a partnership with Texas Lutheran University (TLU) where students take classes on the college campus.

Community/school partnerships help to emphasize the importance of high school academic expectations. A variety of civic organizations, including RSVP Volunteers, student groups from TLU, Seguin Youth Services, and parent volunteers who provide mentoring, reading, and tutoring services in the elementary schools. The District partners with the community through the Seguin Education Foundation, a 501(c)(3) not-for-profit foundation, founded for the sole purpose of benefiting students and staff of the District. The foundation is governed by a board of directors comprised of volunteers from a cross-section of the community. Since 2004, the Foundation has provided 50 grants totaling over \$167,000. Approximately \$35,000 was given in the fall of 2011. The Foundation funds creative, teacher-initiated projects enhancing instruction and enriching learning.

Seguin ISD is the largest employer in the community. The District reported a total staff of 1,180 with 524.5 teachers, 113.4 professional support, 23 campus administrators, and 9 central administration staff members. Support staff includes 115.9 educational aides and other 352.3 auxiliary staff.

Facilities and campuses in the Seguin ISD range in age with the oldest being nearly 80 years old and the newest being three years old.

In 2008, the District sold \$44.7 million in voter approved school building bonds to finance major renovation and construction projects. In August 2010, the District dedicated its newest elementary school named Oralía R. Rodríguez Elementary School. Also, Ball Early Childhood Center was opened the same month after completion for a major remodeling of the Ball Elementary Campus. \$3.3 million in bond resources were unspent at June 30, 2012.

In October of 2010, a Visioning Committee of over 80 community members, business professionals, Seguin ISD staff, parents and students collaborated to create a vision for the District's future. The committee centered their work on determining what teaching and learning should look like in the next 10 years in Seguin ISD and presented their findings and directions to the Board of Trustees in November 2010. This visioning document continued to guide Board and District priorities during the year and for the future.

ECONOMIC CONDITION AND OUTLOOK

Seguin Independent School District is located in Guadalupe County and includes the City of Seguin, which is the county seat and principal commercial center. The City of Seguin is experiencing growth in all the business sectors. With a population of just over 25,000 and strategically located 35 miles east of San Antonio, 50 miles south of Austin, and 160 miles west of Houston, Seguin provides a business climate close to several metropolitan areas without big city challenges. Boasting an abundant and reliable supply of water and electricity, Seguin stands out as an excellent commercial site with a friendly and welcoming residential community as well as one of the highest per-capita concentrations of manufacturing jobs. Additionally, a planned toll-road (SH-130), scheduled for completion by November 2012, will provide an alternate route to the I-35 gridlock, which is expected to divert commuter traffic from just north of Austin to Seguin. This will bolster Seguin's strategic location. Seguin also is home to Texas Lutheran University, a nationally recognized school, and the Central Texas Technology Center that attracts hundreds of students to the area on a daily basis.

FINANCIAL INFORMATION

District Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit - As a recipient of state and federal financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2011 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Accounting System and Budgetary Control

The School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board on governmental accounting in its 1998 Codification of Government Accounting and Financial Reporting Standards, and subsequent statements and interpretations. The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Texas Education Agency Financial Accountability System Resource Guide.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting structure. The internal accounting structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. All internal control evaluations occur within the above framework. We believe that the District's internal accounting structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Budgetary control is initiated at the onset when the Board of Trustees adopts the annual appropriated budget. To ensure budgetary compliance, the Texas Education Agency (TEA) and the District have established spending regulations and policies. For all administrators with line item or program responsibility, TEA regulations set the level of budgetary control at the major functional expenditure level. Budgetary control is more restrictive at the

District level where administrators are held responsible for maintaining and managing their budgets at the detail line item level. All revisions at the function level are approved by the Board of Trustees.

Cash Management

The District has a cash management program to maximize the use of the District's cash resources. The cash management policy of the District is to ensure the availability of cash to meet operational needs and to invest surplus cash in a manner to preserve and protect capital but also provide adequate liquidity and earn a market rate of return. Surplus cash on hand was either deposited in the District's depository bank or invested in one of four local government investment pools pursuant to the Interlocal Cooperation Act of 1989. Deposits with the depository bank were in accounts secured at the balance sheet date by FDIC coverage. The deposits were deemed collateralized under Texas Law and the Texas Education Agency.

The District complies with the School Depository Act by executing a depository agreement with a banking institution for a period of two fiscal years plus two optional two-year extensions. Local banks in the immediate surrounding area are given preference. Competitive proposals are taken with state law setting the general terms of the request for proposal.

ACKNOWLEDGEMENTS

We respectfully acknowledge the responsible and sincere involvement of the school board, administrators, principals, program directors and coordinators in the financial affairs of the District.

Special appreciation is also expressed to members of the business office staff for their assistance and effort in maintaining the financial records of the District. Individual recognition is directed to Anthony Hillberg, Sally Eckhart, Catherine Janda, Abby Catoe, Caroline Hernandez, Marsha Long, Denise Erlanson, and Teri Salinas for their combined efforts in maintaining the accounting records and assisting in preparing the various financial reports at year-end. Additional recognition is directed to Assistant Superintendents Dr. Carlos Rios and Dorothy Whitman, Chief Maintenance and Operations Officer Rene Ramos, Executive Director of Instructional Technology Bill Lewis and Public Information Officer Sean Hoffmann for assistance in completing the year-end reports.

Seguin Independent School District publicly solicits the active involvement of all citizens and School District personnel in its financial affairs. Our financial records are available for public inspection and discussion at any reasonable time.

Respectfully submitted,

Dr. Irene Garza
Superintendent of Schools

Sandra Hill
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sequin Independent School
District, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

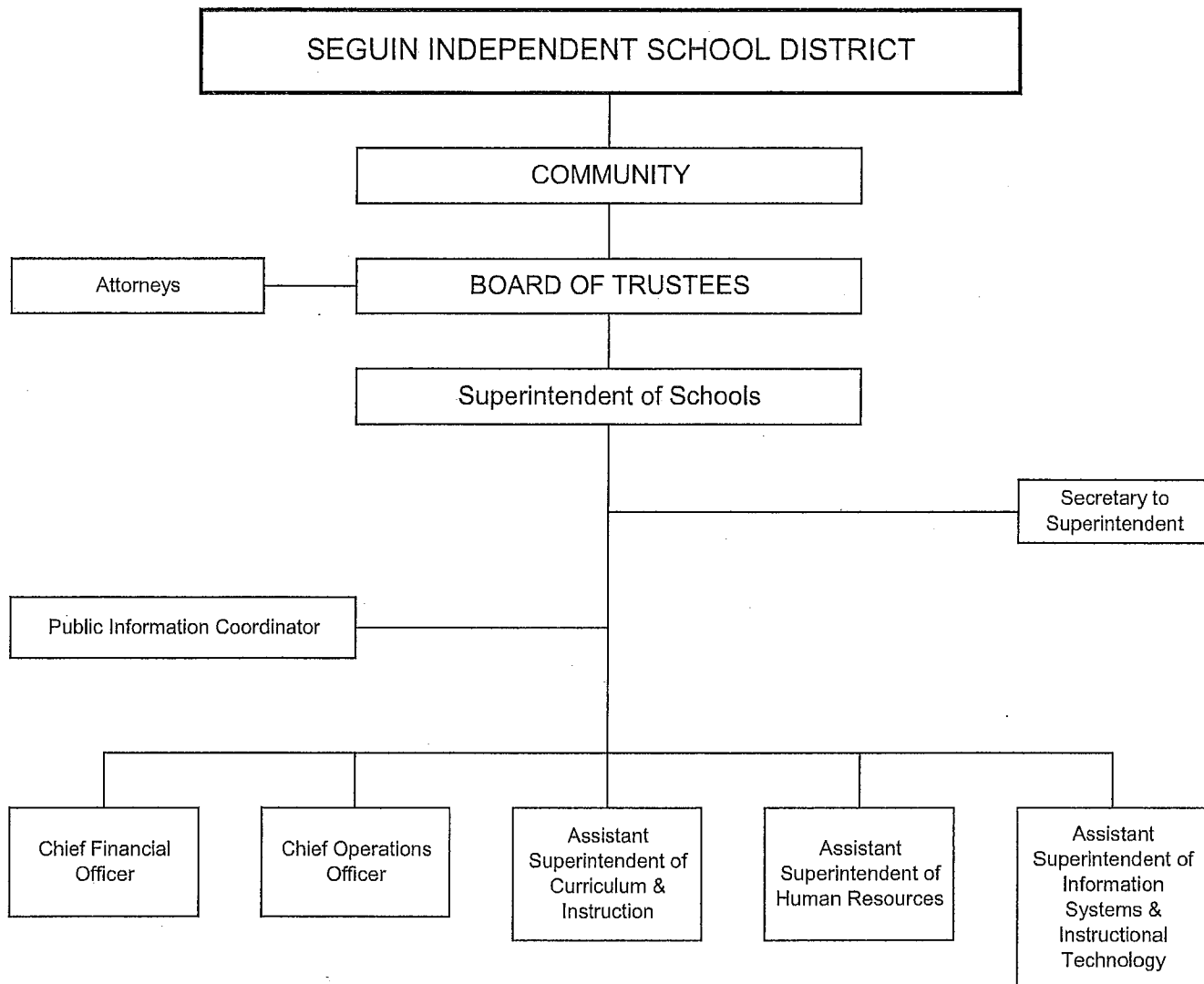
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Christopher P. Moirrell
President

Jeffrey R. Enen
Executive Director

SEGUIN INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART



SEGUIN INDEPENDENT SCHOOL DISTRICT

LIST OF PRINCIPAL OFFICIALS

June 30, 2012

Elected Officials

<u>Elected Officials</u>	<u>Position</u>
Louis Q. Reyes, III	President
Nancy Ayotte	Vice-President
Ishmael Flores	Secretary
Ernesto M. Leal	Trustee
Irma Lewis	Trustee
Carol Teeple	Trustee
Maurice Janda	Trustee

Appointed Officials

<u>Appointed Officials</u>	<u>Position</u>
Dr. Irene Garza	Superintendent of Schools
Sandra K. Hill	Chief Financial Officer
Rene Ramos	Chief Operations Officer
Dr. Carlos Rios	Assistant Superintendent of Curriculum and Instruction
Dorothy Whitman	Assistant Superintendent of Human Resources
Bill Lewis	Executive Director of Technology and Information Services

(This page intentionally left blank.)

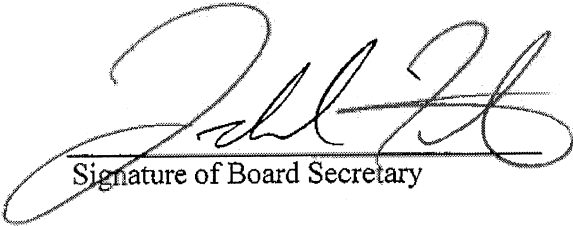
CERTIFICATE OF BOARD

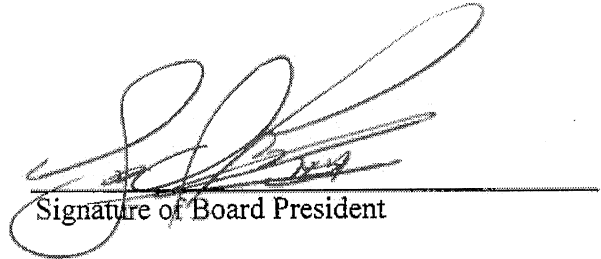
Seguin Independent School District
Name of School District

Guadalupe
County

094-901
Co. Dist. Number

We, the undersigned, clarify 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, 2012, at a meeting of the Board of Trustees of such school district on the 15th day of November, 2012


Signature of Board Secretary


Signature of Board President

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

(attach list as necessary)

(This page intentionally left blank.)

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Seguin Independent School District:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Seguin Independent School District (the "District") as of and for the year ended June 30, 2012, 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 generally accepted auditing standards 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, 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 September 21, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 considered in assessing the results of our audit.

Generally accepted accounting principles in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing

Partners

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

Houston

3210 Bingle Rd., Ste. 300
Houston, TX 77055
713.263.1123

Bellville

6100 Windy Hill Lane
Bellville, TX 77418
979.865.3169

Austin

100 Congress Ave., Ste. 2000
Austin, TX 78701
512.381.0222

All Offices

www.texasauditors.com
info@txauditors.com
713.263.1550 fax



standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section and combining statements and schedules 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 the 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 financial statements. The combining fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and schedule labeled unaudited have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

 BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
September 28, 2012

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2012

This section of the Seguin Independent School District (the "District") financial report, presents our discussion and analysis of the District's financial performance for the year ended June 30, 2012. It should be read in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Assets of the District exceeded liabilities by \$33,740,568 (net assets) for governmental activities and \$363,966 for business-type activities. The District has \$26,303,621 of unrestricted net assets to meet ongoing obligations. Restricted net assets consist of \$3,516,207 for debt service and \$1,140,885 for grant funds.

At fiscal year end, the unassigned fund balance in the General Fund was \$18.1 million, which represents an increase of \$0.2 million from the prior year. The increase was the net result of operations. Non-spendable fund balance for inventories and prepaid items was \$181,248, committed fund balance for encumbrances was \$188,115, and assigned fund balance for construction, improvements and equipment was \$3,075,654. The fund balance in the Debt Service Fund increased \$742,022 to \$4.59 million, which provides for a debt service payment of \$2.99 million in August 2012.

In August 2008, the District sold \$44.7 million in voter approved bonds for the construction of a new elementary school, repairs and renovations to other school facilities, school buses, and technology. The Capital Projects Fund showed a fund balance of \$3.4 million, which represents the balance remaining for projects authorized by the voters.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Management's Discussion and Analysis, 2) the basic financial statements, and 3) required supplemental information. The basic statements include two kinds of statements that present different views of the District.

The first two statements are *Government-wide Financial Statements*, the *Statement of Net Assets* and the *Statement of Activities*, which provide both long-term and short-term information about the District's overall financial status reflect.

The remaining statements are *fund financial statements* that report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The *governmental funds* statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. *Proprietary fund* statements offer short- and long-term financial information about the activities the government operates like businesses, such as self-insurance services. *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 additional data needed for full disclosure in the government-wide statements or the fund financial statements. The notes are followed by a section of *required supplementary information*

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2012

and *other supplementary information* that further explains and supports the information in the basic financial statements. The section labeled *other supplementary information* contains data used by the Texas Education Agency (TEA) and other monitoring or regulatory agencies.

Government-Wide Financial 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 District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The government-wide statements report the District's net assets and how they have changed. Net assets are the difference between the District's assets and liabilities and are 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 non-financial factors such as changes in the District's tax base, staffing patterns, enrollment and attendance.

The government-wide financial statements of the District are divided into two categories:

- **Governmental activities.** Most of the District's basic services are reported here, including instruction, instructional support, instructional leadership, school leadership, student transportation, food service, extracurricular activities, general administration, maintenance, and so forth. Property taxes, state foundation funds, tuitions, fees, and state and federal grants are the major source of financing these activities.
- **Business-type activities.** The District accounts for rental of a portion of its central administration building and the cost of maintaining the building are accounted for here.

Fund Financial Statements

Fund financial statements provide a detailed short-term view of the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds while the District's administration establishes other funds to help control and manage money for particular purposes. The District's three kinds of funds use different accounting approaches.

- Governmental funds – Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The District maintains two proprietary fund types. *Enterprise funds* are used

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2012

to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for the print shop activities, worker's compensation self-insurance, and a child care operation. The internal service funds are included within *governmental activities* in the government-wide financial statements.

- Fiduciary funds – The District is the trustee, or fiduciary, for resources held for the benefit of others such as the student activities fund. Fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The resources accounted for in these funds are not available to finance the District's operations and are thus excluded from the District's government-wide financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

Net assets of the District's governmental and business-type activities decreased 0.7% from \$34.4 to \$33.7 million. The decrease was a result of operations and activities for the current period of \$619,136.

The unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$0.51 million to \$26.3 million at June 30, 2012. This increase was the net results of regular operations of the District.

Net assets of the District's business-type activities decreased \$43,592 from operations of the District's central office building complex. These assets are not restricted.

Table 1
Net Assets

Description	Governmental Activities		Business-Type Activities		Total Activities		Total Change
	2012	2011	2012	2011	2012	2011	2012-2011
Current assets	\$ 52,155,146	\$ 42,457,342	\$ 364,166	\$ 407,758	\$ 52,519,312	\$ 42,865,100	\$ 9,654,212
Capital assets	81,066,807	84,726,175	-	-	81,066,807	84,726,175	(3,659,368)
Total assets	133,221,953	127,183,517	364,166	407,758	133,586,119	127,591,275	5,994,844
Current liabilities	18,170,023	10,269,922	199	199	18,170,222	10,270,121	7,900,101
Long-term liabilities	81,675,329	82,961,450	-	-	81,675,329	82,961,450	(1,286,121)
Total liabilities	99,845,352	93,231,372	199	199	99,845,551	93,231,571	6,613,980
Net Assets:							
Invested in capital assets	2,779,855	1,764,725	-	-	2,779,855	1,764,725	1,015,130
Restricted	4,657,092	6,804,797	-	-	4,657,092	6,804,797	(2,147,705)
Unrestricted	25,939,654	25,382,623	363,967	407,559	26,303,621	25,790,182	513,439
Total net assets	\$ 33,376,601	\$ 33,952,145	\$ 363,967	\$ 407,559	\$ 33,740,568	\$ 34,359,704	\$ (619,136)

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2012

Statement of Activities

The following table summarizes the change in the District's Net Assets from its activities for the fiscal years ended June 30, 2012 and June 30, 2011.

Table 2
Changes in Net Assets

	Governmental Activities		Business-type Activities		Total		Total Change
	2012	2011	2012	2011	2012	2011	2012-2011
Revenues:							
Program revenues:							
Charges for services	\$ 1,615,840	\$ 1,422,219	\$ 45,000	\$ 45,000	\$ 1,660,840	\$ 1,467,219	\$ 193,621
Operating grants and contributions	10,045,793	12,352,952	-	-	10,045,793	12,352,952	(2,307,159)
General revenues:							
Property taxes	33,831,374	31,586,405	-	-	33,831,374	31,586,405	2,244,969
Grants and contributions not restricted for specific programs	22,797,037	26,453,518	-	-	22,797,037	26,453,518	(3,656,481)
Investment earnings	63,187	57,880	372	681	63,559	58,561	4,998
Other revenue	644,177	456,215	-	-	644,177	456,215	187,962
Total Revenue	68,997,408	72,329,189	45,372	45,681	69,042,780	72,374,870	(3,332,090)
Expenses:							
Instruction and related	40,552,723	44,703,938	-	-	40,552,723	44,703,938	(4,151,215)
Instructional and school leadership	4,461,628	4,337,252	-	-	4,461,628	4,337,252	124,376
Student support	5,859,430	5,774,781	-	-	5,859,430	5,774,781	84,649
Food services	4,128,424	3,813,826	-	-	4,128,424	3,813,826	314,598
Extracurricular activities	1,919,135	1,861,695	-	-	1,919,135	1,861,695	57,440
General and administration	1,635,967	1,790,914	-	-	1,635,967	1,790,914	(154,947)
Plant maintenance, Security and data process.	6,273,467	7,352,473	85,216	-	6,358,683	7,352,473	(993,790)
Community services	17,167	90,368	-	-	17,167	90,368	(73,201)
Debt service	4,140,805	3,667,318	-	-	4,140,805	3,667,318	473,487
Other activities	584,206	615,678	3,748	52,932	587,954	668,610	(80,656)
Total Expenses	69,572,952	74,008,243	88,964	52,932	69,661,916	74,061,175	(4,399,259)
Change in Net Assets	(575,544)	(1,679,054)	(43,592)	(7,251)	(619,136)	(1,686,305)	1,067,169
Beginning net assets	33,952,145	35,631,199	407,559	414,810	34,359,704	36,046,009	(1,686,305)
Ending Net Assets	\$ 33,376,601	\$ 33,952,145	\$ 363,967	\$ 407,559	\$ 33,740,568	\$ 34,359,704	\$ (619,136)

The District's statement of governmental activities reflects total revenues for the year ended June 30, 2012 of \$69.0 million, a decrease of \$3.3 million and the total cost of all programs and services of \$69.6 million, a decrease of \$4.4 million. The net result is a decrease in Net Assets of \$0.58 million. The following impacted total revenues:

- The property tax levied for all purposes increased to \$1.2598 per \$100 valuation, resulting tax revenue increasing \$2.24 million as a result of the increase in net taxable values. The tax rate for general operating purposes was \$1.04 while the rate for debt service was \$.2198.
- Grants and contributions not restricted to specific purposes decreased by \$3.7 million primarily from the reduction of grants under the American Recovery and Reinvestment Act of 2008.

The cost of all governmental activities this year was \$69.6 million. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$33.83 million because some of the costs were paid by those who directly benefited from the programs (\$1.62 million), by other governments and organizations that subsidized certain programs with grants and contributions (\$10.04 million), or by grants and contributions (primarily State funding) not restricted to specific programs (\$22.8 million).

The District's statement of business activities reflects charges for services of \$45,000 and interest earnings of \$372. With building maintenance costs of \$88,964, the net activity for business-type activities decreased \$43,592 for ending net assets of \$0.36 million.

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2012

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$30.64 million, which is an increase of \$2.03 million from last year's total of \$28.61 million. The increase is composed of the following: The General Fund balance increased \$1.87 million from \$19.65 to \$21.52 million from regular operations, the fund balance in the Debt Service Fund increased \$742,022 from \$3.85 to \$4.59 million, Capital Projects Funds decreased \$725,488 from \$4.11 million to \$3.39 and Other Governmental Funds balance increased \$139,737 from Food Service operations. The decrease in the Capital Projects Fund is a result of the expenditure of bond proceeds on the completion of projects authorized by voters in 2008.

Over the course of the year, the Board of Trustees revised the District's budget from time to time. Budget amendments included adjustments to revenues totaling \$2.0 million to reflect changed revenue estimates in all areas. Expenditure budgets increased \$2.41 million. Changes included increases to instruction and student transportation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2012, the District had \$81.07 million invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. Net increases (decreases) for the year were as follows:

Land	\$ 168,517
Construction in progress	57,950
Buildings and improvements	103,546
Equipment and vehicles	693,841
Accumulated depreciation	(4,683,222)
	<u>\$ (3,659,368)</u>

More detailed information about the District's capital assets is presented in Note III. B. to the financial statements.

Debt

At year-end, the District had \$81.68 million in bonds outstanding versus \$82.96 million last year—a decrease of \$1.28 million. More detailed information about the District's long-term liabilities is presented in Note III. C. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For 2012-13, budget considerations included maintaining a balance budget and providing for salary increases for all staff. A slight decrease in projected revenue was offset by a reduction in expenditures resulting in a projected surplus of \$231,155. Further adjustments to the expenditure budget adopted as amendments to the General Fund in August 2012 included a decrease in staff through attrition and provided for an average 2% salary increase for all employees.

SEGUIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended June 30, 2012

The performance ratings issued by the Texas Education Agency for the District's schools are also an important consideration in budgeting available resources. For the 2011-12 school year the Texas Education Agency significantly changed the testing and accountability system and did not issue new ratings. The District kept the rating it received for 2010-11, which was an overall Acceptable rating. Four District campuses kept the 2010-11 rating of *Recognized*, and except for Seguin High School, the remainder of the District's campuses kept a rating of *Academically Acceptable*. The high school kept the rating of *Academically Unacceptable*.

Net taxable property values for 2012 increased to \$10.3 million or 0.4%. State HB 1 limits the tax rate the District may set for maintenance and operation at \$1.04 per \$100 valuation without voter approval. The debt service tax rate increased from \$.2198 to \$.237 to provide payments for debt service payments in 2012. The total increase in tax rate for 2012 is \$.0172 (from \$1.2598 to \$1.277).

Although the District expects continued slow growth in property values, student enrollment has declined over the past few years and is not expected to increase for 2011-12.

The Unassigned Fund Balance in the General Fund is projected to be \$16.8 million, which is 31.7% of budgeted expenditures and more than 3 months of operations as recommended by the Texas Education Agency. The fund balance restricted for Debt Service is projected to increase by \$0.47 million to \$5 million.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Seguin Independent School District, 1221 E. Kingsbury Street, Seguin, TX 78155.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT A-1
STATEMENT OF NET ASSETS
June 30, 2012

Data Control Codes		1 Governmental Activities	2 Business-type Activities	Total
	<u>Assets</u>			
1110	Cash and cash equivalents	\$ 712,334	\$ -	\$ 712,334
1120	Investments	43,197,828	364,166	43,561,994
1225	Property taxes receivable	2,952,994	-	2,952,994
1230	Allowance for uncollectible taxes	(442,948)	-	(442,948)
1240	Due from other governments	4,878,968	-	4,878,968
1260	Internal balances	-	-	-
1267	Due from fiduciary funds	-	-	-
1290	Other receivables	39,388	-	39,388
1300	Inventories	198,865	-	198,865
1410	Prepays	7,722	-	7,722
1420	Deferred charges	609,995	-	609,995
		<u>52,155,146</u>	<u>364,166</u>	<u>52,519,312</u>
	Capital assets:			
1510	Land	3,157,941	-	3,157,941
1520	Buildings and improvements, net	75,181,081	-	75,181,081
1530	Equipment and vehicles, net	2,669,835	-	2,669,835
1580	Construction in progress	57,950	-	57,950
		<u>81,066,807</u>	<u>-</u>	<u>81,066,807</u>
1000	Total Assets	<u>133,221,953</u>	<u>364,166</u>	<u>133,586,119</u>
	<u>Liabilities</u>			
2110	Accounts payable	457,758	199	457,957
2140	Interest payable	1,073,787	-	1,073,787
2165	Accrued liabilities	7,610,158	-	7,610,158
2177	Due to fiduciary funds	-	-	-
2180	Due to other governments	161,445	-	161,445
2190	Due to student groups	232,427	-	232,427
2300	Unearned revenue	8,634,448	-	8,634,448
2400	Payable from restricted assets	-	-	-
		<u>18,170,023</u>	<u>199</u>	<u>18,170,222</u>
	Noncurrent liabilities:			
2501	Long-term liabilities due within			
2501	one year	2,291,520	-	2,291,520
2502	Long-term liabilities due in more			
2502	than one year	79,383,809	-	79,383,809
2000	Total Liabilities	<u>99,845,352</u>	<u>199</u>	<u>99,845,551</u>
	<u>Net Assets</u>			
3200	Invested in capital assets, net			
3200	of related debt	2,779,855	-	2,779,855
	Restricted for:			
3850	Debt service	3,516,207	-	3,516,207
3890	Other purposes	1,140,885	-	1,140,885
3900	Unrestricted	25,939,654	363,967	26,303,621
3000	Total Net Assets	<u>\$ 33,376,601</u>	<u>\$ 363,967</u>	<u>\$ 33,740,568</u>

See Notes to Financial Statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense)
			3 Charges for Services	4 Operating Grants and Contributions	6 Primary Gov. Governmental Activities
	Governmental Activities				
11	Instruction	\$ 37,589,234	\$ 33,667	\$ 5,209,037	\$ (32,346,530)
12	Instructional resources				
12	and media services	1,265,382	66,279	9,082	(1,190,021)
13	Curriculum/instructional				
13	staff development	1,698,107	-	1,236,210	(461,897)
21	Instructional leadership	994,860	-	161,943	(832,917)
23	School leadership	3,466,768	16,972	97,664	(3,352,132)
31	Guidance, counseling,				
31	evaluation services	2,194,298	1,520	73,515	(2,119,263)
32	Social work services	541,087	-	162,340	(378,747)
33	Health services	537,565	-	2,777	(534,788)
34	Student (pupil) transportation	2,586,480	-	-	(2,586,480)
35	Food services	4,128,424	1,004,292	2,818,193	(305,939)
36	Extracurricular activities	1,919,135	451,208	-	(1,467,927)
41	General administration	1,635,967	-	3,182	(1,632,785)
51	Plant maintenance and operations	5,267,299	38,092	43,221	(5,185,986)
52	Security and monitoring services	260,977	-	148	(260,829)
53	Data processing services	745,191	-	-	(745,191)
61	Community services	17,167	3,810	10,160	(3,197)
72	Debt service - interest	4,135,168	-	-	(4,135,168)
73	Bond issuance cost and fees	5,637	-	-	(5,637)
93	Payments to fiscal agent/member				
93	districts of SSA	218,321	-	218,321	-
99	Other intergovernmental charges	365,885	-	-	(365,885)
	Total Governmental Activities	<u>\$ 69,572,952</u>	<u>\$ 1,615,840</u>	<u>\$ 10,045,793</u>	<u>(57,911,319)</u>
	Business-type Activities				
01	Oak Park Mall	88,964	45,000	-	-
	Total Business-type Activities	<u>88,964</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
TP	Total	<u>\$ 69,661,916</u>	<u>\$ 1,660,840</u>	<u>\$ 10,045,793</u>	<u>(57,911,319)</u>
	General Revenues				
MT	Property taxes, levied for general purposes				27,947,861
DT	Property taxes, levied for debt service				5,883,513
GC	Grants and contributions not restricted				
GC	for specific programs				22,797,037
IE	Investment earnings				63,187
MI	Miscellaneous local and intermediate revenue				644,177
TR	Total General Revenues				<u>57,335,775</u>
CN	Change in Net Assets				<u>(575,544)</u>
NB	Beginning Net Assets				33,952,145
NE	Ending Net Assets				<u>\$ 33,376,601</u>

See Notes to Financial Statements.

Revenue and Changes in Net Assets

7	8
Primary Gov. Business-type Activities	Primary Gov. Total
\$ -	\$ (32,346,530)
-	(1,190,021)
-	(461,897)
-	(832,917)
-	(3,352,132)
-	(2,119,263)
-	(378,747)
-	(534,788)
-	(2,586,480)
-	(305,939)
-	(1,467,927)
-	(1,632,785)
-	(5,185,986)
-	(260,829)
-	(745,191)
-	(3,197)
-	(4,135,168)
-	(5,637)
-	-
-	(365,885)
-	(57,911,319)
(43,964)	(43,964)
(43,964)	(43,964)
(43,964)	(57,955,283)
-	27,947,861
-	5,883,513
-	22,797,037
372	63,559
-	644,177
372	57,336,147
(43,592)	(619,136)
407,559	34,359,704
\$ 363,967	\$ 33,740,568

SEGUIN INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2012

Data Control Codes		10	50	60	Other
		General	Debt Service	Capital Projects	Governmental Funds
	Assets:				
1110	Cash and cash equivalents	\$ 686,683	\$ -	\$ -	\$ 25,651
1120	Investments	31,649,580	4,581,334	3,219,209	1,323,177
1220	Taxes receivable	2,487,332	465,662	-	-
1230	Allowance for uncollectible taxes	(373,100)	(69,848)	-	-
1240	Due from other governments	3,880,732	8,659	-	989,577
1260	Due from other funds	448,926	-	172,048	430,986
1290	Other receivables	37,902	-	-	1,486
1300	Inventories	177,744	-	-	21,121
1410	Prepaid items	3,504	-	-	4,218
1000	Total Assets	\$ 38,999,303	\$ 4,985,807	\$ 3,391,257	\$ 2,796,216
	Liabilities:				
2110	Accounts payable	\$ 418,346	\$ -	\$ 2,880	\$ 24,785
2150	Payroll deductions payable	881,758	-	-	-
2160	Accrued wages payable	4,788,336	-	-	746,852
2170	Due to other funds	707,239	-	-	420,647
2180	Due to other governments	161,445	-	-	-
2190	Due to student groups	-	-	-	232,427
2300	Deferred revenue	10,518,061	395,813	-	230,620
2000	Total Liabilities	17,475,185	395,813	2,880	1,655,331
	Fund Balances:				
	Non-spendable:				
3410	Inventories	177,744	-	-	-
3430	Prepaid items	3,504	-	-	-
	Restricted:				
3450	Grant funds	-	-	-	1,140,885
3470	Capital projects	-	-	3,388,377	-
3480	Debt service	-	4,589,994	-	-
	Committed:				
3545	Encumbrances	188,115	-	-	-
	Assigned:				
3550	Construction	2,000,000	-	-	-
3590	Student improvement	559,615	-	-	-
3590	One-time needs	516,039	-	-	-
3600	Unassigned	18,079,101	-	-	-
3000	Total Fund Balances	21,524,118	4,589,994	3,388,377	1,140,885
4000	Total Liabilities and Fund Balances	\$ 38,999,303	\$ 4,985,807	\$ 3,391,257	\$ 2,796,216

See Notes to Financial Statements.

98
Total
Governmental
Funds

\$ 712,334
40,773,300
2,952,994
(442,948)
4,878,968
1,051,960
39,388
198,865
7,722
\$ 50,172,583

\$ 446,011
881,758
5,535,188
1,127,886
161,445
232,427
11,144,494
19,529,209

177,744
3,504

1,140,885
3,388,377
4,589,994

188,115

2,000,000
559,615
516,039
18,079,101
30,643,374
\$ 50,172,583

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2012

EXHIBIT C-1R

Total fund balances for governmental funds \$ 30,643,374

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	3,215,891	
Capital assets - depreciable	<u>77,850,916</u>	81,066,807

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		2,510,046
---	--	-----------

Internal service fund		1,295,495
-----------------------	--	-----------

Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.

Accrued interest	(1,073,787)	
Deferred charges	609,995	
Non-current liabilities due in one year	(2,291,520)	
Non-current liabilities due in more than one year	<u>(79,383,809)</u>	<u>(82,139,121)</u>

Net Assets of Governmental Activities		<u>\$ 33,376,601</u>
--	--	-----------------------------

See Notes to Financial Statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

Data Control Codes		10 General	50 Debt Service	60 Capital Projects	Other Governmental Funds
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 28,679,459	\$ 5,890,999	\$ 3,481	\$ 1,420,165
5800	State program revenues	21,656,062	-	-	1,533,728
5900	Federal program revenues	1,077,396	-	-	8,633,168
5020	Total Revenues	<u>51,412,917</u>	<u>5,890,999</u>	<u>3,481</u>	<u>11,587,061</u>
	Expenditures				
0011	Instruction	29,216,800	-	22,589	5,239,829
0012	Instructional resources/media services	1,096,249	-	-	75,361
0013	Curriculum and staff development	336,058	-	-	1,236,210
0021	Instructional leadership	759,192	-	-	161,943
0023	School leadership	3,095,225	-	-	114,636
0031	Guidance, counseling, and				
0031	evaluation services	1,956,653	-	-	75,035
0032	Social work services	338,649	-	-	162,340
0033	Health services	494,951	-	-	2,777
0034	Student (pupil) transportation	2,388,257	-	6,550	-
0035	Food service	-	-	-	3,822,485
0036	Extracurricular activities	1,497,917	-	1,133	277,866
0041	General administration	1,509,801	-	1,750	3,182
0051	Plant maintenance and operations	5,510,345	-	69,329	43,221
0052	Security and monitoring services	239,774	-	1,715	148
0053	Data processing services	689,968	-	-	-
0061	Community services	3,197	-	-	13,970
0071	Principal	-	2,143,583	-	-
0072	Interest	-	3,249,757	-	-
0073	Bond issuance costs and fees	-	5,637	-	-
0081	Facilities acquisition and construction	-	-	375,903	-
0093	Shared service arrangements	-	-	-	218,321
0099	Other intergovernmental charges	365,885	-	-	-
6030	Total Expenditures	<u>49,498,921</u>	<u>5,398,977</u>	<u>478,969</u>	<u>11,447,324</u>
1100	Excess (Deficiency) of Revenues				
	Over (Under) Expenditures	<u>1,913,996</u>	<u>492,022</u>	<u>(475,488)</u>	<u>139,737</u>
	Other Financing Sources (Uses)				
7915	Transfers in	-	250,000	-	-
8911	Transfers (out)	(44,431)	-	(250,000)	-
7080	Total Other Financing Sources (Uses)	<u>(44,431)</u>	<u>250,000</u>	<u>(250,000)</u>	<u>-</u>
1200	Net Change in Fund Balances	<u>1,869,565</u>	<u>742,022</u>	<u>(725,488)</u>	<u>139,737</u>
0100	Beginning Fund Balances	19,654,553	3,847,972	4,113,865	1,001,148
3000	Ending Fund Balances	<u>\$ 21,524,118</u>	<u>\$ 4,589,994</u>	<u>\$ 3,388,377</u>	<u>\$ 1,140,885</u>

See Notes to Financial Statements.

98
Total
Governmental
Funds

\$	35,994,104
	23,189,790
	9,710,564
	<hr/> 68,894,458
	 34,479,218
	1,171,610
	1,572,268
	921,135
	3,209,861
	 2,031,688
	500,989
	497,728
	2,394,807
	3,822,485
	1,776,916
	1,514,733
	5,622,895
	241,637
	689,968
	17,167
	2,143,583
	3,249,757
	5,637
	375,903
	218,321
	365,885
	<hr/> 66,824,191
	 2,070,267
	<hr/>
	250,000
	(294,431)
	<hr/> (44,431)
	<hr/> 2,025,836
	28,617,538
\$	<hr/> 30,643,374

SEGUIN INDEPENDENT SCHOOL DISTRICT**EXHIBIT C-3****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES****For the Year Ended June 30, 2012**

Net changes in fund balances - total governmental funds	\$ 2,025,836
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(4,843,755)
Capital outlay (net of disposed assets)	1,181,537
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
	35,149
The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	
Principal repayments	2,143,583
Accrued interest	83,252
Amortization of deferred charges	(111,201)
Amortization of loss	(96,892)
Amortization of premiums	181,229
Accreted interest	(941,799)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	
	<u>(232,483)</u>
Change in Net Assets of Governmental Activities	\$ <u>(575,544)</u>

See Notes to Financial Statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2012

EXHIBIT D-1

Data Control Codes		Business-type Activities Enterprise 711 Oak Park Mall	Governmental Activities - Internal Service Funds
	<u>Assets</u>		
	Current assets:		
1120	Investments	\$ 364,166	\$ 2,424,528
1240	Due from other governments	-	-
1260	Due from other funds	-	1,145
		<u>364,166</u>	<u>2,425,673</u>
	Noncurrent assets:		
	Capital assets:		
1520	Buildings and equipment, net	-	54,048
		<u>-</u>	<u>54,048</u>
1000	Total Assets	<u>364,166</u>	<u>2,479,721</u>
	<u>Liabilities</u>		
	Current liabilities:		
2110	Accounts payable	199	11,747
2160	Due to other funds	-	28,277
2170	Accrued expenses	-	1,064,505
2200	Accrued wages	-	25,649
2000	Total Liabilities	<u>199</u>	<u>1,130,178</u>
	<u>Net Assets</u>		
3200	Investment in capital assets	-	54,048
3900	Unrestricted	363,967	1,295,495
3000	Total Net Assets	<u>\$ 363,967</u>	<u>\$ 1,349,543</u>

See notes to financial statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT D-2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

Data Control Codes		Business-type Activities Enterprise	Governmental Activities - Internal Service
		711 Oak Park Mall	Funds
	<u>Operating Revenues</u>		
5700	Charges for services	\$ 45,000	\$ 498,067
5800	State program revenues	-	63,579
5020	Total Operating Revenues	<u>45,000</u>	<u>561,646</u>
	<u>Operating Expenses</u>		
6100	Payroll costs	-	184,436
6200	Contractual services	59,906	90,765
6300	Supplies and materials	25,310	41,100
6400	Other operating costs	3,748	532,181
6030	Total Operating Expenses	<u>88,964</u>	<u>848,482</u>
	Operating Income (Loss)	<u>(43,964)</u>	<u>(286,836)</u>
	<u>Non-Operating Revenues (Expenses)</u>		
5742	Interest and investment revenue	372	4,222
	Total Non-Operating Revenues (Expenses)	<u>372</u>	<u>4,222</u>
	Income (Loss) Before Contributions and Transfers	<u>(43,592)</u>	<u>(282,614)</u>
7915	Transfers in	-	44,431
1300	Change in Net Assets	<u>(43,592)</u>	<u>(238,183)</u>
0100	Beginning Net Assets	<u>407,559</u>	<u>1,587,726</u>
3300	Ending Net Assets	<u>\$ 363,967</u>	<u>\$ 1,349,543</u>

See notes to financial statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2012

EXHIBIT D-3

	Business-type Activities - Enterprise 711 Oak Park Mall	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities</u>		
Cash received from customers	\$ 45,000	\$ 498,067
Cash payments to suppliers	(88,964)	(657,023)
Cash payments to employees	-	(184,436)
Other receipts (payments)	-	11,260
Net Cash Provided (Used) by Operating Activities	(43,964)	(332,132)
<u>Cash Flows from Noncapital Financing Activities</u>		
Operating subsidies and transfers to other funds	-	44,431
<u>Cash Flows from Investing Activities</u>		
Purchased investments	-	(140,005)
Proceeds from investments	43,592	-
Interest and dividends	372	4,222
Net Cash Provided (Used) by Investing Activities	43,964	(135,783)
Net Increase (Decrease) in Cash and Cash Equivalents	-	(423,484)
Beginning Cash and Cash Equivalents	-	-
Ending Cash and Cash Equivalents	\$ -	\$ (423,484)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (43,964)	\$ (286,836)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Non-cash depreciation	-	2,850
Change in Assets and Liabilities:		
(Increase) decrease in due from other funds	-	(23,920)
(Increase) decrease in due from governments	-	302
Increase (decrease) in accounts payable	-	7,023
Increase (decrease) in other payables	-	335,379
Cash Provided (Used) by Operating Activities	\$ (43,964)	\$ 34,798
		366,930

See notes to financial statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT**EXHIBIT E-1****STATEMENT OF FIDUCIARY NET ASSETS****FIDUCIARY FUNDS****June 30, 2012**

<u>Data Control Codes</u>		<u>Agency Fund</u>
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 3,687
1120	Investments	205,949
1260	Due from other funds	103,059
1000	Total Assets	<u>312,695</u>
	<u>Liabilities</u>	
2110	Accounts payable	4,420
2190	Due to student groups	229,787
2400	Other payables	78,488
2000	Total Liabilities	<u>312,695</u>
	<u>Net Assets</u>	
	Net Assets	-
3000	Total Net Assets	<u>\$ -</u>

See Notes to Financial Statements.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Seguin Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board ("GASB") and it complies with the requirements of the appropriate version of Texas Education Agency's ("TEA") *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

The District is an independent political subdivision of the State of Texas governed by the Board of Trustees, a seven member group, elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the District's financial reporting entity. No other entities have been included in the District's reporting entity. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity, which is in accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as revised by GASB Statement No. 39.

B. Financial Statement Presentation

These financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain requirements of the statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities.
- A change in the fund financial statements to focus on the major funds.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities which includes a Statement of Net Assets and a Statement of Activities. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- **Invested in capital assets, net of related debt** – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

- **Unrestricted** – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information about the District as a whole. These statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. In the fund financial statements, the accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Following is a description of the various funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund is considered a major fund for reporting purposes.

Debt Service Fund

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on all long-term debt of the District. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Funds

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The restricted or committed proceeds of specific revenue sources comprise a substantial portion of the inflows of these special revenue funds. Most federal and some state financial assistance are accounted for in special revenue funds.

Proprietary Funds

The proprietary funds account for services that are generally fully supported by user fees. Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide statements, provide both short and long-term information. The District has the following types of proprietary funds:

Enterprise Funds

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. These funds are reported as "Business-Type Activities" in the government-wide financial statements.

Internal Service Funds

The internal service funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Fiduciary Funds

The fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District has the following type of fiduciary funds:

Agency Funds

The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for the District's student activity funds and donations.

D. Measurement Focus and Basis of Accounting

The government-wide Statement of Net Assets and Statement of Activities are accounted for on a flow of economic resources measurement focus – accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The District utilizes the modified accrual basis of accounting in the governmental fund type. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

Property taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. Assets, Liabilities, and Net Assets or Fund Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

In accordance with GASB Statement No. 31, "*Accounting and Reporting for Certain Investments and External Investment Pools*," the District reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, are reported using the pools' share price.

The District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Governmental Code. In summary, the District is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Government investment pools and commercial paper

2. Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements.

All trade receivables are shown net of an allowance for uncollectibles.

Property Taxes

All taxes due to the District on real or personal property are payable at the Office of the Tax Assessor-Collector and may be paid at any time after the tax rolls for the year have been completed and approved, which is no later than October 1. Taxes are due by January 31, and all taxes not paid prior to this date are deemed delinquent and are subject to such penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied on October 1 and are payable prior to the next February 1. District property tax revenues are recognized when collected.

3. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to the future accounting period (prepaid expenditures) are recognized as expenditures when utilized.

4. Capital Assets

Capital assets, which include land, buildings, furniture, and equipment, 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 three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	30 years
Vehicles	10 years
Furniture	7 years
Office Equipment	5 years
Computer Equipment	3 years

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column on the Statement of Net Assets. The long-term debt consists primarily of bonds payable.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payment of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable, available financial resources.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

6. Fund Balances – Governmental Funds

In the fund financial statements, fund balances in governmental funds are classified as follows:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact (such as principal of a permanent fund).

Restricted – Represents amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees (the "Board"). Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of formal action. Commitments are approved through the adoption and amendment of the District's budget or a formal resolution stating the commitment. The commitment must be made prior to year end.

Assigned – Represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board or by an official or body to which the Board delegates the authority. The Board has retained this authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself. Assignments can be made at any time.

Unassigned – Represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed, then assigned funds, and finally unassigned funds.

7. Estimates

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

8. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Resource Guide. The TEA requires school districts to display these codes in the financial statements filed with the TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The original budget is adopted by the District prior to the beginning of the year. The legal level of control is the function code stated in the approved budget. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires funds on deposit at the depository bank to be collateralized. As of year end, checking and time deposits were entirely insured or collateralized with securities as provided by State laws and regulations and FDIC insurance.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, the District was not exposed to custodial credit risk. All of the investment pools are rated AAA or better by Standards and Poor's Investment Services as of year end.

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The District's investment policy limits investments in money market mutual funds rated as to investment quality not less than AAA by Standard & Poor's.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

At year end, the District's investments were as follows:

<u>Investments</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rating</u>
Texpool Investment Pool	N/A	\$ 7,664,262	AAAm
Lonestar Investment Pool	N/A	30,922,348	AAA
MBIA Texas Class Investment Pool	N/A	4,303,927	AAA
Logic Investement Cooperative Pool	N/A	877,405	AAA
Total investments		<u><u>\$ 43,767,942</u></u>	

B. Capital Assets

A summary of changes in capital assets for governmental activities at year end were as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,989,424	\$ 168,517	\$ -	\$ 3,157,941
Construction in progress	-	57,950	-	57,950
Total capital assets not being depreciated	<u>2,989,424</u>	<u>226,467</u>	<u>-</u>	<u>3,215,891</u>
Other capital assets:				
Buildings and improvements	122,219,817	103,546	-	122,323,363
Equipment and vehicles	11,915,466	853,811	159,970	12,609,307
Total other capital assets	<u>134,135,283</u>	<u>957,357</u>	<u>159,970</u>	<u>134,932,670</u>
Less accumulated depreciation for:				
Buildings and improvements	43,064,837	4,077,445	-	47,142,282
Equipment and vehicles	9,333,695	763,460	157,683	9,939,472
Total accumulated depreciation	<u>52,398,532</u>	<u>4,840,905</u>	<u>157,683</u>	<u>57,081,754</u>
Other capital assets, net	<u>81,736,751</u>	<u>(3,883,548)</u>	<u>2,287</u>	<u>77,850,916</u>
Totals	<u><u>\$ 84,726,175</u></u>	<u><u>\$ (3,657,081)</u></u>	<u><u>\$ 2,287</u></u>	<u><u>\$ 81,066,807</u></u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

Depreciation was charged to governmental functions as follows:

	Governmental Activities	Internal Service	Total
11 Instruction	\$ 2,759,601	\$ -	\$ 2,759,601
12 Instructional resources/media services	93,772	-	93,772
13 Curriculum and staff development	125,839	-	125,839
21 Instructional leadership	73,725	-	73,725
23 School leadership	256,907	-	256,907
31 Guidance, counseling, and evaluation services	162,610	-	162,610
32 Social work services	40,098	-	40,098
33 Health services	39,837	-	39,837
34 Student (pupil) transportation	191,673	-	191,673
35 Food services	305,939	-	305,939
36 Extracurricular activities	142,219	-	142,219
41 General administration	121,234	-	121,234
51 Plant maintenance and operations	450,038	-	450,038
52 Security and monitoring services	19,340	-	19,340
53 Data processing services	55,223	-	55,223
61 Community services	-	2,850	2,850
Total Depreciation Expense	\$ 4,838,055	\$ 2,850	\$ 4,840,905

C. Long-Term Debt

The following is a summary of changes in the District's total governmental long-term liabilities for the year. In general, the District uses the debt service fund to liquidate governmental long-term liabilities.

	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:						
Bonds payable:						
Series 2002	\$ 26,640,000	\$ 2,680,000	\$ -	\$ 870,000	\$ 1,810,000	\$ 890,000
Series 2005	16,705,000	13,920,000	-	890,000	13,030,000	925,000
Series 2006	8,894,858	8,554,858	-	70,000	8,484,858	75,000
Series 2008	44,708,265	41,789,809	-	203,583	41,586,226	291,520
Series 2010	9,725,000	9,725,000	-	110,000	9,615,000	110,000
	<u>106,673,123</u>	<u>76,669,667</u>	<u>-</u>	<u>2,143,583</u>	<u>74,526,084</u>	<u>2,291,520</u>
Other liabilities:						
Bond premiums	-	1,590,291	-	181,229	1,409,062	-
Deferred loss	-	(678,243)	-	(96,892)	(581,351)	-
Accreted interest	-	5,379,735	941,799	-	6,321,534	-
Total Governmental Activities	\$ 106,673,123	\$ 82,961,450	\$ 941,799	\$ 2,227,920	\$ 81,675,329	\$ 2,291,520
Long-term liabilities due in more than one year					\$ 79,383,809	

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. These bonds were issued as school building bonds or refunding bonds and the interest rates on the bonds ranged from 2.00% to 5.375%. Debt service requirements on the District's outstanding bonds are as follows:

Year Ended June 30	Principal	Interest	Total Requirements
2013	\$ 2,291,519	\$ 3,432,155	\$ 5,723,674
2014	2,460,073	3,736,246	6,196,319
2015	1,920,212	4,787,263	6,707,475
2016	2,535,996	4,431,792	6,967,788
2017	3,909,928	3,340,547	7,250,475
2018-2022	26,478,498	13,120,624	39,599,122
2023-2027	18,994,858	7,159,001	26,153,859
2028-2032	10,440,000	2,426,969	12,866,969
2033-2036	5,495,000	495,625	5,990,625
	<u>\$ 74,526,084</u>	<u>\$ 42,930,222</u>	<u>\$ 117,456,306</u>

D. Compensated Absences

On the retirement of certain employees the District pays any accrued sick leave in the amount of \$50 per day up to 20 days. Employees separated from the District for any other reason are not paid. The estimated liability to the District is not considered to be material to the financial statements and is not recorded.

E. Interfund Transactions

The interfund balances and transfers were as follows:

Due to	Due From	Amount	Purpose
Special revenue	General	\$ 430,986	Advances
Internal service	General	1,145	Advances
General	Special revenue	448,926	Advances
General	Internal service	28,277	Advances
Capital projects	General	172,048	Advances
Agency	General	103,059	Advances
		<u>\$ 1,184,441</u>	
Transfers From	Transfers To	Amount	Reason
General	Internal Svs - Parenting	\$ 44,431	To supplement other fund sources
	Total	<u>\$ 44,431</u>	

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

IV. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District participates in the TASB Risk Management Fund to cover general liabilities insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Workers' Compensation Insurance

During the fiscal year ended June 30, 2012, employees of the District were covered by a workers' compensation insurance plan (the plan). Contributions are made based upon rates established for the District's various types of employees. A third party administrator acts on behalf of the self-insurance pool.

The contract between the District and the third party administrator, Texas Association of School Boards (TASB), is renewable annually, and the terms of coverage and costs are included in the contractual provisions. The District is protected against unanticipated catastrophic individual loss by stop-loss coverage carried through Safety National, a commercial insurer licensed to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage is in effect for specific occurrences exceeding \$300,000 and an aggregate limit of \$1,000,000.

TASB has performed an evaluation of claims submitted for incidents occurring prior to June 30, 2012, and has projected open claims and incurred but not reported claims will cost \$697,575.

The following is a reconciliation of changes in the aggregate liabilities for claims for the last three fiscal years:

<u>Fiscal Year</u>	<u>Beginning of Year Accrual</u>	<u>Current Year Estimates</u>	<u>Claims Payment</u>	<u>End of Year Accrual</u>
2010	\$ 629,002	\$ 421,255	\$ 154,927	\$ 539,046
2011	\$ 539,046	\$ 421,255	\$ 262,726	\$ 697,575
2012	\$ 697,575	\$ 804,287	\$ 437,357	\$ 1,064,505

C. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, it could result in a substantial liability to the District. The District engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations.

D. Pension Plan

Teacher Retirement System

Plan Description

The District contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issues a publicly available financial report that includes financial statements and Required Supplementary Information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, TX 78701-2698 or by calling (800) 223-8778.

Funding Policy

Under provisions in State law, plan members are required to contribute 6.4 percent of their annual covered salary and the State of Texas contributes an amount equal to 6.58 percent of the District's covered payroll. The District's employees' contributions to the System for the years ending June 30, 2012, 2011 and 2010 were \$ 2,608,840, \$2,799,067, and \$2,761,166, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending June 30, 2012, 2011, and 2010 were \$619,396, \$740,134 and \$682,325, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,223,417 for the year.

E. Retiree Health Care Plan

Plan Description

The District contributes to the Texas Public School Retired Employees Group Insurance Program ("TRS-Care"), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas ("TRS"). TRS-Care provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and Required Supplementary Information for TRS-Care. That report may be obtained by visiting the

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENT (Continued)
For the Year Ended June 30, 2012

TRS web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0 percent and 0.65 percent of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55 percent for fiscal years 2011, 2010 and 2009. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25 percent or greater than 0.75 percent of the salary of each active employee of the public school. For the years ended June 30, 2012, 2011, and 2010, the State's contributions to TRS-Care were \$42,155, \$52,317, and \$49,232, respectively, the active member contributions were \$264,961, \$284,237 and \$280,436, respectively, and the District's contributions were \$224,226, \$240,508 and \$237,292, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2012, 2011, and 2010, the subsidy payments received by TRS-Care on behalf of the District were \$86,485, \$97,231, and \$106,770, respectively.

The Early Retiree Reinsurance Program (ERRP) is a provision of the Patient Protection and Affordable Care Act (PPACA) and provides reimbursement to plan sponsors for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents regardless of age. An "early retiree" is defined as a plan participant ages 55-64 who is not eligible for Medicare and is not covered by an active employee for plan sponsor. This temporary program is available to help employers continue to provide coverage to early retirees. Funds were allocated to reporting agencies using the same basis as the Medicare, Part D on behalf payments. For the fiscal year ended June 30, 2012, received by TRS-Care on behalf of the District was \$95,364.

F. Employee Health Care Coverage

During the year, employees of the District were covered by a health insurance plan (the "Plan"). The District paid premiums of \$293 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependants. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreements.

G. Shared Services Arrangements

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides Adult Education services to seven other member districts. All services are provided by the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the 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.

(This page intentionally left blank.)

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT G-1
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND**
For the Year Ended June 30, 2012

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 25,275,196	\$ 26,987,670	\$ 28,679,459	\$ 1,691,789
5800	State program revenues	26,459,960	21,926,402	21,656,062	(270,340)
5900	Federal program revenues	484,000	1,303,700	1,077,396	(226,304)
5020	Total Revenues	52,219,156	50,217,772	51,412,917	1,195,145
	<u>Expenditures</u>				
0011	Instruction	29,553,714	30,750,970	29,216,800	1,534,170
0012	Instructional resources/media services	1,144,277	1,156,247	1,096,249	59,998
0013	Curriculum and staff development	248,569	388,216	336,058	52,158
0021	Instructional leadership	616,123	776,954	759,192	17,762
0023	School leadership	2,929,884	3,176,357	3,095,225	81,132
0031	Guidance, counseling, and				
0031	evaluation services	2,143,165	2,082,680	1,956,653	126,027
0032	Social work services	296,380	373,629	338,649	34,980
0033	Health services	550,195	537,176	494,951	42,225
0034	Student (pupil) transportation	2,263,905	2,688,023	2,388,257	299,766
0036	Extracurricular activities	1,635,169	1,628,630	1,497,917	130,713
0041	General administration	1,577,891	1,640,278	1,509,801	130,477
0051	Plant maintenance and operations	5,783,096	5,942,492	5,510,345	432,147
0052	Security and monitoring services	270,722	250,933	239,774	11,159
0053	Data processing services	634,129	773,462	689,968	83,494
0061	Community services	1,670	3,450	3,197	253
	Debt service:				
0071	Principal	116,175	-	-	-
0072	Interest	-	-	-	-
0099	Other intergovernmental charges	375,000	382,000	365,885	16,115
6030	Total Expenditures	50,140,064	52,551,497	49,498,921	3,052,576
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	2,079,092	(2,333,725)	1,913,996	4,247,721
	<u>Other Financing Sources (Uses)</u>				
8911	Transfers (out)	-	(81,000)	(44,431)	36,569
7080	Total Other Financing Sources (Uses)	-	(81,000)	(44,431)	36,569
1200	Net Change in Fund Balances	2,079,092	(2,414,725)	1,869,565	4,284,290
0100	Beginning Fund Balances	19,654,553	19,654,553	19,654,553	-
3000	Ending Fund Balances	\$ 21,733,645	\$ 17,239,828	\$ 21,524,118	\$ 4,284,290

(This page intentionally left blank.)

***OTHER SUPPLEMENTARY
INFORMATION***

SEGUIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

Data Control Codes		206	211	212	224
		ESEA Title X Part C Homeless Children	ESEA Title I Part A Imp. Basic Programs	ESEA Title I Part C Migratory Children	IDEA Part B Formula
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	3,146	450,462	15,978	276,527
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 3,146</u>	<u>\$ 450,462</u>	<u>\$ 15,978</u>	<u>\$ 276,527</u>
	<u>Liabilities</u>				
2110	Accounts payable	\$ -	\$ -	\$ 370	\$ 122
2160	Accrued wages payable	-	335,570	2,731	182,279
2170	Due to other funds	3,146	114,892	12,877	94,126
2190	Due to student groups	-	-	-	-
2300	Deferred revenue	-	-	-	-
2000	Total Liabilities	<u>3,146</u>	<u>450,462</u>	<u>15,978</u>	<u>276,527</u>
	<u>Fund Balances</u>				
3450	Restricted for grant restrictions	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 3,146</u>	<u>\$ 450,462</u>	<u>\$ 15,978</u>	<u>\$ 276,527</u>

225 IDEA Part B Preschool	240 National Sch. Breakfast/ Lunch Program	244 Career and Technical Basic Grant	255 ESEA Title II Part A Training and Recruiting	263 Title III Part A English Language Acquisition	279 ARRA II Part D Subpart 1 Enhanc. Edu. Technology
\$ -	\$ 25,651	\$ -	\$ -	\$ -	\$ -
-	1,323,177	-	-	-	-
9,754	-	38,800	85,878	14,104	-
-	-	-	-	-	-
-	20	-	-	-	-
-	21,121	-	-	-	-
-	-	4,218	-	-	-
<u>\$ 9,754</u>	<u>\$ 1,369,969</u>	<u>\$ 43,018</u>	<u>\$ 85,878</u>	<u>\$ 14,104</u>	<u>\$ -</u>
\$ -	\$ 15,224	\$ -	\$ 63	\$ -	\$ -
6,367	124,248	-	39,145	6,734	-
3,387	56,747	43,018	46,670	7,370	-
-	-	-	-	-	-
-	32,865	-	-	-	-
<u>9,754</u>	<u>229,084</u>	<u>43,018</u>	<u>85,878</u>	<u>14,104</u>	<u>-</u>
-	1,140,885	-	-	-	-
-	1,140,885	-	-	-	-
<u>\$ 9,754</u>	<u>\$ 1,369,969</u>	<u>\$ 43,018</u>	<u>\$ 85,878</u>	<u>\$ 14,104</u>	<u>\$ -</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012

Data Control Codes		283	285	287	309
		ARRA IDEA Part B Formula	ARRA ESEA Title 1 Part A Improving Basic Prog.	Education Jobs	Shared Services Adult Basic Education
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	-	-	-	77,307
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,307</u>
	<u>Liabilities</u>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 6,736
2160	Accrued wages payable	-	-	-	45,673
2170	Due to other funds	-	-	-	24,898
2190	Due to student groups	-	-	-	-
2300	Deferred revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,307</u>
	<u>Fund Balances</u>				
3450	Restricted for grant restrictions	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,307</u>

312 Shared Svs. Temp. Assist. for Needy Families	379 Safe Schools Healthy Students	385 State Supplemental Visually Impaired	397 Advanced Placement Incentives	409 High School Completion and Success	410 State Instructional Materials
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,213	733	-	-	-	-
-	-	-	7,280	-	21,923
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,213</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 7,280</u>	<u>\$ -</u>	<u>\$ 21,923</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,213	733	-	-	-	-
-	-	-	-	-	-
-	-	-	7,280	-	21,923
<u>1,213</u>	<u>733</u>	<u>-</u>	<u>7,280</u>	<u>-</u>	<u>21,923</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,213</u>	<u>\$ 733</u>	<u>\$ -</u>	<u>\$ 7,280</u>	<u>\$ -</u>	<u>\$ 21,923</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2012

Data Control Codes		411	429	431	459
		Technology Allotment	State Funded Special Revenue Fund	Shared Svs. Adult Edu. State (Ed Tech)	State/Local Shared Services
	<u>Assets</u>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
1240	Due from other governments	-	-	15,675	-
1260	Due from other funds	85,738	3,001	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 85,738</u>	<u>\$ 3,001</u>	<u>\$ 15,675</u>	<u>\$ -</u>
	<u>Liabilities</u>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	4,105	-
2170	Due to other funds	-	-	11,570	-
2190	Due to student groups	-	-	-	-
2300	Deferred revenue	85,738	3,001	-	-
2000	Total Liabilities	<u>85,738</u>	<u>3,001</u>	<u>15,675</u>	<u>-</u>
	<u>Fund Balances</u>				
3450	Restricted for grant restrictions	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 85,738</u>	<u>\$ 3,001</u>	<u>\$ 15,675</u>	<u>\$ -</u>

461 Campus Activity Funds	499 Locally Funded Special Revenue	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ -	\$ -	\$ 25,651
-	-	1,323,177
-	-	989,577
234,697	78,347	430,986
-	1,466	1,486
-	-	21,121
-	-	4,218
<u>\$ 234,697</u>	<u>\$ 79,813</u>	<u>\$ 2,796,216</u>
\$ 2,270	\$ -	\$ 24,785
-	-	746,852
-	-	420,647
232,427	-	232,427
-	79,813	230,620
<u>234,697</u>	<u>79,813</u>	<u>1,655,331</u>
-	-	1,140,885
-	-	1,140,885
<u>\$ 234,697</u>	<u>\$ 79,813</u>	<u>\$ 2,796,216</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

Data Control Codes		206	211	212	224
		X Part C Homel ESEA Title X Part C Homeless	ESEA Title I Part A Imp. Basic Programs	ESEA Title I Part C Migratory Children	IDEA Part B Formula
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	3,146	1,858,290	71,382	1,472,678
5020	Total Revenues	<u>3,146</u>	<u>1,858,290</u>	<u>71,382</u>	<u>1,472,678</u>
	<u>Expenditures</u>				
0011	Instruction	-	842,383	23,271	1,215,071
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	739,189	-	-
0021	Instructional leadership	-	78,103	16,225	39,286
0023	School leadership	-	4,953	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	66,005	-	-
0032	Social work services	3,146	117,497	31,886	-
0033	Health services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	10,160	-	-
	Intergovernmental:				
0093	Shared service arrangements	-	-	-	218,321
6030	Total Expenditures	<u>3,146</u>	<u>1,858,290</u>	<u>71,382</u>	<u>1,472,678</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225	240	244	255	263	279
IDEA Part B Preschool	National Sch. Breakfast/ Lunch Program	Career and Technical Basic Grant	ESEA Title II Part A Training and Recruiting	Title III Part A English Language Acquisition	ARRA II Part D Subpart 1 Enhanc. Edu. Technology
\$ -	\$ 1,004,292	\$ -	\$ -	\$ -	\$ -
-	44,034	-	-	-	-
39,220	2,918,665	119,705	398,948	49,649	2,895
39,220	3,966,991	119,705	398,948	49,649	2,895
39,220	-	106,569	97,968	42,505	-
-	-	-	-	-	-
-	-	13,136	221,942	6,093	2,895
-	-	-	13,218	1,051	-
-	-	-	65,155	-	-
-	-	-	665	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,819,736	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	7,518	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
39,220	3,827,254	119,705	398,948	49,649	2,895
-	139,737	-	-	-	-
-	1,001,148	-	-	-	-
\$ -	\$ 1,140,885	\$ -	\$ -	\$ -	\$ -

SEGUIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURE
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

Data Control Codes		283	285	287	309
		ARRA IDEA Part B Formula	ARRA ESEA Title 1 Part A Improving Basic Prog.	Education Jobs	Shared Services Adult Basic Education
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	90	5,382	1,258,390	408,614
5020	Total Revenues	90	5,382	1,258,390	408,614
	<u>Expenditures</u>				
0011	Instruction	-	-	1,181,736	383,383
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	62,614	4,916
0021	Instructional leadership	90	-	-	5,866
0023	School leadership	-	-	9,611	-
0031	Guidance, counseling, and				
0031	evaluation services	-	-	-	-
0032	Social work services	-	5,382	4,429	-
0033	Health services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	14,375
0052	Security and monitoring services	-	-	-	74
0061	Community services	-	-	-	-
	<u>Intergovernmental:</u>				
0093	Shared service arrangements	-	-	-	-
6030	Total Expenditures	90	5,382	1,258,390	408,614
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	\$ -	\$ -	\$ -	\$ -

312 Shared Svs. Temp. Assist. for Needy Families	379 Safe Schools Healthy Students	385 State Supplemental Visually Impaired	397 Advanced Placement Incentives	409 High School Completion and Success	410 State Instructional Materials
\$ -	\$ 1,924	\$ -	\$ -	\$ -	\$ -
4,757	-	3,000	600	117,574	619,835
9,972	16,142	-	-	-	-
14,729	18,066	3,000	600	117,574	619,835
12,022	18,066	3,000	-	-	619,835
-	-	-	-	-	-
-	-	-	600	117,574	-
566	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,141	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,729	18,066	3,000	600	117,574	619,835
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SEGUIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Page 3 of 4)
For the Year Ended June 30, 2012

Data Control Codes		411	429	431	459
		Technology Allotment	State Funded Special Revenue Fund	Shared Svs. Adult Edu. State (Ed Tech)	State/Local Shared Services
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	174,373	484,715	66,522	18,318
5900	Federal program revenues	-	-	-	-
5020	Total Revenues	<u>174,373</u>	<u>484,715</u>	<u>66,522</u>	<u>18,318</u>
	<u>Expenditures</u>				
0011	Instruction	174,373	371,413	44,588	18,318
0012	Instructional resources/media services	-	9,082	-	-
0013	Curriculum and staff development	-	65,857	-	-
0021	Instructional leadership	-	-	7,538	-
0023	School leadership	-	17,945	-	-
0031	Guidance, counseling, and				
0031	evaluation services	-	6,845	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	2,777	-	-
0035	Food service	-	2,749	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	3,182	-	-
0051	Plant maintenance and operations	-	4,865	14,322	-
0052	Security and monitoring services	-	-	74	-
0061	Community services	-	-	-	-
	Intergovernmental:				
0093	Shared service arrangements	-	-	-	-
6030	Total Expenditures	<u>174,373</u>	<u>484,715</u>	<u>66,522</u>	<u>18,318</u>
1200	Net Change in Fund Balances	-	-	-	-
0100	Beginning Fund Balances	-	-	-	-
3000	Ending Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

461	499	Total Nonmajor
Campus	Locally	Special
Activity Funds	Funded	Revenue
Special	Special	Funds (See
Revenue	Revenue	Exhibit C-2)
\$ 397,239	\$ 16,710	\$ 1,420,165
-	-	1,533,728
-	-	8,633,168
<u>397,239</u>	<u>16,710</u>	<u>11,587,061</u>
30,792	15,316	5,239,829
66,279	-	75,361
-	1,394	1,236,210
-	-	161,943
16,972	-	114,636
1,520	-	75,035
-	-	162,340
-	-	2,777
-	-	3,822,485
277,866	-	277,866
-	-	3,182
-	-	43,221
-	-	148
3,810	-	13,970
-	-	218,321
<u>397,239</u>	<u>16,710</u>	<u>11,447,324</u>
-	-	139,737
-	-	1,001,148
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,140,885</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT H-3
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2012

Data Control Codes		752	753	783	Total Internal Service Funds (See Exhibit D-1)
		Print Shop	Workers Compensation	Parenting Center	
	<u>Assets</u>				
	Current assets:				
1120	Investments	\$ -	\$ 2,424,528	\$ -	\$ 2,424,528
1260	Due from other funds	1,145	-	-	1,145
		<u>1,145</u>	<u>2,424,528</u>	<u>-</u>	<u>2,425,673</u>
	Noncurrent assets:				
1520	Buildings and equipment, net	-	-	54,048	54,048
		-	-	54,048	54,048
1000	Total Assets	<u>1,145</u>	<u>2,424,528</u>	<u>54,048</u>	<u>2,479,721</u>
	<u>Liabilities</u>				
	Current liabilities:				
2110	Accounts payable	1,145	10,480	122	11,747
2160	Accrued wages payable	-	-	25,649	25,649
2170	Due to other funds	-	-	28,277	28,277
2200	Accrued expenses	-	1,064,505	-	1,064,505
2000	Total Liabilities	<u>1,145</u>	<u>1,074,985</u>	<u>54,048</u>	<u>1,130,178</u>
	<u>Net Assets</u>				
3200	Investment in capital assets, net	-	-	54,048	54,048
3900	Unrestricted	-	1,349,543	(54,048)	1,295,495
3000	Total Net Assets	<u>\$ -</u>	<u>\$ 1,349,543</u>	<u>\$ -</u>	<u>\$ 1,349,543</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT H-4
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET ASSETS - INTERNAL SERVICE FUNDS**
For the Year Ended June 30, 2012

Data Control Codes		752	753	783	Total Internal Service Funds (See Exhibit D-2)
		Print Shop	Workers Compensation	Parenting Center	
	<u>Operating Revenues</u>				
5700	Charges for services	\$ 1,943	\$ 439,156	\$ 56,968	\$ 498,067
5800	State program revenues	-	-	63,579	63,579
5020	Total Operating Revenues	<u>1,943</u>	<u>439,156</u>	<u>120,547</u>	<u>561,646</u>
	<u>Operating Expenses</u>				
6100	Payroll costs	-	19,600	164,836	184,436
6200	Contractual services	-	90,765	-	90,765
6300	Insurance and bonding costs	-	40,958	142	41,100
6400	Other supplies and expenses	7,438	524,743	-	532,181
6030	Total Operating Expenses	<u>7,438</u>	<u>676,066</u>	<u>164,978</u>	<u>848,482</u>
	Operating Income (Loss)	<u>(5,495)</u>	<u>(236,910)</u>	<u>(44,431)</u>	<u>(286,836)</u>
	<u>Non-Operating Revenues (Expenses)</u>				
5742	Interest and investment revenue	-	4,222	-	4,222
	Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>4,222</u>	<u>-</u>	<u>4,222</u>
	Income (Loss) Before Contributions and Transfers	<u>(5,495)</u>	<u>(232,688)</u>	<u>(44,431)</u>	<u>(282,614)</u>
7915	Transfers in	-	-	44,431	44,431
1300	Change in Net Assets	<u>(5,495)</u>	<u>(232,688)</u>	<u>-</u>	<u>(238,183)</u>
	Beginning Net Assets	<u>5,495</u>	<u>1,582,231</u>	<u>-</u>	<u>1,587,726</u>
0100					
3300	Ending Net Assets	<u>\$ -</u>	<u>\$ 1,349,543</u>	<u>\$ -</u>	<u>\$ 1,349,543</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT H-5
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2012

	752	753	783	Total Internal Service Funds (See Exhibit D-3)
	Print Shop	Workers Compensation	Parenting Center	
<u>Cash Flows from Operating Activities</u>				
Cash received from customers	\$ 1,943	\$ 439,156	\$ 56,968	\$ 498,067
Cash payments to suppliers	(6,293)	(650,710)	(20)	(657,023)
Cash payments to employees	-	(19,600)	(164,836)	(184,436)
Other receipts (payments)	4,350	7	6,903	11,260
Net Cash Provided (Used) by Operating Activities	<u>-</u>	<u>(231,147)</u>	<u>(100,985)</u>	<u>(332,132)</u>
<u>Cash Flows from Noncapital Financing Activities</u>				
Operating subsidies and transfers	-	-	44,431	44,431
<u>Cash Flows from Investing Activities</u>				
Purchase of investments	-	(140,005)	-	(140,005)
Interest and dividends	-	4,222	-	4,222
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(135,783)</u>	<u>-</u>	<u>(135,783)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	(366,930)	(56,554)	(423,484)
Beginning Cash and Cash Equivalents	-	-	-	-
Ending Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ (366,930)</u>	<u>\$ (56,554)</u>	<u>\$ (423,484)</u>
		-366930	-56554	-423484
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (5,495)	\$ (236,910)	\$ (44,431)	\$ (286,836)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Non-cash depreciation	-	-	2,850	2,850
Change in Assets and Liabilities:				
(Increase) decrease in due from other funds	4,350	7	(28,277)	(23,920)
(Increase) decrease in due from government	-	-	302	302
Increase (decrease) in accounts payable	1,145	5,756	122	7,023
Increase (decrease) in other payables	-	366,930	(31,551)	335,379
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ 135,783</u>	<u>\$ (100,985)</u>	<u>\$ 34,798</u>
		366930		366930

SEGUIN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 June 30, 2012

EXHIBIT I-1

Data Control Codes		865	899	Total Agency Funds (See Exhibit E-1)
		Student Activity	Donations	
	<u>Assets</u>			
1110	Cash and cash equivalents	\$ 3,687	\$ -	\$ 3,687
1120	Investments	205,949	-	205,949
1260	Due from other funds	22,957	80,102	103,059
1000	Total Assets	232,593	80,102	312,695
	<u>Liabilities</u>			
2110	Accounts payable	2,806	1,614	4,420
2190	Due to student groups	229,787	-	229,787
2440	Other payables	-	78,488	78,488
2000	Total Liabilities	232,593	80,102	312,695
	<u>Net Assets</u>			
3000	Net Assets	-	-	-
3000	Total Net Assets	\$ -	\$ -	\$ -

SEGUIN INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

For the Year Ended June 30, 2012

	1		2	3		10	20
	Tax Rates			Net Assessed/ Appraised Value For School Tax Purposes		Beginning Balance 6/30/11	Current Year's Total Levy
<u>Last Ten Years</u>	<u>Maintenance</u>	<u>Debt Service</u>					
2003 and prior	\$ Various	\$ Various	\$	1,389,148,263	\$	280,768	\$ -
2004	1.5000	0.1850		1,477,804,095		75,237	-
2005	1.5000	0.1944		1,505,827,758		115,439	-
2006	1.5000	0.1890		1,567,348,139		127,062	-
2007	1.3700	0.1651		1,792,123,119		182,524	-
2008	1.0400	0.1200		2,193,318,868		144,409	-
2009	1.0400	0.2098		2,233,715,835		334,058	-
2010	1.0400	0.2098		2,383,755,111		485,430	-
2011	1.0400	0.2098		2,389,092,255		1,178,092	-
2012	1.0400	0.2198		2,664,511,589		-	33,567,517
1000 Totals						<u>\$ 2,923,019</u>	<u>\$ 33,567,517</u>

31	32	40	50
Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 6/30/12
\$ 19,264	\$ 2,436	\$ (3,219)	\$ 255,849
9,701	1,197	(5,761)	58,578
14,742	1,909	(4,560)	94,228
17,283	2,178	(8,038)	99,563
32,873	3,961	(7,095)	138,595
19,070	2,200	2,790	125,929
61,893	12,471	(31,767)	227,927
84,226	16,991	(43,914)	340,299
528,079	103,097	(35,401)	511,515
26,803,057	5,663,949	-	1,100,511
<u>\$ 27,590,188</u>	<u>\$ 5,810,389</u>	<u>\$ (136,965)</u>	<u>\$ 2,952,994</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT J-2
SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2013-14
GENERAL AND SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED JUNE 30, 2012

Account Number		1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Misc	7 Total
611X-6146	PAYROLL COSTS			240,296	929,669		---	1,169,965
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)							
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)							
6211	Legal Services	134,995						134,995
6212	Audit Services				31,500			31,500
6213	Tax Appraisal and Collection		365,885					365,885
621X	Other Professional Services							
6220	Tuition and Transfer Payments							
6230	Education Service Center				1,647			1,647
6240	Contr. Maint. and Repair					1,941		1,941
6250	Utilities							
6260	Rentals			1,466	10,829			12,295
6290	Miscellaneous Contr.	9,303			13,738			23,041
6310	Operational Supplies, Materials							
6320	Textbooks and Reading			844				844
6330	Testing Materials							
63XX	Other Supplies Materials			3,384	27,402			30,786
6410	Travel, Subsistence, Stipends	8,674		3,780	11,486			23,940
6420	Ins. and Bonding Costs	21,173			6,361			27,534
6430	Election Costs	0						
6490	Miscellaneous Operating	2,193		20,352	31,950			54,495
6500	Debt Service							
6600	Capital Outlay							
6,000	Total	176,338	365,885	270,122	1,064,582	1,941	0	1,878,868

Total expenditures/expenses for General and Special Revenue Funds: (9) 60,946,245

Less: Deductions of Unallowable Costs

FISCAL YEAR - run reports to include all funds 100-499

Total Capital Outlay (6600)	(10)	840,428
Total Debt & Lease (6500)	(11)	0
Plant Maintenance (Function 51, 6100-6400)	(12)	5,469,411
Food (Function 35, 6341 and 6499)	(13)	64,582
Stipends (6413)	(14)	---
Column 4 (above) - Total Indirect Cost		1,064,582
		<u>7,439,003</u>

Net Allowed Direct Cost 53,507,242

CUMULATIVE

Total Cost of Buildings before Depreciations (1520)	(15)	122,323,363
Historical Cost of Buildings over 50 years old	(16)	0
Amount of Federal Money in Building Cost (Net of #16)	(17)	0
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	12,609,307
Historical Cost of Furniture and Equipment over 16 years old	(19)	2,101,138
Amount of Federal Money in Furniture and Equipment (Net of #19)	(20)	389,254

SEGUIN INDEPENDENT SCHOOL DISTRICT
FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE
GENERAL FUND
June 30, 2012

EXHIBIT J-3

1. Total general fund balance at year end (Exhibit C-1, object 3000 for the general fund only)	\$ 21,524,118
2. Total non-spendable fund balance at year end (Exhibit C-1, objects 341x-344x for the general fund only)	181,248
3. Total restricted fund balance (Exhibit C-1, objects 345x-349x for the general fund only)	-
4. Total committed fund balance (Exhibit C-1, objects 351x-354x for the general fund only)	188,115
5. Total assigned fund balance (Exhibit C-1, objects 355x-359x for the general fund only)	2,000,000
6. Estimated amount needed to cover fall cash flow deficits in general fund (net of borrowed funds and funds representing deferred revenues)	6,391,487
7. Estimate of two months' average cash disbursements during the fiscal year	9,594,141
8. Estimate of delayed payments from state sources (58XX) including August payment delays	-
9. Estimate of underpayments from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	-
10. Estimate of delayed payments from federal sources (59XX)	-
11. Estimate of expenditures to be reimbursed to general fund from capital projects fund (uses of general fund cash after bond referendum and prior to issuance of bonds)	-
12. General fund optimum fund balance and cash flow (2+3+4+5+6+7+8+9+10+11)	<u>18,354,991</u>
13. Excess or (deficit) unassigned general fund balance (1-12)	<u>\$ 3,169,127</u>

The District's administration will continue to monitor the fund balance in the general fund in the following budgetary cycles to maintain a fund balance level within District policy and State guidelines.

SEGUIN INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended June 30, 2012

EXHIBIT J-4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 903,904	\$ 996,874	\$ 1,004,292	\$ 7,418
5800	State program revenues	22,735	21,920	44,034	22,114
5900	Federal program revenues	2,980,882	3,043,761	2,918,665	(125,096)
5020	Total Revenues	<u>3,907,521</u>	<u>4,062,555</u>	<u>3,966,991</u>	<u>(95,564)</u>
	<u>Expenditures</u>				
0035	Food service	3,520,797	4,102,463	3,819,736	282,727
0051	Plant maintenance and operations	4,900	7,660	7,518	142
6030	Total Expenditures	<u>3,525,697</u>	<u>4,110,123</u>	<u>3,827,254</u>	<u>282,869</u>
1200	Net Change in Fund Balances	381,824	(47,568)	139,737	187,305
0100	Beginning Fund Balances	1,001,148	1,001,148	1,001,148	-
3000	Ending Fund Balances	<u>\$ 1,382,972</u>	<u>\$ 953,580</u>	<u>\$ 1,140,885</u>	<u>\$ 187,305</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT J-5
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE - EXHIBIT J-5
For the Year Ended June 30, 2012

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
	<u>Revenues</u>				
5700	Local, intermediate, and out-of-state	\$ 5,506,500	\$ 5,506,500	\$ 5,890,999	\$ 384,499
5020	Total Revenues	5,506,500	5,506,500	5,890,999	384,499
	<u>Expenditures</u>				
	<u>Debt service:</u>				
0071	Principal	2,143,583	2,143,583	2,143,583	-
0072	Interest	3,269,441	3,269,442	3,249,757	19,685
0073	Bond issuance costs and fees	5,000	164,311	5,637	158,674
6030	Total Expenditures	5,418,024	5,577,336	5,398,977	178,359
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	88,476	(70,836)	492,022	562,858
	<u>Other Financing Sources (Uses)</u>				
7915	Transfers in	-	250,000	250,000	-
7080	Total Other Financing Sources (Uses)	-	250,000	250,000	-
1200	Net Change in Fund Balances	88,476	179,164	742,022	562,858
0100	Beginning Fund Balances	3,847,972	3,847,972	3,847,972	-
3000	Ending Fund Balances	\$ 3,936,448	\$ 4,027,136	\$ 4,589,994	\$ 562,858

(This page intentionally left blank.)

COMPLIANCE SECTION

(This page intentionally left blank.)



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

To the Board of Trustees of the
Seguin Independent School District:

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Seguin Independent School District (the "District"), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 28, 2012. 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 the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Partners

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

Houston

3210 Bingle Rd., Ste. 300
Houston, TX 77055
713.263.1123

Bellville

6100 Windy Hill Lane
Bellville, TX 77418
979.865.3169

Austin

100 Congress Ave., Ste. 2000
Austin, TX 78701
512.381.0222

All Offices

www.texasauditors.com
info@txauditors.com
713.263.1550 fax



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 laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
September 28, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Board of Trustees of the
Seguin Independent School District:

Compliance

We have audited Seguin Independent School District's (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditors' 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 our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Partners

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

Houston

3210 Bingle Rd., Ste. 300
Houston, TX 77055
713.263.1123

Bellville

6100 Windy Hill Lane
Bellville, TX 77418
979.865.3169

Austin

100 Congress Ave., Ste. 2000
Austin, TX 78701
512.381.0222

All Offices

www.texasauditors.com
info@txauditors.com
713.263.1550 fax



Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BELT HARRIS PECHACEK, LLP

Belt Harris Pechacek, LLP
Certified Public Accountants
Houston, Texas
September 28, 2012

SEGUIN INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012

A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS

No prior year findings.

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

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

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 & 84.389	Title I, Part A Cluster
84.027, 84.173 & 84.391	Special Education Cluster (IDEA)
10.553 & 10.555	Child Nutrition Cluster
84.002	Adult Basic Education
84.410	Education Jobs Fund
84.367	Improving Teacher Quality

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The District did qualify as a low-risk auditee.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None Noted

C. FINDINGS – FEDERAL AUDIT AWARDS

None Noted

SEGUIN INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1 (Page 1 of 2)**

For the Year Ended June 30, 2012

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through State Department of Education</i>			
ESEA Title I, Part A*	84.010	12610101094901	\$ 1,892,359
IDEA B, Formula Grant*	84.027	126600010949016000	1,504,370
IDEA B, - Preschool*	84.173	126610010949016000	39,859
Title III, Part A	84.365	12671001094901	50,420
Education Jobs Fund	84.410	11550101094901	1,258,390
Career and Technical, Basic Grant	84.048	12420006094901	120,827
ESEA Title I Part C, Education of Migratory Children	84.011	12615001094901	76,579
Title II, Part A, Teacher and Principal	84.367	12694501094901	407,533
ARRA Title II, Part D Technology	84.386	10553001094901	2,895
ARRA Title I, Part A*	84.389	10551001094901	5,382
ARRA IDEA-B, Formula*	84.391	10554001094901	90
SSA Adult Basic Education - Federal Section 231	84.002	124100017110290	416,158
<i>Passed Through Comal ISD</i>			
Safe Schools Healthy Students	84.184	Q184L070020	16,142
<i>Passed Through Education Service Center, Region X</i>			
Education for Homeless Children	84.196	124600017110001	3,146
TOTAL U.S. DEPARTMENT OF EDUCATION			5,794,150
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through State Department of Education</i>			
School Breakfast Programs*	10.553	71401201	770,027
National School Lunch*	10.555	71301201	1,941,405
USDA Commodities	10.565	094-901	207,233
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,918,665

SEGUIN INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - EXHIBIT K-1 (Page 2 of 2)

For the Year Ended June 30, 2012

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF DEFENSE			
<i>Direct Program</i>			
ROTC	12.000	094-901	121,612
TOTAL U.S. DEPARTMENT OF DEFENSE			121,612
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Texas Education Agency</i>			
SSA Temporary Assistance for Needy Families (TANF)	93.558	123625017110407	9,967
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			9,967
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 8,844,394

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

The accompanying notes are an integral part of this schedule.

Federal revenue per SEFA	\$ 8,844,394
Medicaid	23,119
SHARS	843,051
C-2 Federal revenue	\$ 9,710,564

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

NOTE 1: BASIS OF ACCOUNTING

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

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
*SCHEDULE OF REQUIRED RESPONSES TO
 SELECTED SCHOOL FIRST INDICATORS*
 For the Year Ended June 30, 2012

EXHIBIT K-2

<u>Data Control Codes</u>	<u>Responses</u>
SF2	Were there any disclosures in the annual financial report and/or other sources of information concerning default on bonded indebtedness obligations? No
SF4	Did the District receive a clean audit? - Was there an unqualified opinion in the annual financial report? Yes
SF5	Did the annual financial report disclose any instances of material weaknesses in internal controls? No
SF9	Was there any disclosure in the annual financial report of material noncompliance? No
SF10	What was the total accumulated accretion on capital appreciation bonds included in the government-wide financial statements at fiscal year end? <u>\$ 5,379,735</u>

(This page intentionally left blank.)

STATISTICAL SECTION

This part of the Seguin Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	104
<i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
Revenue Capacity	114
<i>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.</i>	
Debt Capacity	122
<i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	131
<i>These schedules offer demographic and economic indicators to help the reader understand how the District's financial activities take place and to help make comparisons over time and with other governments..</i>	
Operating Information	135
<i>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT L-1
NET ASSETS BY COMPONENT
Last Nine Years ⁽¹⁾

(accrual basis of accounting)

	Year			
	2004	2005	2006	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 10,978,605	\$ 15,231,287	\$ 15,130,031	\$ 15,943,956
Restricted	6,145,961	2,469,107	2,623,714	2,445,618
Unrestricted	17,643,557	15,812,317	16,359,052	17,446,602
Total Governmental Activities Net Assets	\$ 34,768,123	\$ 33,512,711	\$ 34,112,797	\$ 35,836,176
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total Business-Type Activities Net Assets	\$ -	\$ -	\$ -	\$ -
Total government				
Invested in capital assets, net of related debt	\$ 10,978,605	\$ 15,231,287	\$ 15,130,031	\$ 15,943,956
Restricted	6,145,961	2,469,107	2,623,714	2,445,618
Unrestricted	17,643,557	15,812,317	16,359,052	17,446,602
Total Government Net Assets	\$ 34,768,123	\$ 33,512,711	\$ 34,112,797	\$ 35,836,176

(1) The requirement for statistical data is ten years; only nine years are available at this time.

		Year	
2008	2009	2010	2011
\$ 14,982,147	\$ 13,856,894	\$ 3,731,155	\$ 1,764,725
2,494,374	4,489,606	7,182,819	6,804,797
17,131,560	16,754,461	24,717,225	25,382,623
<u>\$ 34,608,081</u>	<u>\$ 35,100,961</u>	<u>\$ 35,631,199</u>	<u>\$ 33,952,145</u>

\$ -	\$ -	\$ -	\$ -
-	-	-	-
334,122	383,989	414,810	407,559
<u>\$ 334,122</u>	<u>\$ 383,989</u>	<u>\$ 414,810</u>	<u>\$ 407,559</u>

\$ 14,982,147	\$ 13,856,894	\$ 3,731,155	\$ 1,764,725
2,494,374	4,489,606	7,182,819	6,804,797
17,465,682	17,138,450	25,132,035	25,790,182
<u>\$ 34,942,203</u>	<u>\$ 35,484,950</u>	<u>\$ 36,046,009</u>	<u>\$ 34,359,704</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

EXHIBIT L-2

Last Nine Years ⁽¹⁾

(accrual basis of accounting)

	Year			
	2004	2005	2006	2007
Expenses				
Governmental activities				
Instruction	\$ 31,004,866	\$ 33,314,954	\$ 33,117,541	\$ 35,836,189
Instructional resources & media services	1,202,117	1,463,227	1,620,678	1,638,112
Curriculum & staff development	530,619	309,495	315,943	450,851
Instructional leadership	1,128,730	1,293,234	1,197,990	1,501,347
School leadership	2,461,591	2,872,726	3,007,496	3,175,513
Guidance, counseling & evaluation svcs	1,592,875	1,837,021	1,973,292	2,151,166
Social work services	307,183	328,663	338,720	359,243
Health services	342,826	432,306	453,154	514,782
Student transportation	1,416,392	1,750,157	1,902,341	2,113,385
Food service	2,729,031	3,046,546	3,228,797	3,522,734
Cocurriculum/extracurricular activities	1,284,616	1,423,399	1,516,252	1,550,884
General administration	1,630,319	1,849,282	1,899,642	1,860,312
Plant maintenance & operations	4,765,846	6,245,698	6,359,303	6,690,934
Security & monitoring services	321,378	349,567	364,468	344,063
Data processing services	441,375	563,401	678,418	550,913
Community services	182,429	203,008	195,958	134,264
Interest on long-term debt	2,050,102	2,358,836	1,975,336	1,863,040
Bond issuance cost & fees	(2,400)	4,600	840,412	576,707
Payments related to SSA's	4,944	-	50,883	89,036
Other intergovernmental charges	-	-	-	-
Total Governmental Activities Expenses	53,394,839	59,646,120	61,036,624	64,923,475
Business-Type Activities				
Mall fund	-	-	-	-
Total Business-Type Activities Expenses	-	-	-	-
Total Primary Government Expenses	\$ 53,394,839	\$ 59,646,120	\$ 61,036,624	\$ 64,923,475
Program Revenues				
Governmental activities				
Charges for services				
Food services	\$ 826,383	\$ 945,695	\$ 964,283	\$ 998,646
Extracurricular	140,322	313,975	324,732	279,736
Other activities	97,783	133,477	151,639	144,909
Operating grants and contributions	11,385,195	11,569,509	10,181,196	10,820,705
Total Governmental Activities Program Revenues	12,449,683	12,962,656	11,621,850	12,243,996
Business-Type Activities				
Charges for services				
Maintenance and upkeep	-	-	-	-
Total Business-Type Activities Revenues	-	-	-	-
Total Primary Government Program Revenues	\$ 12,449,683	\$ 12,962,656	\$ 11,621,850	\$ 12,243,996
Net (Expense)/Revenue				
Governmental activities	\$ (40,945,156)	\$ (46,683,464)	\$ (49,414,774)	\$ (52,679,479)
Business-type activities	-	-	-	-
Total Primary Government Net Expense	\$ (40,945,156)	\$ (46,683,464)	\$ (49,414,774)	\$ (52,679,479)

(1) The requirement for statistical data is ten years; only nine years are available at this time.

Year				
2008	2009	2010	2011	2012
\$ 37,173,258	\$ 37,899,350	\$ 39,431,444	\$ 41,297,243	\$ 37,589,234
1,706,512	1,285,420	1,387,525	1,553,905	1,265,382
598,741	890,257	1,037,301	1,852,790	1,698,107
1,352,760	733,815	877,568	895,055	994,860
3,338,214	3,481,339	3,335,629	3,442,197	3,466,768
2,093,534	2,363,294	2,281,558	2,275,819	2,194,298
382,638	389,728	460,370	539,720	541,087
575,189	555,674	509,339	563,627	537,565
2,373,165	2,126,984	2,130,885	2,395,615	2,586,480
3,681,969	3,533,275	3,759,589	3,813,826	4,128,424
1,538,270	1,794,791	1,866,587	1,861,695	1,919,135
1,989,490	1,623,986	1,706,893	1,790,914	1,635,967
6,484,510	6,433,247	6,455,547	6,170,119	5,267,299
370,861	269,182	293,514	301,910	260,977
671,403	829,638	733,496	880,444	745,191
242,747	323,269	182,130	90,368	17,167
1,936,220	3,446,559	3,381,958	3,503,007	4,135,168
24,846	39,813	40,163	164,311	5,637
511	159,720	202,590	244,348	218,321
-	329,064	343,309	371,330	365,885
66,534,838	68,508,405	70,417,395	74,008,243	69,572,952
9,639	3,487	11,292	52,932	88,964
9,639	3,487	11,292	52,932	88,964
\$ 66,544,477	\$ 68,511,892	\$ 70,428,687	\$ 74,061,175	\$ 69,661,916
\$ 990,719	\$ 999,276	\$ 880,453	\$ 890,320	\$ 1,004,292
264,114	150,086	148,684	352,636	451,208
109,565	198,547	141,302	137,311	160,340
11,399,787	11,100,076	15,680,779	12,352,952	10,045,793
12,764,185	12,447,985	16,851,218	13,733,219	11,661,633
41,250	48,750	41,250	45,000	45,000
41,250	48,750	41,250	45,000	45,000
\$ 12,805,435	\$ 12,496,735	\$ 16,892,468	\$ 13,778,219	\$ 11,706,633
\$ (53,770,653)	\$ (56,060,420)	\$ (53,566,177)	\$ (60,275,024)	\$ (57,911,319)
31,611	45,263	29,958	(7,932)	(43,964)
\$ (53,739,042)	\$ (56,015,157)	\$ (53,536,219)	\$ (60,282,956)	\$ (57,955,283)

SEGUIN INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS

EXHIBIT L-3

Last Nine Years (1)

(accrual basis of accounting)

	Year			
	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets				
Governmental activities				
Property taxes				
Levied for general purposes	\$ 23,663,415	\$ 24,698,390	\$ 26,853,971	\$ 26,209,308
Levied for debt service	2,891,967	3,170,496	3,391,051	3,173,736
Investment earnings	263,509	440,188	824,829	995,972
Unrestricted grants and contributions	19,449,824	16,894,106	18,667,276	23,306,677
Miscellaneous	547,424	224,872	277,735	717,165
Transfers	-	-	-	-
Special items	-	-	-	-
Total Governmental Activities	<u>46,816,139</u>	<u>45,428,052</u>	<u>50,014,862</u>	<u>54,402,858</u>
Business-type activities				
Investment earnings	-	-	-	-
Transfers	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 46,816,139</u>	<u>\$ 45,428,052</u>	<u>\$ 50,014,862</u>	<u>\$ 54,402,858</u>
Change in Net Assets				
Governmental activities	\$ 5,870,983	\$ (1,255,412)	\$ 600,088	\$ 1,723,379
Business-type activities	-	-	-	-
Total Primary Government	<u>\$ 5,870,983</u>	<u>\$ (1,255,412)</u>	<u>\$ 600,088</u>	<u>\$ 1,723,379</u>

(1) The requirement for statistical data is ten years; only nine years are available at this time.

Year				
2008	2009	2010	2011	2012
\$ 22,687,958	\$ 24,538,679	\$ 25,326,273	\$ 26,304,131	\$ 27,947,861
2,617,370	4,921,539	5,084,482	5,282,274	5,883,513
792,264	757,639	117,320	57,880	63,187
26,481,538	25,646,178	22,741,910	26,453,518	22,797,037
254,888	720,265	826,430	456,215	644,177
(291,460)	-	-	-	-
-	(31,000)	-	-	-
<u>52,542,558</u>	<u>56,553,300</u>	<u>54,096,415</u>	<u>58,554,018</u>	<u>57,335,775</u>
11,051	4,604	863	681	372
291,460	-	-	-	-
<u>302,511</u>	<u>4,604</u>	<u>863</u>	<u>681</u>	<u>372</u>
<u>\$ 52,845,069</u>	<u>\$ 56,557,904</u>	<u>\$ 54,097,278</u>	<u>\$ 58,554,699</u>	<u>\$ 57,336,147</u>
\$ (1,228,095)	\$ 492,880	\$ 530,238	\$ (1,721,006)	\$ (575,544)
334,122	49,867	30,821	(7,251)	(43,592)
<u>\$ (893,973)</u>	<u>\$ 542,747</u>	<u>\$ 561,059</u>	<u>\$ (1,728,257)</u>	<u>\$ (619,136)</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT L-4
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Years

(modified accrual basis of accounting)

		Year			
		2003	2004	2005	2006
General Fund					
Nonspendable		\$ 338,555	\$ 354,388	\$ 311,019	\$ 300,587
Restricted		-	-	-	-
Unassigned		10,642,401	14,836,350	13,195,955	13,359,032
Total General Fund		<u><u>\$ 10,980,956</u></u>	<u><u>\$ 15,190,738</u></u>	<u><u>\$ 13,506,974</u></u>	<u><u>\$ 13,659,619</u></u>
All Other Governmental Funds					
Nonspendable		\$ -	\$ -	\$ -	\$ -
Restricted		18,811,661	6,145,961	2,473,222	2,573,851
Total All Other Governmental Funds		<u><u>\$ 18,811,661</u></u>	<u><u>\$ 6,145,961</u></u>	<u><u>\$ 2,473,222</u></u>	<u><u>\$ 2,573,851</u></u>

Year					
2007	2008	2009	2010	2011	2012
\$ 361,074	\$ 304,899	\$ 216,566	\$ 207,122	\$ 214,227	\$ 177,744
291,182	51,219	43,769	-	-	-
13,918,054	14,119,275	15,930,210	17,305,639	19,440,326	18,079,101
<u>\$ 14,570,310</u>	<u>\$ 14,475,393</u>	<u>\$ 16,190,545</u>	<u>\$ 17,512,761</u>	<u>\$ 19,654,553</u>	<u>\$ 18,256,845</u>
\$ 80,678	\$ 43,908	\$ 14,893	\$ 14,893	\$ -	\$ -
3,304,632	3,068,630	33,884,223	14,443,024	8,962,985	9,119,256
<u>\$ 3,385,310</u>	<u>\$ 3,112,538</u>	<u>\$ 33,899,116</u>	<u>\$ 14,457,917</u>	<u>\$ 8,962,985</u>	<u>\$ 9,119,256</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)

EXHIBIT L-5

	Year			
	2003	2004	2005	2006
Revenues				
Local & intermediate sources	\$ 27,640,355	\$ 28,188,344	\$ 29,758,195	\$ 32,252,158
State program revenues	28,403,509	24,313,199	21,481,390	21,867,739
Federal program revenues	6,305,305	6,488,249	6,949,494	6,958,846
Total Revenues	62,349,169	58,989,792	58,189,079	61,078,743
Expenditures				
Instruction	31,751,876	29,765,590	30,882,196	31,095,012
Instructional resources & media services	1,333,503	1,129,970	1,370,674	1,506,884
Curriculum & staff development	360,934	520,309	296,269	305,596
Instructional leadership	1,142,337	1,081,499	1,232,644	1,125,161
School leadership	2,690,427	2,342,904	2,694,418	2,785,066
Guidance, counseling & evaluation svcs	1,836,505	1,499,133	1,723,277	1,837,113
Social work services	345,058	294,044	311,807	322,253
Health services	397,002	322,399	406,101	419,318
Student transportation	1,630,412	1,449,821	2,073,965	1,697,480
Food service	2,934,581	2,726,150	3,060,815	3,225,436
Cocurriculum/extracurricular activities	1,274,192	1,264,537	1,398,464	1,425,682
General administration	1,709,826	1,530,959	1,734,486	1,756,148
Plant maintenance & operations	5,026,282	4,494,456	5,466,211	6,019,175
Security & monitoring services	284,631	303,453	326,572	338,058
Data processing services	501,332	505,459	691,138	2,140,773
Community services	300,682	181,085	201,284	193,011
Principal on long-term debt	3,298,986	2,333,100	3,547,780	3,873,547
Interest on long-term debt	2,806,943	1,805,818	2,401,005	2,038,445
Bond issuance cost & fees	63,006	1,500	2,200	3,009
Capital outlay	9,149,382	14,204,351	3,724,275	263,321
Payments related to SSA's	3,884	4,944	-	50,883
Other intergovernmental charges	-	-	-	-
Total Expenditures	68,841,781	67,761,481	63,545,581	62,421,371
Excess of Revenues Over (Under) Expenditures	(6,492,612)	(8,771,689)	(5,356,502)	(1,342,628)
Other Financing Sources (Uses)				
Capital-related debt				
Issued (regular bonds)	5,195,830	-	-	16,705,000
Sale of real or personal property	2,625	19,771	-	-
Proceeds from capital leases	975,562	296,000	-	1,595,904
Non-current loan proceeds	-	-	-	-
Transfers in	8,638	5,631	12,993	37,278
Premium or discount				
On issuance of bonds	-	-	-	1,057,118
Transfer out	(173,638)	(5,631)	(12,993)	(37,278)
Payment to bond refunding				
Escrow agent	-	-	-	(17,606,349)
Other uses	(6,030,001)	-	-	(155,769)
Total Other Financing Sources	(20,984)	315,771	-	1,595,904
Net Change in Fund Balances	\$ (6,513,596)	\$ (8,455,918)	\$ (5,356,502)	\$ 253,276
Debt service as a percentage of noncapital expenditures	10.20%	7.70%	9.90%	9.50%

Year					
2007	2008	2009	2010	2011	2012
\$ 32,438,298	\$ 27,853,215	\$ 32,107,760	\$ 32,345,694	\$ 33,510,061	\$ 35,994,104
26,409,495	29,939,450	28,752,581	26,174,294	25,983,705	23,189,790
7,690,080	7,891,684	7,887,471	12,235,571	12,753,106	9,710,564
66,537,873	65,684,349	68,747,812	70,755,559	72,246,872	68,894,458
34,164,022	35,391,184	36,224,612	37,782,267	39,043,204	34,479,218
1,548,229	1,599,113	1,213,774	1,313,253	1,462,126	1,171,610
426,113	561,059	840,636	981,776	1,743,358	1,572,268
1,418,968	1,267,624	692,914	830,593	842,190	921,135
3,001,887	3,128,124	3,287,298	3,157,077	3,238,889	3,209,861
2,033,131	1,961,778	2,231,570	2,159,429	2,141,402	2,031,688
357,620	358,557	368,006	435,727	507,842	500,989
486,536	538,990	524,702	482,075	530,337	497,728
2,267,770	2,223,810	3,595,960	2,016,822	2,254,122	2,394,807
3,329,441	3,467,525	3,336,339	3,726,571	3,588,569	3,822,485
1,476,754	1,441,460	1,748,281	1,809,239	1,751,737	1,776,916
1,758,236	1,864,282	1,533,469	1,615,525	1,685,137	1,514,733
6,344,370	6,138,170	6,091,075	6,047,358	5,805,691	4,817,261
325,184	347,521	448,622	310,724	284,078	241,637
927,066	803,212	899,470	813,029	828,442	689,968
126,897	227,470	91,300	94,616	90,368	17,167
3,142,849	2,352,975	2,147,511	3,311,957	3,299,763	2,143,583
1,967,913	1,910,751	2,596,356	1,998,441	1,926,171	3,249,757
1,460	3,404	445,729	2,887	164,311	5,637
277,875	173,058	12,543,365	19,354,612	3,921,192	1,181,537
89,036	511	159,720	202,590	244,348	218,321
-	-	329,064	343,309	371,330	365,885
65,471,357	65,760,578	81,349,773	88,789,877	75,724,607	66,824,191
1,066,516	(76,229)	(12,601,961)	(18,034,318)	(3,477,735)	2,070,267
8,894,858	-	44,708,265	-	9,725,000	-
247,121	-	-	-	-	-
403,632	-	-	-	-	-
-	-	-	-	-	-
647,099	52,676	571	-	130,335	250,000
703,627	-	443,190	-	936,709	-
(647,099)	(344,136)	(17,335)	(84,664)	(167,314)	(294,431)
(9,448,662)	-	-	-	(10,500,135)	-
(144,942)	-	-	-	-	-
655,634	(291,460)	45,134,691	(84,664)	124,595	(44,431)
\$ 1,722,150	\$ (367,689)	\$ 32,532,730	\$ (18,149,982)	\$ (3,353,140)	\$ 2,025,836
7.80%	6.50%	6.90%	7.60%	7.28%	8.22%

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT L-6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Residential Property	\$ 1,283,975,884	\$ 1,404,457,344	\$ 1,469,421,825	\$ 1,539,240,067
Commercial Property	234,420,033	229,393,196	253,321,782	281,376,028
Industrial Property	189,435,863	359,063,694	353,282,721	317,197,694
Less: Tax Exempt Property	<u>452,422,755</u>	<u>503,298,663</u>	<u>502,293,445</u>	<u>516,471,118</u>
Total Assessed Value	<u>\$ 1,255,409,025</u>	<u>\$ 1,489,615,571</u>	<u>\$ 1,573,732,883</u>	<u>\$ 1,621,342,671</u>
Total Direct Tax Rate	1.68500	1.68500	1.69440	1.68900
Estimated Actual Taxable Value	\$ 1,389,148,263	\$ 1,477,804,095	\$ 1,505,827,758	\$ 1,567,348,139
Taxable Assessed Value as a Percentage of Actual Taxable Value	90.373%	100.799%	104.509%	103.445%

Source: Guadalupe County Property Appraiser

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 1,640,217,840	\$ 1,363,582,146	\$ 1,520,953,139	\$ 1,544,716,736	\$ 1,641,675,493	\$ 1,666,128,791
302,394,751	641,634,586	713,592,459	717,768,895	782,912,169	758,171,116
335,318,315	475,055,736	511,499,319	499,263,972	500,926,246	729,577,675
<u>540,779,721</u>	<u>280,439,486</u>	<u>389,894,328</u>	<u>381,928,073</u>	<u>429,133,691</u>	<u>485,593,768</u>
<u>\$ 1,737,151,185</u>	<u>\$ 2,199,832,982</u>	<u>\$ 2,356,150,589</u>	<u>\$ 2,379,821,530</u>	<u>\$ 2,496,380,217</u>	<u>\$ 2,668,283,814</u>
1.68900	1.16000	1.24980	1.24980	1.24980	1.25980
\$ 1,792,123,119	\$ 2,193,318,868	\$ 2,233,715,835	\$ 2,383,755,111	\$ 2,389,092,255	\$ 2,664,511,589
96.933%	100.297%	105.481%	99.835%	104.491%	100.142%

SEGUIN INDEPENDENT SCHOOL DISTRICT**EXHIBIT L-7*****DIRECT AND OVERLAPPING PROPERTY TAX RATES******Last Ten Years***

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Seguin Independent School District:				
General Purposes	\$ 1.500000	\$ 1.500000	\$ 1.500000	\$ 1.500000
Capital Purposes	0.185000	0.185000	0.194400	0.189000
Total Direct Rates	<u><u>\$ 1.685000</u></u>	<u><u>\$ 1.685000</u></u>	<u><u>\$ 1.694400</u></u>	<u><u>\$ 1.689000</u></u>
 Guadalupe County	 \$ 0.413100	 \$ 0.413100	 \$ 0.403100	 \$ 0.403100
City of Seguin	0.397600	0.397600	0.402100	0.432600
 Total Direct and Overlapping Rates	 <u><u>\$ 2.495700</u></u>	 <u><u>\$ 2.495700</u></u>	 <u><u>\$ 2.499600</u></u>	 <u><u>\$ 2.524700</u></u>

Source: Guadalupe County Property Appraiser

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 1.370000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000
0.165100	0.120000	0.209800	0.209800	0.209800	0.219800
<u>\$ 1.535100</u>	<u>\$ 1.160000</u>	<u>\$ 1.249800</u>	<u>\$ 1.249800</u>	<u>\$ 1.249800</u>	<u>\$ 1.259800</u>
\$ 0.403100	\$ 0.389500	\$ 0.389500	\$ 0.389500	\$ 0.399900	\$ 0.403600
0.481400	0.472600	0.482300	0.460000	0.489300	0.507300
<u>\$ 2.419600</u>	<u>\$ 2.022100</u>	<u>\$ 2.121600</u>	<u>\$ 2.099300</u>	<u>\$ 2.139000</u>	<u>\$ 2.170700</u>

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

EXHIBIT L-8

Property Tax Payer	2012			2003		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Rio Nogales Power Project LP	\$ 135,248,465	1	28.94%	\$ 178,237,740	1	56.90%
Caterpillar Inc	132,958,249	3	28.45%	-	-	-
Structural Metals Inc	96,108,434	2	20.56%	47,044,400	2	15.02%
Texas Petroleum Investment Co	33,999,258	4	7.27%	-	-	-
Hexcel Reinforcements Corp	15,595,693	5	3.34%	19,353,400	3	6.18%
Republic Plastics	11,739,691	6	2.51%	-	-	-
Tyson Foods Inc	11,375,090	7	2.43%	10,497,310	7	3.35%
Guadalupe Valley Electric Co-op	11,020,549	8	2.36%	-	10	0.00%
Southwestern Bell Telephone	9,768,134	9	2.09%	20,632,190	4	6.59%
Temple - Inland Inc	9,556,562	10	2.04%	7,550,070	9	2.41%
Alamo Group Inc	-	-	-	7,984,420	5	2.55%
Frontier Land Limited	-	-	-	7,415,568	-	2.37%
Walmart Store #901	-	-	-	7,349,911	6	2.35%
ITW Minigrip / Zip Pak Inc	-	-	-	7,190,200	8	2.30%
Subtotal	\$ 467,370,125		100.00%	\$ 313,255,209		100.00%
Other Taxpayers	-		0.00%	-		0.00%
Total	\$ 467,370,125		100.00%	\$ 313,255,209		100.00%

Source: Guadalupe County Property Appraiser

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-9

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Tax Rate</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Amount</u>	<u>Percent of Levy</u>
2003	2002	\$ 1.865000	\$ 24,979,031	21,558,987	86.31%
2004	2003	\$ 1.865000	\$ 26,338,679	22,557,305	85.64%
2005	2004	\$ 1.865000	\$ 27,331,303	23,110,105	84.56%
2006	2005	\$ 1.689000	\$ 29,201,001	28,102,756	96.24%
2007	2006	\$ 1.564400	\$ 27,370,956	27,174,330	99.28%
2008	2007	\$ 1.160000	\$ 24,029,349	23,832,723	99.18%
2009	2008	\$ 1.249800	\$ 27,916,980	27,720,354	99.30%
2010	2009	\$ 1.249800	\$ 29,792,171	29,602,045	99.36%
2011	2010	\$ 1.249800	\$ 29,858,875	29,662,249	99.34%
2012	2011	\$ 1.259800	\$ 33,567,517	32,467,006	96.72%

Source: Guadalupe County Property Appraiser and district records

Collections in Subsequent Years		Total Collections to Date	
Amount		Amount	Percent of Levy
\$	3,413,615	\$	24,972,602 99.97%
\$	3,770,563	\$	26,327,868 99.96%
\$	4,210,057	\$	27,320,162 99.96%
\$	1,083,339	\$	29,186,095 99.95%
\$	183,599	\$	27,357,929 99.95%
\$	153,329	\$	23,986,052 99.82%
\$	139,501	\$	27,859,855 99.80%
\$	104,260	\$	29,706,305 99.71%
\$	110,760	\$	29,773,009 99.71%
\$	-	\$	32,467,006 96.72%

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-10

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	2003	2004	2005	2006
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 51,782,317	\$ 49,961,017	\$ 47,164,717	\$ 45,266,805
Notes Payable	1,820,000	1,680,000	1,240,000	1,427,415
Capital Leases	642,382	538,780	221,000	570,943
Total Primary Government	<u>\$ 54,244,699</u>	<u>\$ 52,179,797</u>	<u>\$ 48,625,717</u>	<u>\$ 47,265,163</u>
Personal Income	\$ 778,890	\$ 833,361	\$ 976,219	\$ 976,219
Debt as a Percentage of Personal Income	6.96%	6.26%	4.98%	4.84%
Population	30,707	31,348	33,990	33,990
Debt Per Capita	\$ 1,767	\$ 1,665	\$ 1,431	\$ 1,391

Source: U.S. Census Bureau, Bureau of Economic Analysis, National Center for Education Statistics.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 43,261,908	\$ 41,568,526	\$ 88,385,992	\$ 85,729,058	\$ 82,961,450	\$ 81,675,329
896,717	487,546	140,000	45,000	-	-
904,575	545,770	138,260	-	-	-
<u>\$ 45,063,200</u>	<u>\$ 42,601,842</u>	<u>\$ 88,664,252</u>	<u>\$ 85,774,058</u>	<u>\$ 82,961,450</u>	<u>\$ 81,675,329</u>
\$ 976,219	\$ 1,150,382	\$ 1,096,250	\$ 1,320,931	\$ 1,560,671	\$ 1,560,671
4.62%	3.70%	8.09%	6.49%	5.32%	5.23%
33,990	35,503	38,632	38,632	43,366	44,277
\$ 1,326	\$ 1,200	\$ 2,295	\$ 2,220	\$ 1,913	\$ 1,845

SEGUIN INDEPENDENT SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Years

EXHIBIT L-11

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Net Assessed Value				
All property	\$ 1,389,148,263	\$ 1,477,804,095	\$ 1,505,827,758	\$ 1,567,348,139
Net Bonded Debt				
Gross bonded debt	\$ 51,782,317	\$ 49,961,017	\$ 47,164,717	\$ 45,266,805
Less debt service funds	1,058,615	2,412,244	2,270,869	2,456,162
Total Net Bonded Debt	<u>\$ 50,723,702</u>	<u>\$ 47,548,773</u>	<u>\$ 44,893,848</u>	<u>\$ 42,810,643</u>
Ratio of Net Bonded Debt				
To Assessed Value	3.65%	3.22%	2.98%	2.73%
Population	93,137	95,081	103,093	103,093
Net Bonded Debt				
Per Capita	\$ 545	\$ 500	\$ 435	\$ 415

Source: Guadalupe County Property Appraiser, National Center for Education Statistics.

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 2,071,495,603	\$ 2,233,715,835	\$ 2,392,103,830	\$ 2,383,755,111	\$ 2,389,092,255	\$ 2,664,511,589
\$ 43,261,908	\$ 41,568,526	\$ 88,385,992	\$ 85,729,058	\$ 82,961,450	\$ 81,675,329
2,584,027	2,676,825	3,709,914	3,741,072	3,847,972	4,589,994
<u>\$ 40,677,881</u>	<u>\$ 38,891,701</u>	<u>\$ 84,676,078</u>	<u>\$ 81,987,986</u>	<u>\$ 79,113,478</u>	<u>\$ 77,085,335</u>
1.96%	1.74%	3.54%	3.44%	3.31%	2.89%
103,093	107,684	117,172	117,172	131,533	134,295
\$ 395	\$ 361	\$ 723	\$ 700	\$ 601	\$ 574

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2011

EXHIBIT L-12

Governmental Unit	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Guadalupe County	\$ 17,886,850	32.970%	\$ 5,897,294
City of Seguin	\$ 42,066,959	100.000%	\$ 42,066,959
Subtotal, overlapping debt			\$ 47,964,253
District direct debt	\$ 80,817,867	100.000%	\$ 80,817,867
Total direct and overlapping debt			\$ 128,782,120
Population			44,277
Per Capita Debt-Direct and Overlapping			\$ 2,909

Source: Guadalupe County, City of Seguin, U.S. Census Bureau

The applicable percentage is based on the net taxable value of the respective entities.

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-13

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Year			
	2003	2004	2005	2006
Debt limit	\$ 97,240,378	\$ 103,446,287	\$ 105,407,943	\$ 109,714,370
Total net debt applicable to limit	50,723,702	47,548,773	44,893,848	42,810,643
Legal debt margin	<u>\$ 46,516,676</u>	<u>\$ 55,897,514</u>	<u>\$ 60,514,095</u>	<u>\$ 66,903,727</u>
Total net debt applicable to the limit as a percentage of debt limit	52.16%	45.96%	42.59%	39.02%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 2,664,511,589
Debt limit (7% of assessed value)	186,515,811
Debt applicable to limit:	
General obligation bonds	81,675,329
Less: amount set aside for repayment of general obligation debt	<u>(4,589,994)</u>
Total net debt applicable to limit	<u>77,085,335</u>
Legal debt margin	<u>\$ 109,430,476</u>

Year					
2007	2008	2009	2010	2011	2012
\$ 125,448,618	\$ 134,535,017	\$ 156,360,108	\$ 166,862,857	\$ 167,236,458	\$ 186,515,811
40,677,881	38,891,701	84,676,078	85,729,058	79,113,478	77,085,335
<u>\$ 84,770,737</u>	<u>\$ 95,643,316</u>	<u>\$ 71,684,030</u>	<u>\$ 81,133,799</u>	<u>\$ 88,122,980</u>	<u>\$ 109,430,476</u>
32.43%	28.91%	54.15%	51.38%	47.31%	41.33%

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-14

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate	Educational Attainment
2003	30,707	\$ 778,883	\$ 25,365		7,326	6.1%	
2004	31,348	\$ 833,355	\$ 26,584		7,269	5.3%	
2005	33,990	\$ 976,193	\$ 28,720		7,239	4.7%	
2006	33,990	\$ 976,193	\$ 28,720	36	7,327	4.8%	
2007	33,990	\$ 976,193	\$ 28,720	36	7,326	4.2%	
2008	35,503	\$ 1,150,368	\$ 32,402	36	7,501	3.9%	
2009	38,632	\$ 1,096,260	\$ 28,377	36	7,559	6.9%	
2010	38,632	\$ 1,320,944	\$ 34,193	36	7,562	7.3%	
2011	43,366	\$ 1,560,656	\$ 35,988	36	7,548	7.5%	
2012	44,277	\$ 1,593,441	\$ 35,988	36	7,440	5.8%	

Source: Bureau of Economic Analysis and the Texas Workforce Commission.

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

EXHIBIT L-15

Employer	2012		2003	
	Employees	Rank	Employees	Rank
Seguin ISD	1,180	1		
Continental Automotive Systems	1,174	2		
CMC Steel Texas	905	3		
Tyson Foods	865	4		
Texas Power Systems (Caterpillar)	818	5		
Guadalupe Regional Med. Center	699	6		
Guadalupe County	524	7		
Wal-Mart Supercenter	400	8		
Texas Lutheran University	297	9		
City of Seguin	293	10		
	<u>7,155</u>		<u>--</u>	

Source: Seguin Chamber of Commerce.

Note: Comparative information for 2003 was not available though the Seguin Chamber of Commerce.

(This page intentionally left blank.)

SEGUIN INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Years

EXHIBIT L-16

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Governmental Activities:</u>										
Instruction	704	702	671	658	652	652	662	719	675	613
Instructional resources & media services	30	30	35	35	33	32	19	19	18	18
Curriculum & staff development	2	6	4	4	6	6	11	7	22	19
Instructional leadership	31	31	28	28	30	21	13	13	13	14
School leadership	64	64	63	62	62	64	62	61	62	61
Guidance, counseling & evaluation svcs	28	31	32	33	34	30	35	34	34	33
Social work services	8	8	6	6	6	6	6	7	9	8
Health services	14	13	14	13	14	15	13	12	14	13
Student transportation	88	88	52	53	52	50	47	69	73	70
Food service	79	77	65	59	56	55	57	68	72	70
Cocurriculum/extracurricular activities	7	7	7	8	8	7	9	5	9	9
General administration	23	23	22	21	20	22	19	19	18	18
Plant maintenance & operations	100	107	108	105	104	104	103	100	92	85
Security & monitoring services	6	6	5	6	6	6	6	6	4	4
Data processing services	5	5	5	5	4	5	5	5	6	6
Community services	13	12	10	10	7	16	13	14	12	7
Total District Positions	<u>1,202</u>	<u>1,210</u>	<u>1,127</u>	<u>1,106</u>	<u>1,094</u>	<u>1,091</u>	<u>1,080</u>	<u>1,158</u>	<u>1,133</u>	<u>1,048</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT L-17
OPERATING STATISTICS
Last Ten Years

	Year			
	2003	2004	2005	2006
Average Daily Membership	7,326	7,269	7,239	7,327
Operating Expenditures	\$ 44,340,450	\$ 41,715,727	\$ 45,517,538	\$ 48,314,407
Cost per pupil	6,052	5,739	6,288	6,594
Percentage change	-0.44%	-5.18%	9.57%	4.87%
Non-Operating Expenses	\$ 48,375	\$ 53,951	\$ 153,626	\$ 35,679
Cost per pupil	7	7	21	5
Percentage change	-69.99%	12.40%	185.93%	-77.05%
Teaching Staff	552	553	550	535
Pupil-teacher ratio	13	13	13	14
Percentage of Students				
Economically Disadvantaged	57.80%	58.30%	59.50%	60.20%

Year					
2007	2008	2009	2010	2011	2012
7,326	7,501	7,559	7,562	7,548	7,440
\$ 52,337,650	\$ 52,487,810	\$ 50,980,328	\$ 49,779,759	\$ 50,671,743	\$ 49,133,036
7,144	6,997	6,744	6,583	6,713	6,604
8.34%	-2.05%	-3.62%	-2.39%	1.98%	-1.63%
\$ 332,792	\$ 69,980	\$ 329,064	\$ 618,409	\$ 371,330	\$ 365,885
45	9	44	82	49	49
832.87%	-79.46%	366.62%	87.86%	-39.84%	-0.04%
528	533	533	544	527	486
14	14	14	14	14	15
62.20%	61.30%	63.90%	66.10%	68.80%	68.80%

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT L-18

TEACHER BASE SALARIES

Last Ten Years

	Year			
	2003	2004	2005	2006
Minimum Salary	\$ 30,500	\$ 31,000	\$ 32,000	\$ 33,000
Maximum Salary	\$ 45,560	\$ 46,410	\$ 47,610	\$ 48,710
District Average Actual Teacher Salary	\$ 37,441	\$ 37,657	\$ 37,940	\$ 37,486
Statewide Average Actual Teacher Salary	\$ 39,974	\$ 40,478	\$ 41,011	\$ 41,866

Source: District records and the Texas Education Agency

Year					
2007	2008	2009	2010	2011	2012
\$ 36,500	\$ 38,500	\$ 40,000	\$ 40,000	\$ 40,500	\$ 40,500
\$ 52,260	\$ 54,560	\$ 59,260	\$ 59,337	\$ 66,602	\$ 60,112
\$ 42,912	\$ 44,878	\$ 46,148	\$ 46,601	\$ 51,114	\$ 46,370
\$ 44,897	\$ 46,178	\$ 47,158	\$ 48,263	\$ 48,639	\$ 48,375

SEGUIN INDEPENDENT SCHOOL DISTRICT
EXHIBIT L-19
SCHOOL BUILDING INFORMATION (Page 1 of 2)
Last Ten Years

	Year			
	2003	2004	2005	2006
Elementary				
Koennecke (1986)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	594	578	594	598
Ball (1976)				
Square feet	51,805	51,805	51,805	51,805
Capacity	449	449	449	449
Enrollment	298	299	286	293
Jefferson (1974)				
Square feet	53,087	53,087	53,087	53,087
Capacity	584	584	584	584
Enrollment	444	427	408	408
Juan Seguin (1940)				
Square feet	25,306	25,306	25,306	25,306
Capacity	300	300	300	300
Enrollment	364	359	349	370
McQueeney (1976)				
Square feet	54,957	54,957	54,957	54,957
Capacity	490	490	490	490
Enrollment	473	473	469	499
Patlan (1987)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	465	453	434	459
Rodriguez (2010)				
Square feet				
Capacity				
Enrollment				
Saegert (1930)				
Square feet	67,547	67,547	67,547	67,547
Capacity	600	600	600	600
Enrollment	486	487	525	531
Vogel (1991)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	506	523	496	540
Weinert (1974)				
Square feet	46,375	46,375	46,375	46,375
Capacity	540	540	540	540
Enrollment	550	534	527	560

Year					
2007	2008	2009	2010	2011	2012
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
618	582	584	562	562	492
51,805	51,805	51,805	51,805	51,805	51,805
449	449	449	449	449	449
297	288	285	-	-	379
53,087	53,087	53,087	53,087	53,087	53,087
584	584	584	584	584	584
437	455	472	564	564	477
25,306	25,306	25,306	25,306	25,306	25,306
300	300	300	300	300	300
425	425	430	456	456	-
54,957	54,957	54,957	54,957	54,957	54,957
490	490	490	490	490	490
505	511	546	527	527	422
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
434	475	474	587	587	444
				67,000	67,000
				650	650
				518	522
67,547	67,547	67,547	67,547	67,547	67,547
600	600	600	600	600	600
563	544	527	561	561	532
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
561	560	537	553	553	460
46,375	46,375	46,375	46,375	46,375	46,375
540	540	540	540	540	540
540	489	505	493	493	527

SEGUIN INDEPENDENT SCHOOL DISTRICT**SCHOOL BUILDING INFORMATION (Page 2 of 2)****Last Ten Years**

		Year			
		2003	2004	2005	2006
Middle School					
Barnes (2004)					
Square feet	-	-	105,000	105,000	
Capacity	-	-	700	700	
Enrollment	-	-	557	556	
Briesemeister (1975)					
Square feet	103,606	103,606	103,606	103,606	
Capacity	700	700	700	700	
Enrollment	612	588	508	526	
Burges (1950)					
Square feet	17,114	17,114	17,114	17,114	
Capacity	120	120	120	120	
Enrollment	83	69	67	76	
High School					
Learning Center (1964)					
Square feet	21,968	21,968	21,968	21,968	
Capacity	125	125	125	125	
Enrollment	113	103	78	105	
Seguin High School					
Square feet	289,914	289,914	289,914	289,914	
Capacity	2,500	2,500	2,500	2,500	
Enrollment	1,943	1,937	1,909	2,007	

Source: District records

Year					
2007	2008	2009	2010	2011	2012
105,000	105,000	105,000	105,000	105,000	105,000
700	700	700	700	700	700
541	551	564	549	549	547
103,606	103,606	103,606	103,606	103,606	103,606
700	700	700	700	700	700
508	530	536	536	536	535
17,114	17,114	17,114	17,114	17,114	17,114
120	120	120	120	120	120
71	71	43	58	58	49
21,968	21,968	21,968	21,968	21,968	21,968
125	125	125	125	125	125
112	118	118	131	131	135
289,914	289,914	289,914	289,914	289,914	289,914
2,500	2,500	2,500	2,500	2,500	2,500
1,959	1,906	1,913	1,945	1,945	1,915

(This page intentionally left blank.)