

*COMPREHENSIVE  
ANNUAL FINANCIAL REPORT*

of the

**SEGUIN INDEPENDENT  
SCHOOL DISTRICT, TEXAS**

For the Year Ended  
June 30, 2013

**Officials Issuing Report:**

**Dr. Irene Garza  
Superintendent of Schools**

**Sandra Hill  
Chief Financial Officer**

(This page intentionally left blank.)

# SEGUIN INDEPENDENT SCHOOL DISTRICT

## TABLE OF CONTENTS

June 30, 2013

	<u>Page</u>	<u>Exhibit</u>
<b><u>INTRODUCTORY SECTION</u></b>		
Letter of Transmittal	3	
GFOA Certificate of Achievement	8	
Organizational Chart	9	
List of Principal Officers	10	
Certificate of Board	11	
<b><u>FINANCIAL SECTION</u></b>		
Independent Auditors' Report	15	
Management's Discussion and Analysis (Required Supplementary Information)	21	
<b><u>BASIC FINANCIAL STATEMENTS</u></b>		
<b>Government-Wide Financial Statements</b>		
Statement of Net Position	31	A-1
Statement of Activities	32	B-1
<b>Fund Financial Statements</b>		
<b>Governmental Funds Financial Statements</b>		
Balance Sheet – Governmental Funds	34	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	36	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37	C-3
<b>Proprietary Fund Financial Statements</b>		
Statement of Net Position – Proprietary Funds	39	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	40	D-2
Statement of Cash Flows – Proprietary Funds	41	D-3
<b>Fiduciary Fund Financial Statements</b>		
Statement of Fiduciary Net Position – Fiduciary Funds	42	E-1
Notes to the Financial Statements	43	
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	61	G-1

# SEGUIN INDEPENDENT SCHOOL DISTRICT

## TABLE OF CONTENTS

June 30, 2013

	<u>Page</u>	<u>Exhibit</u>
<b><u>OTHER SUPPLEMENTARY INFORMATION</u></b>		
Combining Balance Sheet – Nonmajor Governmental Funds	64	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	70	H-2
Combining Statement of Net Position – Internal Service Funds	76	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	77	H-4
Combining Statement of Cash Flows – Internal Service Funds	78	H-5
Combining Statement of Fiduciary Net Position	79	I-1
Schedule of Delinquent Taxes Receivable	80	J-1
Schedule of Expenditures for Computation of Indirect Costs	82	J-2
Fund Balance and Cash Flow Calculation Schedule – General Fund	83	J-3
Budgetary Comparison Schedule – National School Breakfast and Lunch Program	84	J-4
Budgetary Comparison Schedule – Debt Service Fund	85	J-5
<b><u>COMPLIANCE SECTION</u></b>		
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>	89	
Independent Auditors’ Report on Compliance for each Major Program and On Internal Control over Compliance Required By OMB Circular A-133, and the Schedule of Expenditures of Federal Awards	91	
Summary Schedule of Prior Year Audit Findings	93	
Schedule of Findings and Questioned Costs	95	
Schedule of Expenditures of Federal Awards	96	K-1
Notes to Schedule of Expenditures of Federal Awards	98	
Schedule of Required Responses to Selected School First Indicators	99	K-2
<b><u>STATISTICAL SECTION</u></b>		
Net Position by Component	102	L-1
Expenses, Program Revenues, and Net (Expense)/ Revenue	104	L-2
General Revenues and Total Change in Net Position	106	L-3
Fund Balances of Governmental Funds	108	L-4
Changes in Fund Balances of Governmental Funds	110	L-5
Assessed Value and Estimated Actual Value of Taxable Property	112	L-6
Direct and Overlapping Property Tax Rates	114	L-7
Principal Property Tax Payers	117	L-8
Property Tax Levies and Collections	118	L-9
Ratios of Outstanding Debt by Type	120	L-10
Ratios of General Bonded Debt Outstanding	122	L-11
Direct and Overlapping Governmental Activities Debt	125	L-12
Legal Debt Margin Information	126	L-13

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

***TABLE OF CONTENTS***

June 30, 2013

**STATISTICAL SECTION (Continued)**

Demographic and Economic Statistics	128	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.)



# SEGUIN

## Independent School District

---

---

September 24, 2013

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, 2013 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 7,514 students (average daily attendance is 6,757) 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 4-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: 67% Hispanic, 25.5% White, 5.7% African-American, .9% Native American/Asian/Pacific Islander and .9% two or more races. Additionally, 68.6 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, a-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 through online virtual classes. 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 Seguin Education Foundation has provided 65 grants totaling over \$180,000. Approximately \$20,000 was given in the fall of 2012. 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 1,106.5 with 499 teachers, 89 professional support, 34 campus administrators and 9 central administration staff members. Support staff includes 100 educational aides and 375.5 auxiliary staff.

Facilities and campuses in the Seguin ISD range in age with the oldest being nearly 80 years old and the newest being four 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. \$1.68 million in bond resources were unspent at June 30, 2013.

In the spring of 2013 several dozen community members volunteered their time to serve on the Vision 2013 Committee. This group worked diligently to synthesize action plans based upon the Findings and Directions created by the 2010 Visioning Committee. As the 2010 Findings and Directions serve as the foundation to the

District's day-to-day operations, the Action Plans ensure that the District operates in a manner in which community and parent input is valued at all levels.

During the summer, a Bond Advisory Committee, of over 40 community members, met and discussed how to implement many of the Vision 2013 Action Plans that are contingent on facilities and equipment. Discussions included how to best meet the educational needs, facility-wise, for future Seguin High School students. As a result of Committee's work and recommendation, the Board of Trustees approved an \$83.3 million bond package for a \$78.3 million high school and \$5 million in district technology upgrades to be considered by voters on the November 5, 2013 election.

This school year, improvements in the Career and Technical Education (CTE) program included opening a Health Science Academy (HSA) at the Mary B. Erskine campus. The HSA will serve students interested in pursuing post-graduate education and employment in health careers while taking advantage of a facility that will better meet the infrastructure demands for health science courses and lab instruction in a college-like atmosphere. Approximately 250 students are enrolled in the program which has the support of area physicians, Guadalupe Regional Medical Center, pharmacists and businesses in the health care industry. Their input, guidance and donations have been invaluable for the program's success.

The District is also working closely with Educate Texas toward receiving an Early College High School designation from the Texas Education Agency, a priority of the Vision 2013 Committee. As the planning, development and ultimately implementation progresses, the program will allow Seguin ISD students to earn up to an associate's degree in conjunction with a high school diploma. The goal is to have the program implemented for the 2014-15 school year.

## **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. Toll-road SH-130, which opened in fall 2012, provides an alternate route to the I-35 gridlock and diverts commuter traffic from I-35 just north of Austin to I-10 at 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, 2013 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**

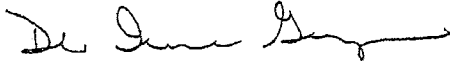
We respectfully acknowledge the responsible and sincere involvement of the school board, administrators, principals, program directors and coordinators in the financial affairs of the District.

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 Superintendent Dr. Irene Garza, Assistant

Superintendents John Burks and Dorothy Whitman, Chief 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



Government Finance Officers Association

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

Presented to

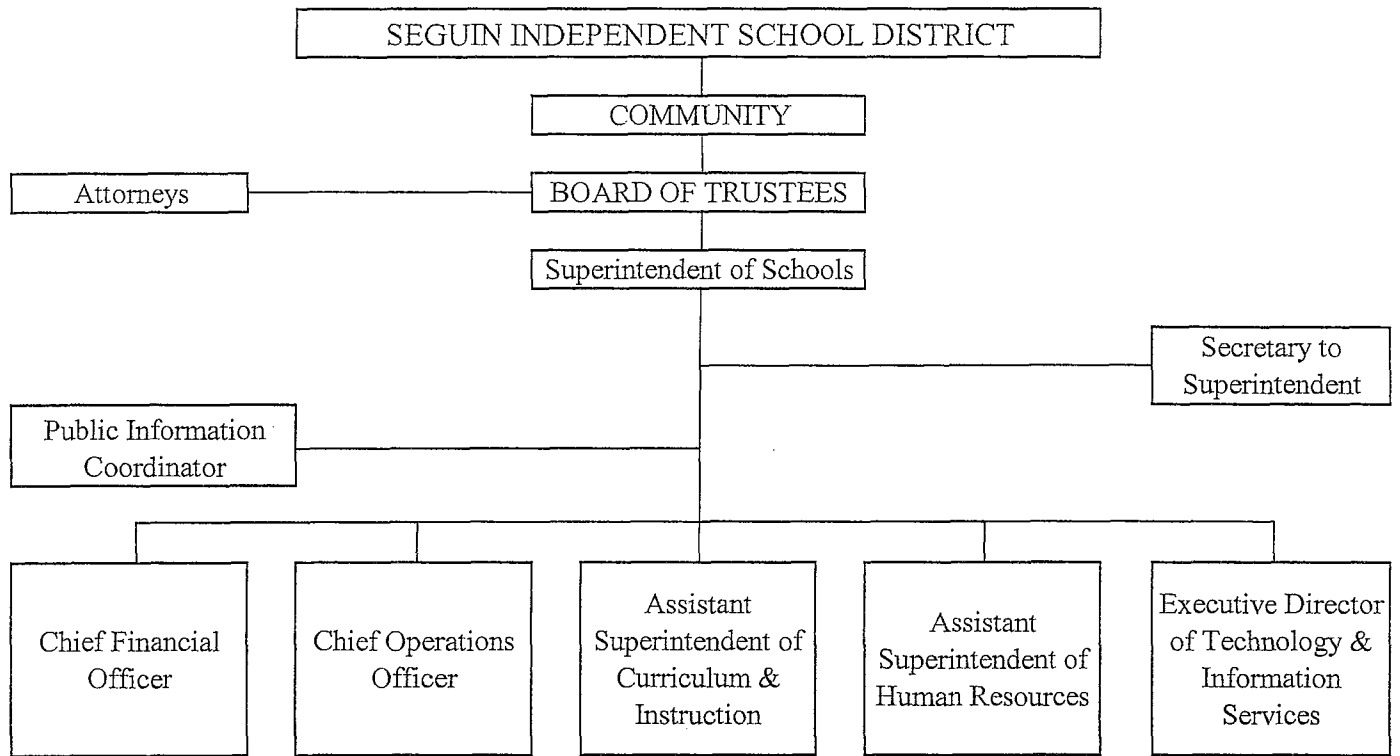
**Seguin Independent  
School District, Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
*ORGANIZATIONAL CHART*



**SEGUIN INDEPENDENT SCHOOL DISTRICT**

***LIST OF PRINCIPAL OFFICIALS***

June 30, 2013

**Elected Officials**

**Position**

Louis Q. Reyes, III	President
Nancy Ayotte	Vice-President
Ishmael Flores	Secretary
Ricardo Guerra	Trustee
Irma Lewis	Trustee
Carol Teeple	Trustee
Barbara Effenberger	Trustee

**Appointed Officials**

**Position**

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



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, 2013, at a meeting of the Board of Trustees of such school district on the 14<sup>th</sup> day of November, 2013.

  
\_\_\_\_\_  
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*

(This page intentionally left blank.)



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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 the Seguin Independent School District (the "District"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

---

#### Partners

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

#### Houston

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

#### Bellville

1304 South Front St.  
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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
September 24, 2013

(This page intentionally left blank.)



*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, 2013**

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the Seguin Independent School District (the "District") for the year ending June 30, 2013. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the District's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the District's financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

Assets and deferred outflows of the District exceeded liabilities by \$40,690,395 (net position) for governmental activities and \$393,734 for business-type activities. The District has \$34,696,014 of unrestricted net position to meet ongoing obligations. Restricted net position consists of \$4,471,270 for debt service and \$1,272,924 for grant funds. The District has a net investment in capital assets of \$643,921.

At fiscal year end, the unassigned fund balance in the general fund was \$19.06 million, which represents an increase of \$0.98 million from the prior year. The increase was the net result of a \$1.45 million increase from operations less net transfers to assigned fund balance of \$.47 million. Non-spendable fund balance for inventories and prepaid items was \$163,114 and committed fund balance was \$95,867. The assigned fund balance for construction, improvements and equipment was \$2.01 million, the assigned fund balance for student improvement was \$1.05 million, and assigned fund balance for one time needs was \$7.72 million for a total of \$10.78 million in assigned fund balance. Committed fund balance at year end was \$95,867.

The fund balance in the Debt Service Fund increased \$0.83 million to \$5.42 million, which provides for a debt service payments in August and October 2013 totaling \$3.6 million.

Fund balances shown in Other Governmental Funds include restricted fund balance for grant funds of \$1.27 million attributable to the National School Breakfast and Lunch Program. The fund balance increased \$132,039 from the prior year from Food Service operations. Also included is restricted fund balance for capital projects of \$1.96 million which is a decrease of \$1.42 million as a result of expenditures of bond proceeds on the completion of projects voters authorized in 2008.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of three parts – *Management's Discussion and Analysis* (this section), the *Basic Financial Statements* and *Required Supplementary 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* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended June 30, 2013

- The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *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 fiduciary resources belong. This fund includes student activity funds.
- *Proprietary fund* statements provide short and long-term financial information about the activities the government operates like business, such as self-insurance services. The proprietary funds include the enterprise fund and internal service fund.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The notes to the financial statements are followed by a section entitled *Required Supplementary Information* that further explains and supports the information in the financial statements.

#### **Government-Wide Financial Statements**

The government-wide statements report information about the District as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the District as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District's activities that enable the reader to understand the financial condition of the District. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other non-financial factors, such as changes in the District's tax base, staffing patterns, enrollment, and attendance, need to be considered in order to assess the overall health of the District.

The Statement of Activities presents information showing how the District's net position changed during the most recent year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities include the following class of activities:

*Governmental Activities* – Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration, and plant operation and maintenance are included in *governmental activities*. Locally assessed property taxes, together with State foundation program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended June 30, 2013

*Business-Type Activities* – The District accounts for rental of a portion of its central administration building and the cost of maintaining the building in this class of activity.

**FUND FINANCIAL STATEMENTS**

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

- Some funds are required by State law and other funds are mandated by bond agreements or bond covenants.
- The Board of Trustees establishes other funds to control and manage money set aside for particular purposes or to show that the District is properly using certain taxes and grants.
- Other funds are used to account for assets held by the District in a custodial capacity - these assets do not belong to the District, but the District is responsible to properly account for them.

The District has the following kinds of funds:

- *Governmental funds* – Most of the District's basic services are reported in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* – The District maintains two proprietary fund types. *Enterprise funds* are used 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, workers' 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 serves as the trustee, or fiduciary, for certain funds such as student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities that are reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended June 30, 2013

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Statement of Net Position**

Net position of the District's governmental and business-type activities increased 2.06% from \$40.25 million to \$41.08 million. The planned increase was a result of operations and activities for the current period of \$830,585.

The unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased \$1,879,417 to \$34.70 million at June 30, 2013. This increase was the net results of regular operations of the District.

Net position of the District's business-type activities increased \$29,767 from operations of the District's central office building complex. These assets are not restricted.

**Table 1**  
**Net Position**

Description	Governmental Activities		Business-Type Activities		Total Activities		Total Change
	2013	2012	2013	2012	2013	2012	2013-2012
Current assets	\$ 52,913,503	\$ 51,545,151	\$ 393,934	\$ 364,166	\$ 53,307,437	\$ 51,909,317	\$ 1,398,120
Capital assets	79,342,686	81,066,807	-	-	79,342,686	81,066,807	(1,724,121)
<b>Total Assets</b>	<b>132,256,189</b>	<b>132,611,958</b>	<b>393,934</b>	<b>364,166</b>	<b>132,650,123</b>	<b>132,976,124</b>	<b>(326,001)</b>
Deferred charge on refunding	1,389,602	-	-	-	1,389,602	-	1,389,602
<b>Total Deferred Outflows of Resources</b>	<b>1,389,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389,602</b>	<b>-</b>	<b>1,389,602</b>
Current liabilities	10,902,503	11,047,052	200	199	10,902,703	11,047,251	(144,548)
Long-term liabilities	82,052,893	81,675,329	-	-	82,052,893	81,675,329	377,564
<b>Total Liabilities</b>	<b>92,955,396</b>	<b>92,722,381</b>	<b>200</b>	<b>199</b>	<b>92,955,596</b>	<b>92,722,580</b>	<b>233,016</b>
Net Position:							
Net investment in capital assets	643,921	2,779,855	-	-	643,921	2,779,855	(2,135,934)
Restricted	5,744,194	4,657,092	-	-	5,744,194	4,657,092	1,087,102
Unrestricted	34,302,280	32,452,630	393,734	363,967	34,696,014	32,816,597	1,879,417
<b>Total Net Position</b>	<b>\$ 40,690,395</b>	<b>\$ 39,889,577</b>	<b>\$ 393,734</b>	<b>\$ 363,967</b>	<b>\$ 41,084,129</b>	<b>\$ 40,253,544</b>	<b>\$ 830,585</b>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Year Ended June 30, 2013

**Statement of Activities**

The following table summarizes the change in the District's net position from its activities for the fiscal years ended June 30, 2013 and June 30, 2012.

**Table 2**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total		Total Change 2013-2012
	2013	2012	2013	2012	2013	2012	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 1,500,822	\$ 1,615,840	\$ 45,000	\$ 45,000	\$ 1,545,822	\$ 1,660,840	\$ (115,018)
Operating grants and contributions	8,211,814	10,045,793	-	-	8,211,814	10,045,793	(1,833,979)
General revenues:							
Property taxes	34,765,041	33,831,374	-	-	34,765,041	33,831,374	933,667
Grants and contributions not restricted for specific programs	22,834,078	22,797,037	-	-	22,834,078	22,797,037	37,041
Investment earnings	78,487	63,187	445	372	78,932	63,559	15,373
Other revenue	1,477,118	7,767,148	-	-	1,477,118	7,767,148	(6,290,030)
<b>Total Revenue</b>	<b>68,867,360</b>	<b>76,120,379</b>	<b>45,445</b>	<b>45,372</b>	<b>68,912,805</b>	<b>76,165,751</b>	<b>(7,252,946)</b>
<b>Expenses:</b>							
Instruction	37,115,318	40,552,723	-	-	37,115,318	40,552,723	(3,437,405)
Instructional and school leadership	4,696,343	4,461,628	-	-	4,696,343	4,461,628	234,715
Student support	5,565,794	5,859,430	-	-	5,565,794	5,859,430	(293,636)
Food services	4,157,227	4,128,424	-	-	4,157,227	4,128,424	28,803
Extracurricular activities	2,080,055	1,919,135	-	-	2,080,055	1,919,135	160,920
General and administration	1,675,360	1,635,967	-	-	1,675,360	1,635,967	39,393
Plant maintenance, security, and data process	7,527,427	6,273,467	14,514	85,216	7,541,941	6,358,683	1,183,258
Community services	20,160	17,167	-	-	20,160	17,167	2,993
Debt service	4,586,887	4,140,805	-	-	4,586,887	4,140,805	446,082
Other activities	641,971	584,206	1,164	3,748	643,135	587,954	55,181
<b>Total Expenses</b>	<b>68,066,542</b>	<b>69,572,952</b>	<b>15,678</b>	<b>88,964</b>	<b>68,082,220</b>	<b>69,661,916</b>	<b>(1,579,696)</b>
<b>Change in Net Position</b>	<b>800,818</b>	<b>6,547,427</b>	<b>29,767</b>	<b>(43,592)</b>	<b>830,585</b>	<b>6,503,835</b>	<b>(5,673,250)</b>
Beginning net position	39,889,577	33,342,150	363,967	407,559	40,253,544	33,749,709	6,503,835
<b>Ending Net Position</b>	<b>\$ 40,690,395</b>	<b>\$ 39,889,577</b>	<b>\$ 393,734</b>	<b>\$ 363,967</b>	<b>\$ 41,084,129</b>	<b>\$ 40,253,544</b>	<b>\$ 830,585</b>

The District's statement of governmental activities reflects total revenues for the year ended June 30, 2013 of \$68.87 million, a decrease of \$7.25 million primarily due to a property tax related settlement of \$7.12 million in the prior fiscal year. The total cost of all programs and services decreased \$1.51 million to \$68.07 million. The net result is an increase in net position of \$0.80 million. The following impacted total revenues:

- The property tax levied for all purposes increased to \$1.2770 per \$100 valuation, resulting tax revenue increasing \$0.93 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 \$.2370:
- Grants and contributions not restricted to specific purposes increased by \$37,041 as a result of increases in federal revenue.

The cost of all governmental activities this year was \$68.07 million. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities was \$34.77 million because some of the costs were paid by those who directly benefited from the programs (\$1.50 million), by other governments and organizations that subsidized certain programs with grants and contributions

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended June 30, 2013**

(\$8.21 million), or by grants and contributions (primarily State funding) not restricted to specific programs (\$22.83 million).

The District's statement of business activities reflects charges for services of \$45,000 and interest earnings of \$445. With building maintenance costs of \$15,678, the net activities for business-type activities increased \$29,767 for ending net position of \$393,734.

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

As the District completed the year, its governmental funds reported a combined fund balance of \$38.76 million, which is an increase of \$0.99 million from last year's total of \$37.77 million. The increase is composed of the following: the general fund balance increased \$1.45 million from \$28.65 to \$30.10 million from regular operations, the fund balance in the debt service fund increased \$830,421 from \$4.59 to \$5.42 million, and other governmental funds balance restricted for Grant Funds increased \$132,039 while the balance restricted for Construction decreased \$1.42 million from capital outlay expenditures.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

In accordance with State law and generally accepted accounting standards, the District prepares an annual budget for the general fund, the food service special revenue fund, and the debt service fund. Special revenue funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended June 30, 2013, the District amended its budget as required by State law and to reflect current levels of revenue and anticipated expenses. The general fund's actual revenues exceeded budgeted revenues by \$0.20 million while actual expenditures were \$2.07 million below budgeted amounts.

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 \$1.43 million to reflect changed revenue estimates in all areas. Expenditure budgets increased \$2.18 million. Changes included increases to curriculum and instructional staff development, student transportation, extracurricular activities, security and monitoring services, data processing, and facilities acquisition and construction.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

Capital assets are generally defined as those items that have useful lives of three years or more and have an initial cost or value (if donated) of an amount determined by the Board. During the fiscal year ended June 30, 2013, the District used a capitalization threshold of \$5,000, which means that all capital type assets, including library books, with a cost or initial value of less than \$5,000 were not included in the capital assets inventory.



**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended June 30, 2013**

At the end of fiscal year 2013, the District had \$79.34 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	\$	658,742
Construction in progress		(57,950)
Buildings and improvements		1,724,679
Equipment and vehicles		(83,127)
Accumulated depreciation		(3,966,465)
	\$	<u>(1,724,121)</u>

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

**Debt**

At year-end, the District had \$82.05 million in bonds outstanding versus \$82.26 million last year, a decrease of \$0.20 million.

More detailed information about the District's long-term liabilities is presented in the notes to the financial statements.

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

For 2013-14, budget considerations included maintaining a balanced budget, providing for salary increases for all staff, and adding campus instructional administration staff along with starting a parent involvement program. Actions by the Texas Legislature provided an increase in projected revenue from state sources of \$2.19 million included in the overall revenue projections increase of \$2.28 million. Although adopted expenditures resulted in a projected surplus of \$1.67 million, further adjustments to the expenditure budget adopted as amendments to the General Fund in August 2012 increased expenditures and provided for an average 3% salary increase for all employees, a one-time supplemental pay to employees in December, the purchase of five replacement school buses, investment in computers and networks, and other one-time amounts.

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 2012-13 school year the Texas Education Agency significantly changed the testing and accountability system. All District schools and the District as a whole received the rating of "Met Standard."

Net taxable property values for 2013 increased to \$26.6 million or 1.03% for the Maintenance and Operations tax levy and \$90.7 million or 3.44% for the Debt Service levy. The District participates in a Chapter 313 Property Limitation Agreement that results in different taxable values for the two levies. 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 \$.237 to \$0.24 to provide payments for debt service payments in 2013-14. The total increase in tax rate for 2013 is \$0.003 (from \$1.277 to \$1.28).

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 2013-14.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Year Ended June 30, 2013**

The Unassigned Fund Balance in the General Fund is projected to be \$15.7 million, which is 28.2% 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 \$0.51 million to \$5.75 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 POSITION**

June 30, 2013

Data Control Codes	1 Governmental Activities	2 Business-Type Activities	Total	
<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ 46,365,721	\$ 393,934	\$ 46,759,655
1225	Property taxes receivable	2,952,563	-	2,952,563
1230	Allowance for uncollectible taxes	(442,884)	-	(442,884)
1240	Due from other governments	3,706,579	-	3,706,579
1290	Other receivables	112,031	-	112,031
1300	Inventories	208,260	-	208,260
1410	Prepays	11,233	-	11,233
		52,913,503	393,934	53,307,437
Capital assets:				
1510	Land	3,816,683	-	3,816,683
1520	Buildings and improvements, net	72,770,825	-	72,770,825
1530	Equipment and vehicles, net	2,755,178	-	2,755,178
		79,342,686	-	79,342,686
1000	<b>Total Assets</b>	132,256,189	393,934	132,650,123
<b><u>Deferred Outflows of Resources</u></b>				
	Deferred charge on refunding	1,389,602	-	1,389,602
<b><u>Liabilities</u></b>				
2110	Accounts payable	616,733	200	616,933
2140	Interest payable	949,145	-	949,145
2165	Accrued liabilities	7,605,899	-	7,605,899
2177	Due to fiduciary funds	271,980	-	271,980
2180	Due to other governments	166,438	-	166,438
2190	Due to student groups	218,401	-	218,401
2300	Unearned revenue	1,073,907	-	1,073,907
		10,902,503	200	10,902,703
Noncurrent liabilities:				
2501	Long-term liabilities due within			
2501	one year	2,710,073	-	2,710,073
2502	Long-term liabilities due in more			
2502	than one year	79,342,820	-	79,342,820
2000	<b>Total Liabilities</b>	92,955,396	200	92,955,596
<b><u>Net Position</u></b>				
3200	Net investment in capital assets	643,921	-	643,921
Restricted for:				
3850	Debt service	4,471,270	-	4,471,270
3890	Grant funds	1,272,924	-	1,272,924
3900	Unrestricted	34,302,280	393,734	34,696,014
3000	<b>Total Net Position</b>	\$ 40,690,395	\$ 393,734	\$ 41,084,129

See Notes to Financial Statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*STATEMENT OF ACTIVITIES*

For the Year Ended June 30, 2013

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
	<b>Governmental Activities</b>				
11	Instruction	\$ 34,885,006	\$ 43,392	\$ 3,236,536	\$ (31,605,078)
12	Instructional resources				
12	and media services	986,769	56,837	166	(929,766)
13	Curriculum/instructional				
13	staff development	1,243,543	336	822,810	(420,397)
21	Instructional leadership	976,019	502	219,666	(755,851)
23	School leadership	3,720,324	28,268	147,841	(3,544,215)
31	Guidance, counseling,				
31	evaluation services	2,071,652	3,560	52,115	(2,015,977)
32	Social work services	555,199	-	212,862	(342,337)
33	Health services	543,789	344	1,646	(541,799)
34	Student (pupil) transportation	2,395,154	-	25,760	(2,369,394)
35	Food services	4,157,227	862,016	3,093,724	(201,487)
36	Extracurricular activities	2,080,055	466,362	-	(1,613,693)
41	General administration	1,675,360	-	-	(1,675,360)
51	Plant maintenance and operations	6,034,575	38,092	120,190	(5,876,293)
52	Security and monitoring services	375,564	-	25,958	(349,606)
53	Data processing services	1,117,288	-	-	(1,117,288)
61	Community services	20,160	1,113	18,150	(897)
72	Debt service - interest	4,430,240	-	-	(4,430,240)
73	Bond issuance cost and fees	156,647	-	-	(156,647)
93	Payments to fiscal agent/member				
93	districts of SSA	234,390	-	234,390	-
99	Other intergovernmental charges	407,581	-	-	(407,581)
	<b>Total Governmental Activities</b>	<u>\$ 68,066,542</u>	<u>\$ 1,500,822</u>	<u>\$ 8,211,814</u>	<u>(58,353,906)</u>
	<b>Business-Type Activities</b>				
01	Oak Park Mall	15,678	45,000	-	-
	<b>Total Business-Type Activities</b>	<u>15,678</u>	<u>45,000</u>	<u>-</u>	<u>-</u>
TP	<b>Total</b>	<u>\$ 68,082,220</u>	<u>\$ 1,545,822</u>	<u>\$ 8,211,814</u>	<u>(58,353,906)</u>
	<b>General Revenues</b>				
MT	Property taxes, levied for general purposes				28,217,981
DT	Property taxes, levied for debt service				6,547,060
GC	Grants and contributions not restricted				
GC	for specific programs				22,834,078
IE	Investment earnings				78,487
MI	Miscellaneous local and intermediate revenue				1,477,118
TR	<b>Total General Revenues</b>				<u>59,154,724</u>
CN	<b>Change in Net Position</b>				<u>800,818</u>
NB	Beginning net position				<u>39,889,577</u>
NE	<b>Ending Net Position</b>				<u>\$ 40,690,395</u>

See Notes to Financial Statements.

<u>Revenue and Changes in Net</u>	
<u>7</u>	<u>8</u>
<u>Primary Gov.</u>	<u>Primary Gov.</u>
<u>Business-Type</u>	<u>Total</u>
<u>Activities</u>	<u>Total</u>
\$ -	\$ (31,605,078)
-	(929,766)
-	(420,397)
-	(755,851)
-	(3,544,215)
-	(2,015,977)
-	(342,337)
-	(541,799)
-	(2,369,394)
-	(201,487)
-	(1,613,693)
-	(1,675,360)
-	(5,876,293)
-	(349,606)
-	(1,117,288)
-	(897)
-	(4,430,240)
-	(156,647)
-	-
-	(407,581)
-	(58,353,906)
<u>29,322</u>	<u>29,322</u>
<u>29,322</u>	<u>29,322</u>
<u>29,322</u>	<u>(58,324,584)</u>
-	28,217,981
-	6,547,060
-	22,834,078
445	78,932
-	1,477,118
<u>445</u>	<u>59,155,169</u>
<u>29,767</u>	<u>830,585</u>
<u>363,967</u>	<u>40,253,544</u>
<u>\$ 393,734</u>	<u>\$ 41,084,129</u>

SEGUIN INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-1

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2013

Data Control Codes		10	50		98
		General	Debt Service	Other Governmental	Total Governmental Funds
<b>Assets:</b>					
1110	Cash and cash equivalents	\$ 35,226,855	\$ 5,408,596	\$ 3,197,967	\$ 43,833,418
1220	Taxes receivable	2,465,013	487,550	-	2,952,563
1230	Allowance for uncollectible taxes	(369,752)	(73,132)	-	(442,884)
1240	Due from other governments	2,645,551	11,819	1,049,209	3,706,579
1260	Due from other funds	547,155	-	577,688	1,124,843
1290	Other receivables	111,238	-	793	112,031
1300	Inventories	157,376	-	50,884	208,260
1410	Prepaid items	5,738	-	5,495	11,233
1000	<b>Total Assets</b>	<u>\$ 40,789,174</u>	<u>\$ 5,834,833</u>	<u>\$ 4,882,036</u>	<u>\$ 51,506,043</u>
<b>Liabilities:</b>					
2110	Accounts payable	\$ 466,610	\$ -	\$ 147,413	\$ 614,023
2150	Payroll deductions payable	1,283,320	-	-	1,283,320
2160	Accrued wages payable	4,864,168	-	650,921	5,515,089
2170	Due to other funds	850,439	-	517,755	1,368,194
2180	Due to other governments	160,156	-	6,282	166,438
2190	Due to student groups	-	-	218,401	218,401
2300	Unearned revenue	970,093	-	103,814	1,073,907
2000	<b>Total Liabilities</b>	<u>8,594,786</u>	<u>-</u>	<u>1,644,586</u>	<u>10,239,372</u>
<b>Deferred Inflows of Resources:</b>					
2310	Unavailable revenue - property taxes	<u>2,095,261</u>	<u>414,418</u>	<u>-</u>	<u>2,509,679</u>
<b>Fund Balances:</b>					
Non-spendable:					
3410	Inventories	157,376	-	-	157,376
3430	Prepaid items	5,738	-	-	5,738
Restricted:					
3450	Grant funds	-	-	1,272,924	1,272,924
3470	Construction	-	-	1,964,526	1,964,526
3480	Debt service	-	5,420,415	-	5,420,415
Committed:					
3545	Encumbrances	95,867	-	-	95,867
Assigned:					
3550	Construction	2,014,359	-	-	2,014,359
3590	Student improvement	1,045,122	-	-	1,045,122
3590	One-time needs	7,722,580	-	-	7,722,580
3600	Unassigned	19,058,085	-	-	19,058,085
3000	<b>Total Fund Balances</b>	<u>30,099,127</u>	<u>5,420,415</u>	<u>3,237,450</u>	<u>38,756,992</u>
4000	<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 40,789,174</u>	<u>\$ 5,834,833</u>	<u>\$ 4,882,036</u>	<u>\$ 51,506,043</u>

See Notes to Financial Statements.



**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2013**

**EXHIBIT C-1R**

Total fund balances for governmental funds \$ 38,756,992

Amounts reported for governmental activities in the Statement of Net Position are difference because:

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

Capital assets - non-depreciable	3,816,683	
Capital assets - depreciable	<u>75,526,003</u>	79,342,686

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		2,509,679
---	--	-----------

Internal service fund		1,693,474
-----------------------	--	-----------

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

Accrued interest	(949,145)	
Deferred charges on refunding	1,389,602	
Non-current liabilities due in one year	(2,710,073)	
Non-current liabilities due in more than one year	<u>(79,342,820)</u>	
		<u>(81,612,436)</u>

<b>Net Position of Governmental Activities</b>		<b>\$ <u>40,690,395</u></b>
--	--	-----------------------------

See Notes to Financial Statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

**EXHIBIT C-2**

For the Year Ended June 30, 2013

Data Control Codes		10	50	98	
		General	Debt Service	Other Governmental	Total Governmental Funds
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 29,862,436	\$ 6,553,988	\$ 1,364,263	\$ 37,780,687
5800	State program revenues	21,650,799	-	839,192	22,489,991
5900	Federal program revenues	1,147,660	-	7,419,790	8,567,450
5020	<b>Total Revenues</b>	<u>52,660,895</u>	<u>6,553,988</u>	<u>9,623,245</u>	<u>68,838,128</u>
<b>Expenditures</b>					
0011	Instruction	29,338,995	-	3,277,053	32,616,048
0012	Instructional resources/media services	852,216	-	57,003	909,219
0013	Curriculum and staff development	322,666	-	823,146	1,145,812
0021	Instructional leadership	679,146	-	220,168	899,314
0023	School leadership	3,251,832	-	176,109	3,427,941
0031	Guidance, counseling, and evaluation services	1,853,164	-	55,675	1,908,839
0032	Social work services	298,704	-	212,862	511,566
0033	Health services	499,063	-	1,990	501,053
0034	Student (pupil) transportation	2,670,344	-	25,760	2,696,104
0035	Food service	-	-	3,955,740	3,955,740
0036	Extracurricular activities	1,660,535	-	293,020	1,953,555
0041	General administration	1,543,693	-	-	1,543,693
0051	Plant maintenance and operations	5,455,507	-	120,190	5,575,697
0052	Security and monitoring services	320,090	-	25,958	346,048
0053	Data processing services	1,092,033	-	-	1,092,033
0061	Community services	897	-	19,263	20,160
0071	Principal	-	2,291,520	-	2,291,520
0072	Interest	-	3,432,155	-	3,432,155
0073	Bond issuance costs and fees	-	156,647	-	156,647
0081	Facilities acquisition and construction	658,742	-	1,666,730	2,325,472
0093	Shared service arrangements	-	-	234,390	234,390
0099	Other intergovernmental charges	407,581	-	-	407,581
6030	<b>Total Expenditures</b>	<u>50,905,208</u>	<u>5,880,322</u>	<u>11,165,057</u>	<u>67,950,587</u>
1100	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,755,687</u>	<u>673,666</u>	<u>(1,541,812)</u>	<u>887,541</u>
<b>Other Financing Sources (Uses)</b>					
7911	Issuance of bonds	-	10,135,000	-	10,135,000
7915	Transfers in	-	-	250,000	250,000
7916	Premium/discount on bonds	-	1,152,412	-	1,152,412
8911	Transfers (out)	(303,649)	-	-	(303,649)
8940	Payment to bond escrow agent	-	(11,130,657)	-	(11,130,657)
7080	<b>Total Other Financing Sources (Uses)</b>	<u>(303,649)</u>	<u>156,755</u>	<u>250,000</u>	<u>103,106</u>
1200	<b>Net Change in Fund Balances</b>	<u>1,452,038</u>	<u>830,421</u>	<u>(1,291,812)</u>	<u>990,647</u>
0100	Beginning fund balances	28,647,089	4,589,994	4,529,262	37,766,345
3000	<b>Ending Fund Balances</b>	<u>\$ 30,099,127</u>	<u>\$ 5,420,415</u>	<u>\$ 3,237,450</u>	<u>\$ 38,756,992</u>

See Notes to Financial Statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**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, 2013**

**EXHIBIT C-3**

Net changes in fund balances - total governmental funds \$ 990,647.

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	(3,969,315)
Capital outlay (net of disposed assets)	2,242,344

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (367)

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when it is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal repayments	2,291,520
Accrued interest	124,642
Amortization of loss	808,251
Amortization of premiums	(866,342)
Accreted interest	(1,221,391)

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. 400,829

**Change in Net Position of Governmental Activities** \$ 800,818

See Notes to Financial Statements.

(This page intentionally left blank.)

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-1**

*STATEMENT OF NET POSITION*

*PROPRIETARY FUNDS*

June 30, 2013

<u>Data Control Codes</u>		<u>Business-Type Activities Enterprise 711 Oak Park Mall</u>	<u>Governmental Activities - Internal Service Funds</u>
	<u>Assets</u>		
	Current assets:		
1110	Cash and cash equivalents	\$ 393,934	\$ 2,532,303
1260	Due from other funds	-	771
		<u>393,934</u>	<u>2,533,074</u>
	Noncurrent assets:		
	Capital assets:		
1520	Buildings and equipment, net	-	51,198
		<u>-</u>	<u>51,198</u>
1000	<b>Total Assets</b>	<u>393,934</u>	<u>2,584,272</u>
	<u>Liabilities</u>		
	Current liabilities:		
2110	Accounts payable	200	2,710
2160	Accrued wages payable	-	21,679
2170	Due to other funds	-	29,400
2200	Accrued expenses	-	785,811
2000	<b>Total Liabilities</b>	<u>200</u>	<u>839,600</u>
	<u>Net Position</u>		
3200	Net investment in capital assets	-	51,198
3900	Unrestricted	393,734	1,693,474
3000	<b>Total Net Position</b>	<u>\$ 393,734</u>	<u>\$ 1,744,672</u>

See notes to financial statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT D-2**

*STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS*

For the Year Ended June 30, 2013

<u>Data Control Codes</u>		<u>Business-Type Activities Enterprise 711 Oak Park Mall</u>	<u>Governmental Activities - Internal Service Funds</u>
	<b><u>Operating Revenues</u></b>		
5700	Charges for services	\$ 45,000	\$ 507,925
5800	State program revenues	-	35,619
5020	<b>Total Operating Revenues</b>	<u>45,000</u>	<u>543,544</u>
	<b><u>Operating Expenses</u></b>		
6100	Payroll costs	-	158,930
6200	Contractual services	14,514	27,457
6300	Supplies and materials	-	3,861
6400	Other operating costs	1,164	13,081
6440	Depreciation	-	2,850
6030	<b>Total Operating Expenses</b>	<u>15,678</u>	<u>206,179</u>
	<b>Operating Income</b>	<u>29,322</u>	<u>337,365</u>
	<b><u>Non-Operating Revenues</u></b>		
5742	Interest and investment revenue	445	4,115
	<b>Total Non-Operating Revenues</b>	<u>445</u>	<u>4,115</u>
	<b>Income Before Contributions and Transfers</b>	29,767	341,480
7915	Transfers in	-	53,649
1300	<b>Change in Net Position</b>	29,767	395,129
0100	Beginning net position	<u>363,967</u>	<u>1,349,543</u>
3300	<b>Ending Net Position</b>	<u>\$ 393,734</u>	<u>\$ 1,744,672</u>

See notes to financial statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*STATEMENT OF CASH FLOWS*

*PROPRIETARY FUNDS*

For the Year Ended June 30, 2013

**EXHIBIT D-3**

	Business-Type Activities Enterprise <u>711</u> <u>Oak Park Mall</u>	Governmental Activities - Internal Service Funds <u>          </u>
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received from customers	\$ 45,000	\$ 507,925
Cash payments to suppliers	(15,677)	(334,980)
Cash payments to employees	-	(161,777)
Other receipts	-	38,843
<b>Net Cash Provided by Operating Activities</b>	<u>29,323</u>	<u>50,011</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Operating subsidies and transfers to other funds	-	53,649
<b>Net Cash Provided by Financing Activities</b>	<u>-</u>	<u>53,649</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Interest and dividends	445	4,115
<b>Net Cash Provided by Investing Activities</b>	<u>445</u>	<u>4,115</u>
<b>Net Increase in Cash and Cash Equivalents</b>	29,768	107,775
Beginning cash and cash equivalents	<u>364,166</u>	<u>2,424,528</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 393,934</u>	<u>\$ 2,532,303</u>
<b>Reconciliation of Operating Income to</b>		
<b>Net Cash Provided by Operating Activities:</b>		
Operating income	\$ 29,322	\$ 337,365
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	-	2,850
<b>Change in Assets and Liabilities:</b>		
(Increase) decrease in due from other funds	-	374
Increase (decrease) in accounts payable	1	(9,037)
Increase (decrease) in due to other funds	-	1,123
Increase (decrease) in accrued expenses	-	(278,694)
Increase (decrease) in accrued wages payable	-	(3,970)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 29,323</u>	<u>\$ 50,011</u>

See notes to financial statements.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT E-1**

*STATEMENT OF FIDUCIARY NET POSITION*

*FIDUCIARY FUNDS*

June 30, 2013

<u>Data Control Codes</u>		<u>Agency</u>
	<u>Assets</u>	
1110	Cash and cash equivalents	\$ 212,321
1260	Due from other funds	271,980
1000	<b>Total Assets</b>	<u>484,301</u>
	<u>Liabilities</u>	
2110	Accounts payable	2,295
2190	Due to student groups	224,497
2400	Other payables	257,509
2000	<b>Total Liabilities</b>	<u>484,301</u>
	<u>Net Position</u>	
	Net position	-
3000	<b>Total Net Position</b>	<u>\$ -</u>

See Notes to Financial Statements.



**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. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

**C. Basis of Presentation – Government-Wide Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the District's business-type activities and other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following governmental funds:

**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 nonmajor fund for reporting purposes.

**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

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

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.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the District.

**F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

**1. Cash and Cash Equivalents**

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. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

**2. Investments**

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

**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.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

**4. Restricted Assets**

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt and to finance construction projects.

**5. 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:

Asset Description	Estimated Useful Life
Buildings	30 years
Vehicles	10 years
Furniture	7 years
Office equipment	5 years
Computer equipment	3 years

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

**7. 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

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.

**8. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

**9. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees (the "Board") is the highest level of decision-making authority for the District

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The District's Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**11. 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.

**12. 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.

**G. Revenue and Expenditures/Expenses**

**1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**2. 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 penalty and interest.

Property taxes attach as an enforceable lien on property as of January 1 each year. District property tax revenues are recognized when collected.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

**3. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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.

**A. Expenditures in Excess of Appropriations**

For the year ended, although expenditures exceeded appropriations at the legal function level of control as shown below, expenditures at the total fund level did not exceed the amount budgeted.

35 - Food service	\$ (1,342)
51 - Plant maintenance and operations	<u>1,975</u>
Fund total	<u><u>\$ 633</u></u>

**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, 2013

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	\$ 6,860,321	AAAm
Lonestar Investment Pool	N/A	33,703,662	AAA
MBIA Texas Class Investment Pool	N/A	4,312,262	AAA
Logic Investment Cooperative Pool	N/A	878,908	AAA
<b>Total investments</b>		<u>\$ 45,755,153</u>	

**B. Capital Assets**

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

<b>Governmental Activities:</b>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 3,157,941	\$ 658,742	\$ -	\$ 3,816,683
Construction in progress	57,950	-	57,950	-
Total capital assets not being depreciated	<u>3,215,891</u>	<u>658,742</u>	<u>57,950</u>	<u>3,816,683</u>
Other capital assets:				
Buildings and improvements	122,323,363	1,724,679	-	124,048,042
Equipment and vehicles	12,609,307	896,252	979,379	12,526,180
Total other capital assets	<u>134,932,670</u>	<u>2,620,931</u>	<u>979,379</u>	<u>136,574,222</u>
Less accumulated depreciation for:				
Buildings and improvements	47,142,282	4,134,935	-	51,277,217
Equipment and vehicles	9,939,472	800,774	969,244	9,771,002
Total accumulated depreciation	<u>57,081,754</u>	<u>4,935,709</u>	<u>969,244</u>	<u>61,048,219</u>
Other capital assets, net	<u>77,850,916</u>	<u>(2,314,778)</u>	<u>10,135</u>	<u>75,526,003</u>
<b>Totals</b>	<u>\$ 81,066,807</u>	<u>\$ (1,656,036)</u>	<u>\$ 68,085</u>	<u>79,342,686</u>
			Less associated debt	(82,052,893)
			Plus unspent bond proceeds	1,678,365
			Plus other proceeds	286,161
			Plus deferred charge on refunding	<u>1,389,602</u>
			<b>Net Investment in Capital Assets</b>	<u>\$ 643,921</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

Depreciation was charged to governmental functions as follows:

	Governmental Activities	Internal Service	Total
11 Instruction	\$ 2,723,140	\$ -	\$ 2,723,140
12 Instructional resources/media services	75,911	-	75,911
13 Curriculum and staff development	95,665	-	95,665
21 Instructional leadership	75,084	-	75,084
23 School leadership	286,202	-	286,202
31 Guidance, counseling, and evaluation services	159,371	-	159,371
32 Social work services	42,711	-	42,711
33 Health services	41,833	-	41,833
34 Student (pupil) transportation	225,100	-	225,100
35 Food services	330,268	-	330,268
36 Extracurricular activities	163,104	-	163,104
41 General administration	128,884	-	128,884
51 Plant maintenance and operations	465,519	-	465,519
52 Security and monitoring services	28,892	-	28,892
53 Data processing services	91,175	-	91,175
61 Community services	-	2,850	2,850
<b>Total Depreciation Expense</b>	<u>\$ 4,932,859</u>	<u>\$ 2,850</u>	<u>\$ 4,935,709</u>

**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.

Governmental Activities:	Original Issue	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:						
Series 2002	\$ 26,640,000	\$ 1,810,000	\$ -	\$ 890,000	\$ 920,000	\$ 920,000
Series 2005	16,705,000	13,030,000	-	11,060,000	1,970,000	965,000
Series 2006	8,894,858	8,484,858	-	75,000	8,409,858	80,000
Series 2008	44,708,265	41,586,226	-	291,520	41,294,706	380,073
Series 2010	9,725,000	9,615,000	-	110,000	9,505,000	115,000
Series 2013	10,135,000	-	10,135,000	-	10,135,000	250,000
	<u>116,808,123</u>	<u>74,526,084</u>	<u>10,135,000</u>	<u>12,426,520</u>	<u>72,234,564</u>	<u>2,710,073</u>
Other liabilities:						
Bond premiums	-	1,409,062	1,152,412	286,070	2,275,404	-
Accreted interest	-	6,321,534	1,221,391	-	7,542,925	-
<b>Total Governmental Activities</b>	<u>\$ 116,808,123</u>	<u>\$ 82,256,680</u>	<u>\$ 12,508,803</u>	<u>\$ 12,712,590</u>	<u>\$ 82,052,893</u>	<u>\$ 2,710,073</u>
<b>Long-term liabilities due in more than one year</b>					<u>\$ 79,342,820</u>	

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

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 0.35% to 5.00%. Debt service requirements on the District's outstanding bonds are as follows:

Year Ended June 30	Principal	Interest	Total Requirements
2014	\$ 2,710,073	\$ 2,557,557	\$ 5,267,630
2015	2,165,212	2,500,603	4,665,815
2016	1,585,996	2,429,568	4,015,564
2017	4,099,928	2,400,005	6,499,933
2018	4,260,837	2,353,515	6,614,352
2019-2023	29,052,660	9,538,293	38,590,953
2024-2028	15,564,858	4,786,528	20,351,386
2029-2033	8,920,000	1,960,894	10,880,894
2034-2036	3,875,000	261,375	4,136,375
	\$ 72,234,564	\$ 28,788,338	\$ 101,022,902

**Advance Refunding**

In 2013, the District issued \$10,135,000 of unlimited tax refunding bonds, series 2013 for an advance refunding of unlimited tax refunding bonds, series 2005. The refunding was undertaken to provide a present value savings in the debt service payable by the District. The reacquisition price exceeded the net carrying amount by \$995,657. This amount is being netted against the new debt and amortized over the old debt's life. The transaction also resulted in an economic gain of \$946,771 and a reduction of \$1,034,294 in future debt service payments.

The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2013, \$10,135,000 of unlimited tax refunding bonds, series 2005 were considered defeased related to the 2013 refunding.

**D. Compensated Absences**

Upon the retirement of employees who have worked for the District 10 years, the District pays the employee \$50 per day up to 20 days for any unused accrued sick leave days. The estimated liability to the District is not considered to be material to the financial statements and is not recorded.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

**E. Interfund Transactions**

The interfund balances and transfers were as follows:

<u>Due to</u>	<u>Due From</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor governmental	\$ 517,755	Advances
General	Internal service	29,400	Advances
Nonmajor governmental	General	577,688	Advances
Internal service	General	771	Advances
Agency	General	271,980	Advances
		<u>\$ 1,397,594</u>	

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General	Capital projects	\$ 250,000	To fund capital projects
General	Internal service	53,649	To supplement other fund sources
	Total	<u>\$ 303,649</u>	

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

**F. Fund Equity**

The beginning fund balance for the general fund and the beginning net position for governmental activities have been restated to account for the prior year deferral of a property tax settlement that should have been recognized as revenue.

During fiscal year 2013, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 reclassified costs associated with bond issuance as expenses of the current period. Consequently, the District is restating net position for fiscal year 2012 to reflect the write-off of unamortized bond issuance costs.

	<u>General Fund</u>	<u>Governmental Activities</u>
Beginning fund balance/net position as reported	\$ 21,524,118	\$ 33,376,601
Unamortized bond issuance costs	-	(609,995)
Recognition of revenue that was deferred in the prior year	7,122,971	7,122,971
Restated beginning fund balance/net position	<u>\$ 28,647,089</u>	<u>\$ 39,889,577</u>

**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.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
For the Year Ended June 30, 2013

**B. Workers' Compensation Insurance**

During the fiscal year ended June 30, 2013, employees of the District were covered by a workers' compensation insurance 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 administrators, 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 June 30, 2013, and has projected open claims and incurred but not reported claims will cost \$785,811.

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>
2011	\$ 539,046	\$ 421,255	\$ 262,726	\$ 697,575
2012	\$ 697,575	\$ 804,287	\$ 437,357	\$ 1,064,505
2013	\$ 1,064,505	\$ 7,887	\$ 286,581	\$ 785,811

**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.

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 (IRS) 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, 2013, 2012 and 2011 were \$ 2,481,024, \$2,608,840, and \$2,799,067, 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, 2013, 2012, and 2011 were \$607,056, \$619,396 and \$740,134, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$2,429,175 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 post employment 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 TRS web site at [www.trstate.tx.us](http://www.trstate.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,

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENT (Continued)**  
**For the Year Ended June 30, 2013**

respectively, with school districts contributing a percentage of payroll set at 0.55 percent for fiscal years 2013, 2012 and 2011. 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, 2013, 2012, and 2011, the State's contributions to TRS-Care were \$22,609, \$42,155, and \$52,317, respectively, the active member contributions were \$251,979, \$264,961 and \$284,237, respectively, and the District's contributions were \$213,213, \$224,198 and \$240,508, 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 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, 2013, 2012, and 2011, the subsidy payments received by TRS-Care on behalf of the District were \$154,464, \$100,842, and \$97,231, respectively.

**F. Employee Health Care Coverage**

During the year ended June 30, 2013, employees of the District were covered by TRS Active Care, a statewide coverage program for public education employees. The plan is administered by Blue Cross Blue Shield of Texas and Express Scripts. The District paid premiums of \$293 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. 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.

Latest financial statements for the plan, for the year ended August 31, 2012, are public record and have been filed with the Texas State Board of Insurance, Austin, Texas.

**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, 2013

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 28,512,215	\$ 29,775,204	\$ 29,862,436	\$ 87,232
5800	State program revenues	21,967,450	21,623,865	21,650,799	26,934
5900	Federal program revenues	544,000	1,059,000	1,147,660	88,660
5020	<b>Total Revenues</b>	<u>51,023,665</u>	<u>52,458,069</u>	<u>52,660,895</u>	<u>202,826</u>
<b>Expenditures</b>					
0011	Instruction	30,303,754	30,211,269	29,338,995	872,274
0012	Instructional resources/media services	868,619	896,375	852,216	44,159
0013	Curriculum and staff development	299,901	398,634	322,666	75,968
0021	Instructional leadership	713,301	725,778	679,146	46,632
0023	School leadership	3,109,193	3,336,021	3,251,832	84,189
0031	Guidance, counseling, and				
0031	evaluation services	2,014,447	1,935,549	1,853,164	82,385
0032	Social work services	311,783	326,908	298,704	28,204
0033	Health services	528,026	524,961	499,063	25,898
0034	Student (pupil) transportation	2,229,800	2,871,972	2,670,344	201,628
0036	Extracurricular activities	1,538,515	1,783,305	1,660,535	122,770
0041	General administration	1,492,611	1,588,354	1,543,693	44,661
0051	Plant maintenance and operations	5,784,536	5,778,513	5,455,507	323,006
0052	Security and monitoring services	248,373	339,068	320,090	18,978
0053	Data processing services	973,301	1,135,079	1,092,033	43,046
0061	Community services	1,350	1,850	897	953
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	715,428	658,742	56,686
<b>Intergovernmental:</b>					
0099	Other intergovernmental charges	375,000	407,582	407,581	1
6030	<b>Total Expenditures</b>	<u>50,792,510</u>	<u>52,976,646</u>	<u>50,905,208</u>	<u>2,071,438</u>
1100	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>231,155</u>	<u>(518,577)</u>	<u>1,755,687</u>	<u>2,274,264</u>
<b>Other Financing (Uses)</b>					
8911	Transfers (out)	-	(315,000)	(303,649)	11,351
7080	<b>Total Other Financing (Uses)</b>	<u>-</u>	<u>(315,000)</u>	<u>(303,649)</u>	<u>11,351</u>
1200	<b>Net Change in Fund Balances</b>	231,155	(833,577)	1,452,038	2,285,615
0100	Beginning fund balances	28,647,089	28,647,089	28,647,089	-
3000	<b>Ending Fund Balances</b>	<u>\$ 28,878,244</u>	<u>\$ 27,813,512</u>	<u>\$ 30,099,127</u>	<u>\$ 2,285,615</u>

(This page intentionally left blank.)

*OTHER SUPPLEMENTARY  
INFORMATION*

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*COMBINING BALANCE SHEET*

*NONMAJOR GOVERNMENTAL FUNDS*

June 30, 2013

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
	<b><u>Assets</u></b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1240	Due from other governments	6,227	452,894	10,376	282,528
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 6,227</b>	<b>\$ 452,894</b>	<b>\$ 10,376</b>	<b>\$ 282,528</b>
	<b><u>Liabilities</u></b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 1,047
2160	Accrued wages payable	-	287,843	4,799	160,440
2170	Due to other funds	6,227	158,769	5,577	121,041
2180	Due to other governments	-	6,282	-	-
2190	Due to student groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<b>6,227</b>	<b>452,894</b>	<b>10,376</b>	<b>282,528</b>
	<b><u>Fund Balances</u></b>				
3450	Grants	-	-	-	-
3470	Construction	-	-	-	-
3000	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000	<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,227</b>	<b>\$ 452,894</b>	<b>\$ 10,376</b>	<b>\$ 282,528</b>

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	309 Shared Services Adult Basic Education
\$ -	\$ 1,474,092	\$ -	\$ -	\$ -	\$ -
7,804	-	10,044	84,538	10,338	64,853
-	3,441	-	-	-	-
-	-	-	-	-	-
-	50,884	-	-	-	-
-	-	5,495	-	-	-
<u>\$ 7,804</u>	<u>\$ 1,528,417</u>	<u>\$ 15,539</u>	<u>\$ 84,538</u>	<u>\$ 10,338</u>	<u>\$ 64,853</u>
\$ -	\$ 64,369	\$ -	\$ 5,650	\$ -	\$ 227
4,939	126,494	-	39,231	3,416	23,705
2,865	-	15,539	39,657	6,922	40,921
-	-	-	-	-	-
-	-	-	-	-	-
-	64,630	-	-	-	-
<u>7,804</u>	<u>255,493</u>	<u>15,539</u>	<u>84,538</u>	<u>10,338</u>	<u>64,853</u>
-	1,272,924	-	-	-	-
-	-	-	-	-	-
-	<u>1,272,924</u>	-	-	-	-
<u>\$ 7,804</u>	<u>\$ 1,528,417</u>	<u>\$ 15,539</u>	<u>\$ 84,538</u>	<u>\$ 10,338</u>	<u>\$ 64,853</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*COMBINING BALANCE SHEET*

*NONMAJOR GOVERNMENTAL FUNDS*

June 30, 2013

<u>Data Control Codes</u>	312 Shared Svs. Temp. Assist. for Needy Families	379 Safe Schools Healthy Students	385 State Supplemental Visually Impaired	397 Advanced Placement Incentives
<b><u>Assets</u></b>				
1110	\$ -	\$ -	\$ -	\$ -
1240	827	1,235	-	-
1260	-	-	-	3,059
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000	<b>Total Assets</b>	<b>Total Assets</b>	<b>Total Assets</b>	<b>Total Assets</b>
	<u>\$ 827</u>	<u>\$ 1,235</u>	<u>\$ -</u>	<u>\$ 3,059</u>
<b><u>Liabilities</u></b>				
2110	\$ -	\$ -	\$ -	\$ 2,975
2160	-	-	-	-
2170	827	1,235	-	-
2180	-	-	-	-
2190	-	-	-	-
2300	-	-	-	84
2000	<b>Total Liabilities</b>	<b>Total Liabilities</b>	<b>Total Liabilities</b>	<b>Total Liabilities</b>
	<u>827</u>	<u>1,235</u>	<u>-</u>	<u>3,059</u>
<b><u>Fund Balances</u></b>				
3450	-	-	-	-
3470	-	-	-	-
3000	<b>Total Fund Balances</b>	<b>Total Fund Balances</b>	<b>Total Fund Balances</b>	<b>Total Fund Balances</b>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>Total Liabilities and Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>
	<u>\$ 827</u>	<u>\$ 1,235</u>	<u>\$ -</u>	<u>\$ 3,059</u>



404	410	411	429	431	459
Student Success Initiative	State Instructional Materials	Technology Allotment	State Funded Special Revenue	Shared Svs. Adult Edu. State (Ed Tech)	State/Local Shared Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,457	93,580	-	-	2,387	11,121
-	-	-	3,003	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,457</u>	<u>\$ 93,580</u>	<u>\$ -</u>	<u>\$ 3,003</u>	<u>\$ 2,387</u>	<u>\$ 11,121</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	54	-
10,457	93,526	-	-	2,333	11,121
-	-	-	-	-	-
-	-	-	-	-	-
-	54	-	3,003	-	-
<u>10,457</u>	<u>93,580</u>	<u>-</u>	<u>3,003</u>	<u>2,387</u>	<u>11,121</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 10,457</u>	<u>\$ 93,580</u>	<u>\$ -</u>	<u>\$ 3,003</u>	<u>\$ 2,387</u>	<u>\$ 11,121</u>

(This page intentionally left blank.)

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*COMBINING BALANCE SHEET*

*NONMAJOR GOVERNMENTAL FUNDS*

June 30, 2013

**EXHIBIT H-1**

*Page 3 of 3*

Data Control Codes	461 Campus Activity	499 Locally Funded Special Revenue	60 Capital Projects	Total Nonmajor Special Revenue Funds (See Exhibit C-1)	
<b><u>Assets</u></b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 1,723,875	\$ 3,197,967
1240	Due from other governments	-	-	-	1,049,209
1260	Due from other funds	218,701	53,600	295,884	577,688
1290	Other receivables	-	738	55	793
1300	Inventories	-	-	-	50,884
1410	Prepaid items	-	-	-	5,495
1000	<b>Total Assets</b>	<b>\$ 218,701</b>	<b>\$ 54,338</b>	<b>\$ 2,019,814</b>	<b>\$ 4,882,036</b>
<b><u>Liabilities</u></b>					
2110	Accounts payable	\$ 300	\$ 20,529	\$ 52,316	\$ 147,413
2160	Accrued wages payable	-	-	-	650,921
2170	Due to other funds	-	738	-	517,755
2180	Due to other governments	-	-	-	6,282
2190	Due to student groups	218,401	-	-	218,401
2300	Unearned revenue	-	33,071	2,972	103,814
2000	<b>Total Liabilities</b>	<b>218,701</b>	<b>54,338</b>	<b>55,288</b>	<b>1,644,586</b>
<b><u>Fund Balances</u></b>					
3450	Grants	-	-	-	1,272,924
3470	Construction	-	-	1,964,526	1,964,526
3000	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,964,526</b>	<b>3,237,450</b>
4000	<b>Total Liabilities and Fund Balances</b>	<b>\$ 218,701</b>	<b>\$ 54,338</b>	<b>\$ 2,019,814</b>	<b>\$ 4,882,036</b>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

Data Control Codes	206 ESEA Title X Part C Homeless Children	211 ESEA Title I Part A Imp. Basic Programs	212 ESEA Title I Part C Migratory Children	224 IDEA Part B Formula
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	15,492	1,800,671	58,415
5020	<b>Total Revenues</b>	<u>15,492</u>	<u>1,800,671</u>	<u>58,415</u>
<b>Expenditures</b>				
0011	Instruction	727	871,924	17
0012	Instructional resources/media services	-	-	-
0013	Curriculum and staff development	-	502,970	-
0021	Instructional leadership	-	127,790	28,520
0023	School leadership	-	73,662	-
0031	Guidance, counseling, and evaluation services	-	28,484	-
0032	Social work services	14,765	168,219	29,878
0033	Health services	-	1,646	-
0034	Student transportation	-	7,826	-
0035	Food service	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	18,150	-
<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-
<b>Intergovernmental:</b>				
0093	Shared service arrangements	-	-	234,390
6030	<b>Total Expenditures</b>	<u>15,492</u>	<u>1,800,671</u>	<u>58,415</u>
<b>Other Financing Sources</b>				
7915	Transfers in	-	-	-
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200	<b>Net Change in Fund Balances</b>	-	-	-
0100	Beginning fund balances	-	-	-
3000	<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225	240	244	255	263	309
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	Shared Services Adult Basic Education
\$ -	\$ 862,016	\$ -	\$ -	\$ -	\$ -
-	45,842	-	-	-	-
30,342	3,185,606	100,417	459,255	49,607	396,206
30,342	4,093,464	100,417	459,255	49,607	396,206
30,342	-	90,709	101,906	46,465	367,789
-	-	-	-	-	-
-	-	9,708	283,170	2,992	9,340
-	-	-	-	150	19,077
-	-	-	74,179	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	3,955,740	-	-	-	-
-	-	-	-	-	-
-	5,685	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30,342	3,961,425	100,417	459,255	49,607	396,206
-	-	-	-	-	-
-	-	-	-	-	-
-	132,039	-	-	-	-
-	1,140,885	-	-	-	-
\$ -	\$ 1,272,924	\$ -	\$ -	\$ -	\$ -

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

Data Control Codes		312 Shared Svs. Temp. Assist. for Needy Families	379 Safe Schools Healthy Students	385 State Supplemental Visually Impaired	397 Advanced Placement Incentives
<b><u>Revenues</u></b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ 11,662	\$ -	\$ -
5800	State program revenues	1,150	-	2,400	7,196
5900	Federal program revenues	8,014	-	-	-
5020	<b>Total Revenues</b>	<u>9,164</u>	<u>11,662</u>	<u>2,400</u>	<u>7,196</u>
<b><u>Expenditures</u></b>					
0011	Instruction	9,164	11,662	2,400	-
0012	Instructional resources/media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	7,196
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	-	-	-
<b>Intergovernmental:</b>					
0093	Shared service arrangements	-	-	-	-
6030	<b>Total Expenditures</b>	<u>9,164</u>	<u>11,662</u>	<u>2,400</u>	<u>7,196</u>
<b><u>Other Financing Sources</u></b>					
7915	Transfers in	-	-	-	-
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	<b>Net Change in Fund Balances</b>	-	-	-	-
0100	Beginning fund balances	-	-	-	-
3000	<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

404	410	411	429	431	459
Student Success Initiative	State Instructional Materials	Technology Allotment	State Funded Special Revenue	Shared Svs. Adult Edu. State (Ed Tech)	State/Local Shared Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35,426	543,597	85,738	23,631	58,170	36,042
-	-	-	-	-	-
<u>35,426</u>	<u>543,597</u>	<u>85,738</u>	<u>23,631</u>	<u>58,170</u>	<u>36,042</u>
17,492	455,848	-	-	51,521	36,042
-	166	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,649	-
-	-	-	-	-	-
-	-	-	23,631	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,934	-	-	-	-	-
-	-	-	-	-	-
-	87,583	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	85,738	-	-	-
-	-	-	-	-	-
<u>35,426</u>	<u>543,597</u>	<u>85,738</u>	<u>23,631</u>	<u>58,170</u>	<u>36,042</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(This page intentionally left blank.)



**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2013

**EXHIBIT H-2**  
Page 3 of 3

Data Control Codes	461 Campus Activity	499 Locally Funded Special Revenue	60 Capital Projects	Total Nonmajor Special Revenue Funds (See Exhibit C-2)	
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 424,497	\$ 63,474	\$ 2,614	\$ 1,364,263
5800	State program revenues	-	-	-	839,192
5900	Federal program revenues	-	-	-	7,419,790
5020	<b>Total Revenues</b>	<u>424,497</u>	<u>63,474</u>	<u>2,614</u>	<u>9,623,245</u>
<b>Expenditures</b>					
0011	Instruction	40,517	56,040	42,593	3,277,053
0012	Instructional resources/media services	56,837	-	-	57,003
0013	Curriculum and staff development	336	7,434	-	823,146
0021	Instructional leadership	502	-	-	220,168
0023	School leadership	28,268	-	-	176,109
0031	Guidance, counseling, and evaluation services	3,560	-	-	55,675
0032	Social work services	-	-	-	212,862
0033	Health services	344	-	-	1,990
0034	Student transportation	-	-	-	25,760
0035	Food service	-	-	-	3,955,740
0036	Extracurricular activities	293,020	-	-	293,020
0051	Plant maintenance and operations	-	-	26,922	120,190
0052	Security and monitoring services	-	-	25,958	25,958
0061	Community services	1,113	-	-	19,263
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	-	-	1,580,992	1,666,730
<b>Intergovernmental:</b>					
0093	Shared service arrangements	-	-	-	234,390
6030	<b>Total Expenditures</b>	<u>424,497</u>	<u>63,474</u>	<u>1,676,465</u>	<u>11,165,057</u>
<b>Other Financing Sources</b>					
7915	Transfers in	-	-	250,000	250,000
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>
1200	<b>Net Change in Fund Balances</b>	-	-	(1,423,851)	(1,291,812)
0100	Beginning fund balances	-	-	3,388,377	4,529,262
3000	<b>Ending Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,964,526</u>	<u>\$ 3,237,450</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT H-3**

*COMBINING STATEMENT OF NET POSITION*

*INTERNAL SERVICE FUNDS*

June 30, 2013

<u>Data Control Codes</u>	752	753	783	Total Internal Service Funds (See Exhibit D-1)
	<u>Print Shop</u>	<u>Workers' Compensation</u>	<u>Parenting Center</u>	
<b><u>Assets</u></b>				
Current assets:				
1110	\$ -	\$ 2,532,303	\$ -	\$ 2,532,303
1260	771	-	-	771
	<u>771</u>	<u>2,532,303</u>	<u>-</u>	<u>2,533,074</u>
Noncurrent assets:				
Capital assets:				
1520	-	-	51,198	51,198
	<u>-</u>	<u>-</u>	<u>51,198</u>	<u>51,198</u>
1000	<b>Total Assets</b>	<b>771</b>	<b>2,532,303</b>	<b>51,198</b>
		<u>771</u>	<u>2,532,303</u>	<u>2,584,272</u>
<b><u>Liabilities</u></b>				
Current liabilities:				
2110	771	1,820	119	2,710
2160	-	-	21,679	21,679
2170	-	-	29,400	29,400
2200	-	785,811	-	785,811
2000	<b>Total Liabilities</b>	<b>771</b>	<b>51,198</b>	<b>839,600</b>
		<u>771</u>	<u>787,631</u>	<u>839,600</u>
<b><u>Net Position</u></b>				
3200	-	-	51,198	51,198
3900	-	1,744,672	(51,198)	1,693,474
3000	<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,744,672</b>
		<u>\$ -</u>	<u>\$ 1,744,672</u>	<u>\$ 1,744,672</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND**  
**NET POSITION - INTERNAL SERVICE FUNDS**

**EXHIBIT H-4**

For the Year Ended June 30, 2013

Data Control Codes		752	753	783	Total Internal Service Funds (See Exhibit D-2)
		Print Shop	Workers' Compensation	Parenting Center	
	<b><u>Operating Revenues</u></b>				
5700	Charges for services	\$ 1,575	\$ 426,429	\$ 79,921	\$ 507,925
5800	State program revenues	-	-	35,619	35,619
5020	<b>Total Operating Revenues</b>	<u>1,575</u>	<u>426,429</u>	<u>115,540</u>	<u>543,544</u>
	<b><u>Operating Expenses</u></b>				
6100	Payroll costs	-	19,639	139,291	158,930
6200	Contractual services	-	15,776	11,681	27,457
6300	Insurance and bonding costs	-	-	3,861	3,861
6400	Other supplies and expenses	12,319	-	762	13,081
6440	Depreciation	-	-	2,850	2,850
6030	<b>Total Operating Expenses</b>	<u>12,319</u>	<u>35,415</u>	<u>158,445</u>	<u>206,179</u>
	<b>Operating Income (Loss)</b>	<u>(10,744)</u>	<u>391,014</u>	<u>(42,905)</u>	<u>337,365</u>
	<b><u>Non-Operating Revenues</u></b>				
5742	Interest and investment revenue	-	4,115	-	4,115
	<b>Total Non-Operating Revenues</b>	<u>-</u>	<u>4,115</u>	<u>-</u>	<u>4,115</u>
	<b>Income (Loss) Before Contributions and Transfers</b>	<u>(10,744)</u>	<u>395,129</u>	<u>(42,905)</u>	<u>341,480</u>
7915	Transfers in	<u>10,744</u>	<u>-</u>	<u>42,905</u>	<u>53,649</u>
1300	<b>Change in Net Position</b>	<u>-</u>	<u>395,129</u>	<u>-</u>	<u>395,129</u>
0100	Beginning net position	<u>-</u>	<u>1,349,543</u>	<u>-</u>	<u>1,349,543</u>
3300	<b>Ending Net Position</b>	<u>\$ -</u>	<u>\$ 1,744,672</u>	<u>\$ -</u>	<u>\$ 1,744,672</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT H-5**

*COMBINING STATEMENT OF CASH FLOWS*

*INTERNAL SERVICE FUNDS*

For the Year Ended June 30, 2013

	752	753	783	Total Internal Service Funds (See Exhibit D-3)
	<u>Print Shop</u>	<u>Workers' Compensation</u>	<u>Parenting Center</u>	
<b><u>Cash Flows from Operating Activities</u></b>				
Cash received from customers	\$ 1,575	\$ 426,429	\$ 79,921	\$ 507,925
Cash payments to suppliers	(12,693)	(303,130)	(19,157)	(334,980)
Cash payments to employees	-	(19,639)	(142,138)	(161,777)
Other receipts	374	-	38,469	38,843
Net Cash Provided (Used) by Operating Activities	<u>(10,744)</u>	<u>103,660</u>	<u>(42,905)</u>	<u>50,011</u>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Operating subsidies and transfers	10,744	-	42,905	53,649
Net Cash Provided by Financing Activities	<u>10,744</u>	<u>-</u>	<u>42,905</u>	<u>53,649</u>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest and dividends	-	4,115	-	4,115
Net Cash Provided by Investing Activities	<u>-</u>	<u>4,115</u>	<u>-</u>	<u>4,115</u>
Net Increase in Cash and Cash Equivalents	-	107,775	-	107,775
Beginning cash and cash equivalents	-	2,424,528	-	2,424,528
Ending Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ 2,532,303</u>	<u>\$ -</u>	<u>\$ 2,532,303</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (10,744)	\$ 391,014	\$ (42,905)	\$ 337,365
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	2,850	2,850
<b>Change in Assets and Liabilities:</b>				
(Increase) decrease in due from other funds	374	-	-	374
Increase (decrease) in accounts payable	(374)	(8,660)	(3)	(9,037)
Increase (decrease) in accrued wages payable	-	-	(3,970)	(3,970)
Increase (decrease) in due to other funds	-	-	1,123	1,123
Increase (decrease) in accrued expenses	-	(278,694)	-	(278,694)
Net Cash Provided (Used) by Operating Activities	<u>\$ (10,744)</u>	<u>\$ 103,660</u>	<u>\$ (42,905)</u>	<u>\$ 50,011</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

**EXHIBIT I-1**

June 30, 2013

Data Control Codes		865	899	Total Agency Funds (See Exhibit E-1)
		<u>Student Activity</u>	<u>Donations</u>	
<u>Assets</u>				
1110	Cash and cash equivalents	\$ 212,321	\$ -	\$ 212,321
1260	Due from other funds	14,181	257,799	271,980
1000	<b>Total Assets</b>	<u>226,502</u>	<u>257,799</u>	<u>484,301</u>
<u>Liabilities</u>				
2110	Accounts payable	2,005	290	2,295
2190	Due to student groups	224,497	-	224,497
2440	Other payables	-	257,509	257,509
2000	<b>Total Liabilities</b>	<u>226,502</u>	<u>257,799</u>	<u>484,301</u>
<u>Net Position</u>				
3000	Net position	-	-	-
3000	<b>Total Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*SCHEDULE OF DELINQUENT TAXES RECEIVABLE*

For the Year Ended June 30, 2013

<u>Last Ten Years</u>	<u>Tax Rates</u>		<u>3</u> Net Assessed/ Appraised Value For School Tax Purposes	<u>10</u> Beginning Balance 6/30/12	<u>20</u> Current Year's Total Levy
	<u>1</u> Maintenance	<u>2</u> Debt Service			
2004 and prior	\$ Various	\$ Various	\$ 1,477,804,095	\$ 284,427	\$ -
2005	\$ 1.5000	\$ 0.1944	\$ 1,505,827,758	\$ 94,228	\$ -
2006	\$ 1.5000	\$ 0.1890	\$ 1,567,348,139	\$ 99,563	\$ -
2007	\$ 1.3700	\$ 0.1651	\$ 1,792,123,119	\$ 138,595	\$ -
2008	\$ 1.0400	\$ 0.1200	\$ 2,193,318,868	\$ 125,929	\$ -
2009	\$ 1.0400	\$ 0.2098	\$ 2,233,715,835	\$ 257,927	\$ -
2010	\$ 1.0400	\$ 0.2098	\$ 2,383,755,111	\$ 340,299	\$ -
2011	\$ 1.0400	\$ 0.2098	\$ 2,389,092,255	\$ 511,515	\$ -
2012	\$ 1.0400	\$ 0.2198	\$ 2,664,511,589	\$ 1,100,511	\$ -
2013	\$ 1.0400	\$ 0.2370	\$ 2,692,313,854	\$ -	\$ 34,380,848
<b>1000 Totals</b>				<u>\$ 2,952,994</u>	<u>\$ 34,380,848</u>

31	32	40	50
Maintenance Total Collected	Debt Service Total Collected	Entire Year's Adjustments	Ending Balance 6/30/13
\$ 14,652	\$ 1,943	\$ (16,893)	\$ 250,939
\$ 10,394	\$ 1,347	\$ (3,314)	\$ 79,173
\$ 16,014	\$ 2,018	\$ (3,229)	\$ 78,302
\$ 18,699	\$ 2,254	\$ (1,753)	\$ 115,889
\$ 26,644	\$ 3,074	\$ (3,302)	\$ 92,909
\$ 58,362	\$ 11,773	\$ (180)	\$ 187,612
\$ 87,043	\$ 17,559	\$ (2,509)	\$ 233,188
\$ 148,871	\$ 30,032	\$ (98)	\$ 332,514
\$ 503,792	\$ 104,401	\$ (14,684)	\$ 477,634
\$ 26,912,973	\$ 6,289,465	\$ (74,007)	\$ 1,104,403
<u>\$ 27,797,444</u>	<u>\$ 6,463,866</u>	<u>\$ (119,969)</u>	<u>\$ 2,952,563</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES FOR COMPUTATION OF INDIRECT COST FOR 2014-15**  
**GENERAL AND SPECIAL REVENUE FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2013**

**EXHIBIT J-2**

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	5,685	-	252,133	1,211,802	5,311	---	1,474,931
6149	Fringe Benefits (Unused Leave for Separating Employees in Function 41 and Related 53)				15,305			15,305
6149	Fringe Benefits (Unused Leave for Separating Employees in all Functions except Function 41 and Related 53)				-			-
6211	Legal Services	27,864	-	-	-	-		27,864
6212	Audit Services				31,500			31,500
6213	Tax Appraisal and Collection		407,581					407,581
621X	Other Professional Services			500				500
6220	Tuition and Transfer Payments							-
6230	Education Service Center				1,647			1,647
6240	Contr. Maint. and Repair					44,666		44,666
6250	Utilities							-
6260	Rentals			1,597	8,363			9,960
6290	Miscellaneous Contr.	1,025			84,920			85,945
6310	Operational Supplies, Materials				770			770
6320	Textbooks and Reading			870				870
6330	Testing Materials							-
63XX	Other Supplies Materials			2,641	65,305			67,946
6410	Travel, Subsistence, Stipends	8,819		4,711	13,464			26,994
6420	Ins. and Bonding Costs	21,173			5,712			26,885
6430	Election Costs	12,745						12,745
6490	Miscellaneous Operating	2,793		23,962	47,549			74,304
6500	Debt Service							-
6600	Capital Outlay							-
6000	Total	\$ 80,104	\$ 407,581	\$ 286,414	\$ 1,486,337	\$ 49,977	\$ -	\$ 2,310,413

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 60,393,800

Less: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	1,640,732
Total Debt & Lease (6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	5,542,135
Food (Function 35, 6341 and 6499)	(13)	66,136
Stipends (6413)	(14)	---
Column 4 (above) - Total Indirect Cost		1,486,337
		8,735,340

Net Allowed Direct Cost \$ 51,658,460

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 124,048,042
Historical Cost of Buildings over 50 years old	(16)	\$ -
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 12,526,180
Historical Cost of Furniture and Equipment over 16 years old	(19)	\$ 12,609,307
Amount of Federal Money in Furniture and Equipment (Net of #19)	(20)	\$ -

Note A: The following expenditures are included in this report on administrative costs:

(8a) Function 53 expenditures	\$ 359,139
(8b) Function 99 expenditures for appraisal district costs	\$ 407,581



**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCE AND CASH FLOW CALCULATION SCHEDULE (UNAUDITED)**  
**GENERAL FUND**  
**June 30, 2013**

**EXHIBIT J-3**

1. Total general fund balance at year end (Exhibit C-1, object 3000 for the general fund only)	\$ 30,099,127
2. Total non-spendable fund balance at year end (Exhibit C-1, objects 341x-344x for the general fund only)	163,114
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)	95,867
5. Total assigned fund balance (Exhibit C-1, objects 355x-359x for the general fund only)	10,782,061
6. Estimated amount needed to cover fall cash flow deficits in general fund (net of borrowed funds and funds representing deferred revenues)	4,505,691
7. Estimate of two months' average cash disbursements during the fiscal year	9,761,466
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>25,308,199</u>
13. Excess or (deficit) unassigned general fund balance (1-12)	<u>\$ 4,790,928</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, 2013

EXHIBIT J-4

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 887,686	\$ 862,000	\$ 862,016	\$ 16
5800	State program revenues	21,920	45,800	45,842	42
5900	Federal program revenues	3,030,293	3,185,000	3,185,606	606
5020	<b>Total Revenues</b>	<u>3,939,899</u>	<u>4,092,800</u>	<u>4,093,464</u>	<u>664</u>
<b>Expenditures</b>					
0035	Food service	3,707,674	3,954,398	3,955,740	(1,342) *
0051	Plant maintenance and operations	7,660	7,660	5,685	1,975
6030	<b>Total Expenditures</b>	<u>3,715,334</u>	<u>3,962,058</u>	<u>3,961,425</u>	<u>633</u>
1100	<b>Excess of Revenues Over Expenditures</b>	<u>224,565</u>	<u>130,742</u>	<u>132,039</u>	<u>31</u>
1200	<b>Net Change in Fund Balances</b>	224,565	130,742	132,039	1,297
0100	Beginning fund balances	1,140,885	1,140,885	1,140,885	-
3000	<b>Ending Fund Balances</b>	<u>\$ 1,365,450</u>	<u>\$ 1,271,627</u>	<u>\$ 1,272,924</u>	<u>\$ 1,297</u>

\* Expenditures exceeded appropriations at the legal level of control.

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT J-5**

*BUDGETARY COMPARISON SCHEDULE*

*DEBT SERVICE Fund*

For the Year Ended June 30, 2013

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 6,206,000	\$ 6,206,000	\$ 6,553,988	\$ 347,988
5020	<b>Total Revenues</b>	<u>6,206,000</u>	<u>6,206,000</u>	<u>6,553,988</u>	<u>347,988</u>
<b>Expenditures</b>					
<b>Debt service:</b>					
0071	Principal	2,291,520	2,291,520	2,291,520	-
0072	Interest	3,432,155	3,432,155	3,432,155	-
0073	Bond issuance costs and fees	7,500	7,500	156,647	(149,147)
6030	<b>Total Expenditures</b>	<u>5,731,175</u>	<u>5,731,175</u>	<u>5,880,322</u>	<u>(149,147)</u>
1100	<b>Excess of Revenues Over Expenditures</b>	<u>474,825</u>	<u>474,825</u>	<u>673,666</u>	<u>198,841</u>
<b>Other Financing Sources (Uses)</b>					
7911	Issuance of bonds	-	10,135,000	10,135,000	-
7915	Transfers in	-	-	-	-
7916	Premium/discount on issuance of bonds	-	1,152,412	1,152,412	-
8940	Payment to bond escrow agent	-	(11,287,412)	(11,130,657)	156,755
7080	<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>156,755</u>	<u>156,755</u>
1200	<b>Net Change in Fund Balances</b>	474,825	474,825	830,421	355,596
0100	Beginning fund balances	4,589,994	4,589,994	4,589,994	-
3000	<b>Ending Fund Balances</b>	<u>\$ 5,064,819</u>	<u>\$ 5,064,819</u>	<u>\$ 5,420,415</u>	<u>\$ 355,596</u>

(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**

September 24, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 24, 2013.

**Internal Control Over Financial Reporting**

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

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

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

**Partners**

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

**Houston**

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

**Bellville**

1304 South Front St.  
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*.

### Purpose of this Report

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

*BELT HARRIS PECHACEK, LLLP*

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





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB  
CIRCULAR A-133, AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

September 24, 2013

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

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

We have audited Seguin Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

### Opinion on Each Major Federal Program

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, 2013.

### Report on Internal Control Over Compliance

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

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

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

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

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
***SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS***  
**For the Year Ended June 30, 2013**

**A. SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

No prior year findings.

(This page intentionally left blank.)

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended June 30, 2013

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Seguin Independent School District (the "District").
2. Significant deficiencies in internal control were not disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. Significant deficiencies in internal control over major federal award programs were not disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an 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	Title I, Part A Cluster
84.027 & 84.173	Special Education Cluster (IDEA)
10.553 & 10.555	Child Nutrition Cluster
84.002	Adult Basic Education
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 AWARDS**

*None Noted*

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**Exhibit K-1**

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

For the Year Ended June 30, 2013

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through State Department of Education</i>			
ESEA Title I, Part A*	84.010	13610101094901	\$ 1,840,997
IDEA B, Formula Grant*	84.027	136600010949016600	1,345,515
IDEA B, Preschool*	84.173	136610010949016610	31,028
Title III, Part A	84.365	13671001094901	50,729
Career and Technical, Basic Grant	84.048	13420006094901	102,155
ESEA Title I Part C, Education of Migratory Children	84.011	13615001094901	59,736
Title II, Part A, Teacher and Principal	84.367	13694501094901	469,639
SSA Adult Basic Education - Federal Section 231	84.002	134100017110473	404,328
<i>Passed Through Education Service Center, Region X</i>			
Education for Homeless Children	84.196	13019	15,806
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>4,319,933</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through State Department of Education</i>			
School Breakfast Programs*	10.553	71401201	1,007,986
National School Lunch*	10.555	71301201	2,029,790
USDA Commodities	10.565	094-901	147,829
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>3,185,605</b>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (Page 2 of 2)**

For the Year Ended June 30, 2013

(1)	(2)	(2A)	(3)
Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<i>Direct Program</i>			
ROTC	12.000	094-901	\$ 100,023
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<u>100,023</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Texas Education Agency</i>			
SSA Temporary Assistance for Needy Families (TANF)	93.558	133625017110446	8,219
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>8,219</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 7,613,780</u>

*\* Indicates clustered program under OMB Circular A-133 Compliance Supplement  
The accompanying notes are an integral part of this schedule.*

Federal revenue per SEFA	\$ 7,613,780
Excise Tax Rebate	63,289
Medicaid	25,967
SHARS	864,414
C-2 Federal revenue	<u>\$ 8,567,450</u>

**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.



**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO**  
**SELECTED SCHOOL FIRST INDICATORS**  
For the Year Ended June 30, 2013

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>\$ 7,542,925</u>

(This page intentionally left blank.)

## STATISTICAL SECTION

This part of the Seguin Independent School District's (the "District") 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.

<b>Contents</b>	<b>Page</b>
Financial Trends	102

*These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.*

Revenue Capacity	112
------------------	-----

*These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.*

Debt Capacity	120
---------------	-----

*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.*

Demographic and Economic Information	128
--------------------------------------	-----

*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.*

Operating Information	132
-----------------------	-----

*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.*

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

**SEGUN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-1**

*NET POSITION BY COMPONENT*

Last Ten Years

(accrual basis of accounting)

	Year			
	2004	2005	2006	2007
Governmental activities				
Net investment in capital assets	\$ 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
<b>Total Governmental Activities Net Position</b>	<b>\$ 34,768,123</b>	<b>\$ 33,512,711</b>	<b>\$ 34,112,797</b>	<b>\$ 35,836,176</b>
Business-type activities				
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
<b>Total Business-Type Activities Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total government				
Net investment in capital assets	\$ 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
<b>Total Government Net Position</b>	<b>\$ 34,768,123</b>	<b>\$ 33,512,711</b>	<b>\$ 34,112,797</b>	<b>\$ 35,836,176</b>

Year					
2008	2009	2010	2011	2012	2013
\$ 14,982,147	\$ 13,856,894	\$ 3,731,155	\$ 1,764,725	\$ 2,779,855	\$ 643,921
2,494,374	4,489,606	7,182,819	6,804,797	4,657,092	5,744,194
17,131,560	16,754,461	24,717,225	25,382,623	32,452,630	34,302,280
<u>\$ 34,608,081</u>	<u>\$ 35,100,961</u>	<u>\$ 35,631,199</u>	<u>\$ 33,952,145</u>	<u>\$ 39,889,577</u>	<u>\$ 40,690,395</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
334,122	383,989	414,810	407,559	363,967	393,734
<u>\$ 334,122</u>	<u>\$ 383,989</u>	<u>\$ 414,810</u>	<u>\$ 407,559</u>	<u>\$ 363,967</u>	<u>\$ 393,734</u>
\$ 14,982,147	\$ 13,856,894	\$ 3,731,155	\$ 1,764,725	\$ 2,779,855	\$ 643,921
2,494,374	4,489,606	7,182,819	6,804,797	4,657,092	5,744,194
17,465,682	17,138,450	25,132,035	25,790,182	32,816,597	34,696,014
<u>\$ 34,942,203</u>	<u>\$ 35,484,950</u>	<u>\$ 36,046,009</u>	<u>\$ 34,359,704</u>	<u>\$ 40,253,544</u>	<u>\$ 41,084,129</u>

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

**EXHIBIT L-2**

Last Ten Years  
 (accrual basis of accounting)

	Year			
	2004	2005	2006	2007
<b>Expenses</b>				
<b>Governmental activities</b>				
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	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<u>53,394,839</u>	<u>59,646,120</u>	<u>61,036,624</u>	<u>64,923,475</u>
<b>Business-Type Activities</b>				
Mall fund	-	-	-	-
<b>Total Business-Type Activities Expenses</b>	-	-	-	-
<b>Total Primary Government Expenses</b>	<u>\$ 53,394,839</u>	<u>\$ 59,646,120</u>	<u>\$ 61,036,624</u>	<u>\$ 64,923,475</u>
<b>Program Revenues</b>				
<b>Governmental activities</b>				
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
<b>Total Governmental Activities Program Revenues</b>	<u>12,449,683</u>	<u>12,962,656</u>	<u>11,621,850</u>	<u>12,243,996</u>
<b>Business-Type Activities</b>				
Charges for services				
Maintenance and upkeep	-	-	-	-
<b>Total Business-Type Activities Revenues</b>	-	-	-	-
<b>Total Primary Government Program Revenues</b>	<u>\$ 12,449,683</u>	<u>\$ 12,962,656</u>	<u>\$ 11,621,850</u>	<u>\$ 12,243,996</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (40,945,156)	\$ (46,683,464)	\$ (49,414,774)	\$ (52,679,479)
Business-type activities	-	-	-	-
<b>Total Primary Government Net Expense</b>	<u>\$ (40,945,156)</u>	<u>\$ (46,683,464)</u>	<u>\$ (49,414,774)</u>	<u>\$ (52,679,479)</u>

	Year					
	2008	2009	2010	2011	2012	2013
\$	37,173,258	\$ 37,899,350	\$ 39,431,444	\$ 41,297,243	\$ 37,589,234	\$ 34,885,006
	1,706,512	1,285,420	1,387,525	1,553,905	1,265,382	986,769
	598,741	890,257	1,037,301	1,852,790	1,698,107	1,243,543
	1,352,760	733,815	877,568	895,055	994,860	976,019
	3,338,214	3,481,339	3,335,629	3,442,197	3,466,768	3,720,324
	2,093,534	2,363,294	2,281,558	2,275,819	2,194,298	2,071,652
	382,638	389,728	460,370	539,720	541,087	555,199
	575,189	555,674	509,339	563,627	537,565	543,789
	2,373,165	2,126,984	2,130,885	2,395,615	2,586,480	2,395,154
	3,681,969	3,533,275	3,759,589	3,813,826	4,128,424	4,157,227
	1,538,270	1,794,791	1,866,587	1,861,695	1,919,135	2,080,055
	1,989,490	1,623,986	1,706,893	1,790,914	1,635,967	1,675,360
	6,484,510	6,433,247	6,455,547	6,170,119	5,267,299	6,034,575
	370,861	269,182	293,514	301,910	260,977	375,564
	671,403	829,638	733,496	880,444	745,191	1,117,288
	242,747	323,269	182,130	90,368	17,167	20,160
	1,936,220	3,446,559	3,381,958	3,503,007	4,135,168	4,430,240
	24,846	39,813	40,163	164,311	5,637	156,647
	511	159,720	202,590	244,348	218,321	234,390
	-	329,064	343,309	371,330	365,885	407,581
	<u>66,534,838</u>	<u>68,508,405</u>	<u>70,417,395</u>	<u>74,008,243</u>	<u>69,572,952</u>	<u>68,066,542</u>
	9,639	3,487	11,292	52,932	88,964	15,678
	<u>9,639</u>	<u>3,487</u>	<u>11,292</u>	<u>52,932</u>	<u>88,964</u>	<u>15,678</u>
\$	<u>66,544,477</u>	<u>\$ 68,511,892</u>	<u>\$ 70,428,687</u>	<u>\$ 74,061,175</u>	<u>\$ 69,661,916</u>	<u>\$ 68,082,220</u>
\$	990,719	\$ 999,276	\$ 880,453	\$ 890,320	\$ 1,004,292	\$ 862,016
	264,114	150,086	148,684	352,636	451,208	466,362
	109,565	198,547	141,302	137,311	160,340	172,444
	<u>11,399,787</u>	<u>11,100,076</u>	<u>15,680,779</u>	<u>12,352,952</u>	<u>10,045,793</u>	<u>8,211,814</u>
	<u>12,764,185</u>	<u>12,447,985</u>	<u>16,851,218</u>	<u>13,733,219</u>	<u>11,661,633</u>	<u>9,712,636</u>
	41,250	48,750	41,250	45,000	45,000	45,000
	<u>41,250</u>	<u>48,750</u>	<u>41,250</u>	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>
\$	<u>12,805,435</u>	<u>\$ 12,496,735</u>	<u>\$ 16,892,468</u>	<u>\$ 13,778,219</u>	<u>\$ 11,706,633</u>	<u>\$ 9,757,636</u>
\$	(53,770,653)	\$ (56,060,420)	\$ (53,566,177)	\$ (60,275,024)	\$ (57,911,319)	\$ (58,353,906)
	31,611	45,263	29,958	(7,932)	(43,964)	29,322
\$	<u>(53,739,042)</u>	<u>\$ (56,015,157)</u>	<u>\$ (53,536,219)</u>	<u>\$ (60,282,956)</u>	<u>\$ (57,955,283)</u>	<u>\$ (58,324,584)</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION**  
**Last Ten Years**  
**(accrual basis of accounting)**

EXHIBIT L-3

	Year			
	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Position</b>				
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	-	-	-	-
<b>Total Governmental Activities</b>	<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	-	-	-	-
<b>Total Business-Type Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 46,816,139</u>	<u>\$ 45,428,052</u>	<u>\$ 50,014,862</u>	<u>\$ 54,402,858</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 5,870,983	\$ (1,255,412)	\$ 600,088	\$ 1,723,379
Business-type activities	-	-	-	-
<b>Total Change in Net Position</b>	<u>\$ 5,870,983</u>	<u>\$ (1,255,412)</u>	<u>\$ 600,088</u>	<u>\$ 1,723,379</u>



Year					
2008	2009	2010	2011	2012	2013
\$ 22,687,958	\$ 24,538,679	\$ 25,326,273	\$ 26,304,131	\$ 27,947,861	\$ 28,217,981
2,617,370	4,921,539	5,084,482	5,282,274	5,883,513	6,547,060
792,264	757,639	117,320	57,880	63,187	78,487
26,481,538	25,646,178	22,741,910	26,453,518	22,797,037	22,834,078
254,888	720,265	826,430	456,215	7,767,148	1,477,118
(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>64,458,746</u>	<u>59,154,724</u>
11,051	4,604	863	681	372	445
291,460	-	-	-	-	-
<u>302,511</u>	<u>4,604</u>	<u>863</u>	<u>681</u>	<u>372</u>	<u>445</u>
<u>\$ 52,845,069</u>	<u>\$ 56,557,904</u>	<u>\$ 54,097,278</u>	<u>\$ 58,554,699</u>	<u>\$ 64,459,118</u>	<u>\$ 59,155,169</u>
\$ (1,228,095)	\$ 492,880	\$ 530,238	\$ (1,721,006)	\$ 6,547,427	\$ 800,818
334,122	49,867	30,821	(7,251)	(43,592)	29,767
<u>\$ (893,973)</u>	<u>\$ 542,747</u>	<u>\$ 561,059</u>	<u>\$ (1,728,257)</u>	<u>\$ 6,503,835</u>	<u>\$ 830,585</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-4**

*FUND BALANCES OF GOVERNMENTAL FUNDS*

Last Ten Years

(modified accrual basis of accounting)

	Year			
	2004	2005	2006	2007
General Fund				
Nonspendable	\$ 354,388	\$ 311,019	\$ 300,587	\$ 361,074
Committed	-	-	-	291,182
Assigned	-	-	-	-
Unassigned	14,836,350	13,195,955	13,359,032	13,918,054
<b>Total General Fund</b>	<u>\$ 15,190,738</u>	<u>\$ 13,506,974</u>	<u>\$ 13,659,619</u>	<u>\$ 14,570,310</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 80,678
Restricted	6,145,961	2,473,222	2,573,851	3,304,632
<b>Total All Other Governmental Funds</b>	<u>\$ 6,145,961</u>	<u>\$ 2,473,222</u>	<u>\$ 2,573,851</u>	<u>\$ 3,385,310</u>

Year					
2008	2009	2010	2011	2012	2013
\$ 304,899	\$ 216,566	\$ 207,122	\$ 214,227	\$ 181,248	\$ 163,114
51,219	43,769	-	-	188,115	95,867
-	-	-	-	10,198,625	10,782,061
14,119,275	15,930,210	17,305,639	19,440,326	18,079,101	19,058,085
<u>\$ 14,475,393</u>	<u>\$ 16,190,545</u>	<u>\$ 17,512,761</u>	<u>\$ 19,654,553</u>	<u>\$ 28,647,089</u>	<u>\$ 30,099,127</u>
\$ 43,908	\$ 14,893	\$ 14,893	\$ -	\$ -	\$ -
3,068,630	33,884,223	14,443,024	8,962,985	9,119,256	8,657,865
<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>	<u>\$ 8,657,865</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**

**EXHIBIT L-5**

Last Ten Years

(modified accrual basis of accounting)

	Year			
	2004	2005	2006	2007
<b>Revenues</b>				
Local & intermediate sources	\$ 28,188,344	\$ 29,758,195	\$ 32,252,158	\$ 32,438,298
State program revenues	24,313,199	21,481,390	21,867,739	26,409,495
Federal program revenues	6,488,249	6,949,494	6,958,846	7,690,080
<b>Total Revenues</b>	<b>58,989,792</b>	<b>58,189,079</b>	<b>61,078,743</b>	<b>66,537,873</b>
<b>Expenditures</b>				
Instruction	29,765,590	30,882,196	31,095,012	34,164,022
Instructional resources & media services	1,129,970	1,370,674	1,506,884	1,548,229
Curriculum & staff development	520,309	296,269	305,596	426,113
Instructional leadership	1,081,499	1,232,644	1,125,161	1,418,968
School leadership	2,342,904	2,694,418	2,785,066	3,001,887
Guidance, counseling & evaluation svcs	1,499,133	1,723,277	1,837,113	2,033,131
Social work services	294,044	311,807	322,253	357,620
Health services	322,399	406,101	419,318	486,536
Student transportation	1,449,821	2,073,965	1,697,480	2,267,770
Food service	2,726,150	3,060,815	3,225,436	3,329,441
Cocurriculum/extracurricular activities	1,264,537	1,398,464	1,425,682	1,476,754
General administration	1,530,959	1,734,486	1,756,148	1,758,236
Plant maintenance & operations	4,494,456	5,466,211	6,019,175	6,344,370
Security & monitoring services	303,453	326,572	338,058	325,184
Data processing services	505,459	691,138	2,140,773	927,066
Community services	181,085	201,284	193,011	126,897
Principal on long-term debt	2,333,100	3,547,780	3,873,547	3,142,849
Interest on long-term debt	1,805,818	2,401,005	2,038,445	1,967,913
Bond issuance cost & fees	1,500	2,200	3,009	1,460
Capital outlay	14,204,351	3,724,275	263,321	277,875
Payments related to SSA's	4,944	-	50,883	89,036
Other intergovernmental charges	-	-	-	-
<b>Total Expenditures</b>	<b>67,761,481</b>	<b>63,545,581</b>	<b>62,421,371</b>	<b>65,471,357</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(8,771,689)</b>	<b>(5,356,502)</b>	<b>(1,342,628)</b>	<b>1,066,516</b>
<b>Other Financing Sources (Uses)</b>				
Capital-related debt				
Issued (regular bonds)	-	-	16,705,000	8,894,858
Sale of real or personal property	19,771	-	-	247,121
Proceeds from capital leases	296,000	-	1,595,904	403,632
Transfers in	5,631	12,993	37,278	647,099
Premium or discount on issuance of bonds	-	-	1,057,118	703,627
Transfer out	(5,631)	(12,993)	(37,278)	(647,099)
Payment to bond refunding escrow agent	-	-	(17,606,349)	(9,448,662)
Other uses	-	-	(155,769)	(144,942)
<b>Total Other Financing Sources (Uses)</b>	<b>315,771</b>	<b>-</b>	<b>1,595,904</b>	<b>655,634</b>
<b>Net Change in Fund Balances</b>	<b>\$ (8,455,918)</b>	<b>\$ (5,356,502)</b>	<b>\$ 253,276</b>	<b>\$ 1,722,150</b>
Debt service as a percentage of noncapital expenditures	7.70%	9.90%	9.50%	7.80%

		Year									
		2008	2009	2010	2011	2012	2013				
\$	27,853,215	\$	32,107,760	\$	32,345,694	\$	33,510,061	\$	43,117,075	\$	37,780,687
	29,939,450		28,752,581		26,174,294		25,983,705		23,189,790		22,489,991
	7,891,684		7,887,471		12,235,571		12,753,106		9,710,564		8,567,450
	65,684,349		68,747,812		70,755,559		72,246,872		76,017,429		68,838,128
	35,391,184		36,224,612		37,782,267		39,043,204		34,479,218		32,616,048
	1,599,113		1,213,774		1,313,253		1,462,126		1,171,610		909,219
	561,059		840,636		981,776		1,743,358		1,572,268		1,145,812
	1,267,624		692,914		830,593		842,190		921,135		899,314
	3,128,124		3,287,298		3,157,077		3,238,889		3,209,861		3,427,941
	1,961,778		2,231,570		2,159,429		2,141,402		2,031,688		1,908,839
	358,557		368,006		435,727		507,842		500,989		511,566
	538,990		524,702		482,075		530,337		497,728		501,053
	2,223,810		3,595,960		2,016,822		2,254,122		2,394,807		2,696,104
	3,467,525		3,336,339		3,726,571		3,588,569		3,822,485		3,955,740
	1,441,460		1,748,281		1,809,239		1,751,737		1,776,916		1,953,555
	1,864,282		1,533,469		1,615,525		1,685,137		1,514,733		1,543,693
	6,138,170		6,091,075		6,047,358		5,805,691		4,817,261		4,770,063
	347,521		448,622		310,724		284,078		241,637		346,048
	803,212		899,470		813,029		828,442		689,968		1,092,033
	227,470		91,300		94,616		90,368		17,167		20,160
	2,352,975		2,147,511		3,311,957		3,299,763		2,143,583		2,291,520
	1,910,751		2,596,356		1,998,441		1,926,171		3,249,757		3,432,155
	3,404		445,729		2,887		164,311		5,637		156,647
	173,058		12,543,365		19,354,612		3,921,192		1,181,537		3,131,106
	511		159,720		202,590		244,348		218,321		234,390
	-		329,064		343,309		371,330		365,885		407,581
	65,760,578		81,349,773		88,789,877		75,724,607		66,824,191		67,950,587
	(76,229)		(12,601,961)		(18,034,318)		(3,477,735)		9,193,238		887,541
	-		44,708,265		-		9,725,000		-		10,135,000
	-		-		-		-		-		-
	-		-		-		-		-		-
	52,676		571		-		130,335		250,000		250,000
	-		443,190		-		936,709		-		1,152,412
	(344,136)		(17,335)		(84,664)		(167,314)		(294,431)		(303,649)
	-		-		-		(10,500,135)		-		(11,130,657)
	-		-		-		-		-		-
	(291,460)		45,134,691		(84,664)		124,595		(44,431)		103,106
\$	(367,689)	\$	32,532,730	\$	(18,149,982)	\$	(3,353,140)	\$	9,148,807	\$	990,647
	6.50%		6.90%		7.60%		7.28%		8.22%		8.83%

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-6**

*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY*

Last Ten Years

	Year			
	2004	2005	2006	2007
Residential Property	\$ 976,737,362	\$ 1,049,169,770	\$ 1,108,600,295	\$ 1,225,101,277
Commercial Property	459,656,009	479,536,227	515,524,187	579,305,164
Industrial Property	412,648,740	373,893,318	393,862,748	433,128,719
Less: Tax Exempt Property	<u>267,121,655</u>	<u>277,543,426</u>	<u>282,310,775</u>	<u>294,433,838</u>
Total Assessed Value	<u>\$ 1,581,920,456</u>	<u>\$ 1,625,055,889</u>	<u>\$ 1,735,676,455</u>	<u>\$ 1,943,101,322</u>
Total Direct Tax Rate	1.68500	1.69440	1.68900	1.53510
Estimated Actual Taxable Value	\$ 1,477,804,095	\$ 1,505,827,758	\$ 1,567,348,139	\$ 1,792,123,119
Taxable Assessed Value as a Percentage of Actual Taxable Value	107.045%	107.918%	110.740%	108.425%

Source: Guadalupe County Property Appraiser

Year					
2008	2009	2010	2011	2012	2013
\$ 1,363,582,146	\$ 1,520,953,139	\$ 1,544,716,736	\$ 1,641,675,493	\$ 1,666,128,791	\$ 1,681,392,148
641,634,586	713,592,459	717,768,895	782,912,169	758,171,116	796,433,950
475,055,736	511,499,319	499,263,972	500,926,246	729,577,675	1,019,077,547
280,439,486	389,894,328	381,928,073	429,133,691	485,593,768	821,209,530
<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>	<u>\$ 2,675,694,115</u>
1.16000	1.24980	1.24980	1.24980	1.25980	1.27700
\$ 2,193,318,868	\$ 2,233,715,835	\$ 2,383,755,111	\$ 2,389,092,255	\$ 2,664,511,589	\$ 2,692,313,854
100.297%	105.481%	99.835%	104.491%	100.142%	99.383%

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-7**

*DIRECT AND OVERLAPPING PROPERTY TAX RATES*

Last Ten Years

	Year			
	2004	2005	2006	2007
Seguin Independent School District:				
General Purposes	\$ 1.500000	\$ 1.500000	\$ 1.500000	\$ 1.370000
Capital Purposes	0.185000	0.194400	0.189000	0.165100
<b>Total Direct Rates</b>	<u>\$ 1.685000</u>	<u>\$ 1.694400</u>	<u>\$ 1.689000</u>	<u>\$ 1.535100</u>
Guadalupe County	\$ 0.413100	\$ 0.403100	\$ 0.403100	\$ 0.403100
City of Seguin	0.397600	0.402100	0.432600	0.481400
<b>Total Direct and Overlapping Rates</b>	<u>\$ 2.495700</u>	<u>\$ 2.499600</u>	<u>\$ 2.524700</u>	<u>\$ 2.419600</u>

Source: Guadalupe County Property Appraiser



Year

2008	2009	2010	2011	2012	2013
\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000	\$ 1.040000
0.120000	0.209800	0.209800	0.209800	0.219800	0.237000
<u>\$ 1.160000</u>	<u>\$ 1.249800</u>	<u>\$ 1.249800</u>	<u>\$ 1.249800</u>	<u>\$ 1.259800</u>	<u>\$ 1.277000</u>
\$ 0.389500	\$ 0.389500	\$ 0.389500	\$ 0.399900	\$ 0.403600	\$ 0.403600
0.472600	0.482300	0.460000	0.489300	0.507300	0.507300
<u>\$ 2.022100</u>	<u>\$ 2.121600</u>	<u>\$ 2.099300</u>	<u>\$ 2.139000</u>	<u>\$ 2.170700</u>	<u>\$ 2.187900</u>

(This page intentionally left blank.)

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-8**

**PRINCIPAL PROPERTY TAX PAYERS**

Current Year and Nine Years Ago

Property Tax Payer	2013			2004		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
Structural Metals Inc	\$ 117,910,768	1	4.38%	\$ 53,265,417	2	3.54%
Caterpillar Inc	82,354,360	2	3.06%	-		-
Texas Petroleum Investment Co	76,932,827	3	2.86%	-		-
Rio Nogales Power Project LP	75,299,165	4	2.80%	135,304,330	1	8.99%
Hexcel Reinforcements Corp	16,456,463	5	0.61%	23,491,368	3	1.56%
Tyson Foods Inc	11,373,324	6	0.42%	10,617,873	6	0.71%
Ranch At SH 123 LP	11,216,728	7	0.42%	-		-
Republic Plastics	11,069,776	8	0.41%	-		-
Temple - Inland Inc	10,738,503	9	0.40%	9,196,790	7	0.61%
Guadalupe Valley Electric Co-op	10,374,507	10	0.39%	6,992,080	10	0.46%
Southwestern Bell Telephone	-		-	17,553,550	4	1.17%
Walmart Store #901	-		-	13,262,917	5	0.88%
Alamo Group Inc	-		-	8,487,920	8	0.56%
ITW Minigrip / Zip Pak Inc	-		-	7,365,230	9	0.49%
Subtotal	\$ 423,726,421		15.74%	\$ 285,537,475		18.96%
Other Taxpayers	2,268,587,433		84.26%	1,220,290,283		81.04%
Total	\$ 2,692,313,854		100.00%	\$ 1,505,827,758		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>
2004	2003	\$ 1.865000	\$ 26,338,679	\$ 26,281,504	99.78%
2005	2004	\$ 1.865000	\$ 27,331,303	\$ 27,240,389	99.67%
2006	2005	\$ 1.689000	\$ 29,201,001	\$ 29,104,667	99.67%
2007	2006	\$ 1.564400	\$ 27,370,956	\$ 27,234,114	99.50%
2008	2007	\$ 1.160000	\$ 24,029,349	\$ 23,906,722	99.49%
2009	2008	\$ 1.249800	\$ 27,916,980	\$ 27,659,233	99.08%
2010	2009	\$ 1.249800	\$ 29,792,171	\$ 29,454,381	98.87%
2011	2010	\$ 1.249800	\$ 29,858,875	\$ 29,347,459	98.29%
2012	2011	\$ 1.259800	\$ 33,567,517	\$ 32,481,690	96.77%
2013	2012	\$ 1.277000	\$ 34,380,848	\$ 33,128,431	96.36%

Source: Guadalupe County Property Appraiser and District records

Collections in Subsequent Years		Total Collections to Date	
Amount	Amount	Percent of Levy	
\$ 5,722	\$ 26,287,226	99.80%	
\$ 11,741	\$ 27,252,130	99.71%	
\$ 18,032	\$ 29,122,699	99.73%	
\$ 20,953	\$ 27,255,067	99.58%	
\$ 29,718	\$ 23,936,440	99.61%	
\$ 70,135	\$ 27,729,368	99.33%	
\$ 104,602	\$ 29,558,983	99.22%	
\$ 178,903	\$ 29,526,362	98.89%	
\$ 608,193	\$ 33,089,883	98.58%	
\$ -	\$ 33,128,431	96.36%	

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-10**

*RATIOS OF OUTSTANDING DEBT BY TYPE*

Last Ten Years

	Year			
	2004	2005	2006	2007
<b>Primary Government</b>				
<b>Governmental Activities:</b>				
General obligation bonds	\$ 49,961,017	\$ 47,164,717	\$ 45,266,805	\$ 43,261,908
Notes payable	1,680,000	1,240,000	1,427,415	896,717
Capital leases	538,780	221,000	570,943	904,575
<b>Total Primary Government</b>	<u>\$ 52,179,797</u>	<u>\$ 48,625,717</u>	<u>\$ 47,265,163</u>	<u>\$ 45,063,200</u>
<b>Personal Income</b>	\$ 833,355	\$ 976,193	\$ 976,193	\$ 976,193
<b>Debt as a Percentage of</b>				
<b>Personal Income</b>	6.26%	4.98%	4.84%	4.62%
<b>Population</b>	31,348	33,990	33,990	33,990
<b>Debt Per Capita</b>	\$ 1,665	\$ 1,431	\$ 1,391	\$ 1,326

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

		Year									
		2008	2009	2010	2011	2012	2013				
\$	41,568,526	\$	88,385,992	\$	85,729,058	\$	82,961,450	\$	81,675,329	\$	82,052,893
	487,546		140,000		45,000		-		-		-
	545,770		138,260		-		-		-		-
<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>		<u>\$ 82,052,893</u>	
\$	1,150,368	\$	1,096,260	\$	1,320,944	\$	1,560,656	\$	1,593,441	\$	1,713,161
	3.70%		8.09%		6.49%		5.32%		5.13%		4.79%
	35,503		38,632		38,632		43,366		44,277		46,106
\$	1,200	\$	2,295	\$	2,220	\$	1,913	\$	1,845	\$	1,780

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-11**

**RATIO OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Years

	Year			
	2004	2005	2006	2007
<b>Net Assessed Value</b>				
All property	\$ 1,477,804,095	\$ 1,505,827,758	\$ 1,567,348,139	\$ 2,071,495,603
<b>Net Bonded Debt</b>				
Gross bonded debt	\$ 49,961,017	\$ 47,164,717	\$ 45,266,805	\$ 43,261,908
Less debt service funds	2,412,244	2,270,869	2,456,162	2,584,027
<b>Total Net Bonded Debt</b>	<u>\$ 47,548,773</u>	<u>\$ 44,893,848</u>	<u>\$ 42,810,643</u>	<u>\$ 40,677,881</u>
<b>Ratio of Net Bonded Debt To Assessed Value</b>	3.22%	2.98%	2.73%	1.96%
<b>Population</b>	95,081	103,093	103,093	103,093
<b>Net Bonded Debt Per Capita</b>	\$ 500	\$ 435	\$ 415	\$ 395

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



Year					
2008	2009	2010	2011	2012	2013
\$ 2,233,715,835	\$ 2,392,103,830	\$ 2,383,755,111	\$ 2,389,092,255	\$ 2,664,511,589	\$ 2,692,313,854
\$ 41,568,526	\$ 88,385,992	\$ 85,729,058	\$ 82,961,450	\$ 81,675,329	\$ 82,052,893
2,676,825	3,709,914	3,741,072	3,847,972	4,589,994	5,420,415
<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>	<u>\$ 76,632,478</u>
1.74%	3.54%	3.44%	3.31%	2.89%	2.85%
107,684	117,172	117,172	131,533	134,295	139,841
\$ 361	\$ 723	\$ 700	\$ 601	\$ 574	\$ 548

(This page intentionally left blank.)

**SEGUIN INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 June 30, 2013

**EXHIBIT L-12**

Governmental Unit	Debt Outstanding	Percentage Applicable	Share of Overlapping Debt
Guadalupe County	\$ 17,153,149	32.970%	\$ 5,655,393
City of Seguin	\$ 43,581,624	100.000%	\$ 43,581,624
Subtotal, overlapping debt			\$ 49,237,017
District direct debt	\$ 92,955,396	100.000%	\$ 92,955,396
<b>Total direct and overlapping debt</b>			<b>\$ 142,192,413</b>
<b>Population</b>			46,106
<b>Per Capita Debt-Direct and Overlapping</b>			<b>\$ 3,084</b>

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			
	2004	2005	2006	2007
Debt limit	\$ 103,446,287	\$ 105,407,943	\$ 109,714,370	\$ 125,448,618
Total net debt applicable to limit	<u>47,548,773</u>	<u>44,893,848</u>	<u>42,810,643</u>	<u>40,677,881</u>
Legal debt margin	<u>\$ 55,897,514</u>	<u>\$ 60,514,095</u>	<u>\$ 66,903,727</u>	<u>\$ 84,770,737</u>
Total net debt applicable to the limit as a percentage of debt limit	45.96%	42.59%	39.02%	32.43%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Assessed value	\$ 2,692,313,854
Debt limit (7% of assessed value)	188,461,970
Debt applicable to limit:	
General obligation bonds	82,052,893
Less: amount set aside for repayment of general obligation debt	<u>(5,420,415)</u>
Total net debt applicable to limit	<u>76,632,478</u>
Legal debt margin	<u>\$ 111,829,492</u>

Year					
2008	2009	2010	2011	2012	2013
\$ 134,535,017	\$ 156,360,108	\$ 166,862,857	\$ 167,236,458	\$ 186,515,811	\$ 188,461,970
<u>38,891,701</u>	<u>84,676,078</u>	<u>85,729,058</u>	<u>79,113,478</u>	<u>77,085,335</u>	<u>76,632,478</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>	<u>\$ 111,829,492</u>
28.91%	54.15%	51.38%	47.31%	41.33%	40.66%

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

EXHIBIT L-14

*DEMOGRAPHIC AND ECONOMIC STATISTICS*

Last Ten Years

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
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%
2013	46,106	\$ 1,713,161	\$ 37,157	36	7,514	6.3%

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

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-15**

*PRINCIPAL EMPLOYERS*

Current Year and Nine Years Ago

<u>Employer</u>	<u>2013</u>		<u>2004</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Continental Automotive Systems	1,171	1		
Seguin ISD	1,078	2		
Texas Power Systems (Caterpillar)	1,036	3		
CMC Steel Texas	880	4		
Tyson Foods	762	5		
Guadalupe Regional Med. Center	667	6		
Guadalupe County	579	7		
Wal-Mart Supercenter	400	8		
Texas Lutheran University	326	9		
City of Seguin	280	10		
	<u>7,179</u>		<u>--</u>	

Source: Seguin Chamber of Commerce.

Note: Comparative information for 2004 was not available through the Seguin Chamber of Commerce. (Data will be available starting 2006.)

(This page intentionally left blank.)



**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-16**

*FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM*

Last Ten Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities:</b>										
Instruction	702	671	658	652	652	662	719	675	613	609
Instructional resources & media services	30	35	35	33	32	19	19	18	18	13
Curriculum & staff development	6	4	4	6	6	11	7	22	19	14
Instructional leadership	31	28	28	30	21	13	13	13	14	13
School leadership	64	63	62	62	64	62	61	62	61	67
Guidance, counseling & evaluation svcs	31	32	33	34	30	35	34	34	33	31
Social work services	8	6	6	6	6	6	7	9	8	9
Health services	13	14	13	14	15	13	12	14	13	14
Student transportation	88	52	53	52	50	47	69	73	70	80
Food service	77	65	59	56	55	57	68	72	70	73
Cocurriculum/extracurricular activities	7	7	8	8	7	9	5	9	9	8
General administration	23	22	21	20	22	19	19	18	18	18
Plant maintenance & operations	107	108	105	104	104	103	100	92	85	90
Security & monitoring services	6	5	6	6	6	6	6	4	4	4
Data processing services	5	5	5	4	5	5	5	6	6	11
Community services	12	10	10	7	16	13	14	12	7	6
<b>Total District Positions</b>	<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>	<u>1,060</u>

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-17**

*OPERATING STATISTICS*

Last Ten Years

	Year			
	2004	2005	2006	2007
<b>Average Daily Membership</b>	7,269	7,239	7,327	7,326
<b>Operating Expenditures</b>	\$ 41,715,727	\$ 45,517,538	\$ 48,314,407	\$ 52,337,650
Cost per pupil	5,739	6,288	6,594	7,144
Percentage change	94.83%	9.57%	4.87%	8.34%
<b>Non-Operating Expenses</b>	\$ 53,951	\$ 153,626	\$ 35,679	\$ 332,792
Cost per pupil	7	21	5	45
Percentage change	12.40%	185.93%	-77.05%	832.87%
<b>Teaching Staff</b>	553	550	535	528
Pupil-teacher ratio	13	13	14	14
<b>Percentage of Students</b>				
Economically Disadvantaged	58.30%	59.50%	60.20%	62.20%

		Year					
		2008	2009	2010	2011	2012	2013
		7,501	7,559	7,562	7,548	7,440	7,514
\$		52,487,810	\$ 50,980,328	\$ 49,779,759	\$ 50,671,743	\$ 49,133,036	\$ 50,038,885
		6,997	6,744	6,583	6,713	6,604	6,659
		-2.05%	-3.62%	-2.39%	1.98%	-1.63%	0.84%
\$		69,980	\$ 329,064	\$ 618,409	\$ 371,330	\$ 365,885	\$ 1,066,323
		9	44	82	49	49	142
		-79.46%	366.62%	87.86%	-39.84%	-0.04%	188.57%
		533	533	544	527	486	469
		14	14	14	14	15	16
		61.30%	63.90%	66.10%	68.80%	68.16%	68.61%

**SEGUIN INDEPENDENT SCHOOL DISTRICT****EXHIBIT L-18***TEACHER BASE SALARIES*

Last Ten Years

	Year			
	2004	2005	2006	2007
Minimum Salary	\$ 31,000	\$ 32,000	\$ 33,000	\$ 36,500
Maximum Salary	\$ 46,410	\$ 47,610	\$ 48,710	\$ 52,260
District Average Actual Teacher Salary	\$ 37,657	\$ 37,940	\$ 37,486	\$ 42,912
Statewide Average Actual Teacher Salary	\$ 40,478	\$ 41,011	\$ 41,866	\$ 44,897

Source: District records and the Texas Education Agency

Year					
2008	2009	2010	2011	2012	2013
\$ 38,500	\$ 40,000	\$ 40,000	\$ 40,500	\$ 40,500	\$ 41,000
\$ 54,560	\$ 59,260	\$ 59,337	\$ 66,602	\$ 60,112	\$ 60,938
\$ 44,878	\$ 46,148	\$ 46,601	\$ 51,114	\$ 46,370	\$ 46,953
\$ 46,178	\$ 47,158	\$ 48,263	\$ 48,639	\$ 48,375	\$ 48,821

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

**EXHIBIT L-19**

*SCHOOL BUILDING INFORMATION (Page 1 of 2)*

Last Ten Years

	Year			
	2004	2005	2006	2007
<b>Elementary</b>				
Koennecke (1986)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	578	594	598	618
Ball (1976)				
Square feet	51,805	51,805	51,805	51,805
Capacity	449	449	449	449
Enrollment	299	286	293	297
Jefferson (1974)				
Square feet	53,087	53,087	53,087	53,087
Capacity	584	584	584	584
Enrollment	427	408	408	437
Juan Seguin (1940)				
Square feet	25,306	25,306	25,306	25,306
Capacity	300	300	300	300
Enrollment	359	349	370	425
McQueeney (1976)				
Square feet	54,957	54,957	54,957	54,957
Capacity	490	490	490	490
Enrollment	473	469	499	505
Patlan (1987)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	453	434	459	434
Rodriguez (2010)				
Square feet	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A
Saegert (1930)				
Square feet	67,547	67,547	67,547	67,547
Capacity	600	600	600	600
Enrollment	487	525	531	563
Vogel (1991)				
Square feet	53,206	53,206	53,206	53,206
Capacity	562	562	562	562
Enrollment	523	496	540	561
Weinert (1974)				
Square feet	46,375	46,375	46,375	46,375
Capacity	540	540	540	540
Enrollment	534	527	560	540

Year					
2008	2009	2010	2011	2012	2013
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
582	584	562	562	492	529
51,805	51,805	51,805	51,805	51,805	51,805
449	449	449	449	449	449
288	285	-	-	379	258
53,087	53,087	53,087	53,087	53,087	53,087
584	584	584	584	584	584
455	472	564	564	477	414
25,306	25,306	25,306	25,306	25,306	25,306
300	300	300	300	300	300
425	430	456	456	-	-
54,957	54,957	54,957	54,957	54,957	54,957
490	490	490	490	490	490
511	546	527	527	422	379
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
475	474	587	587	444	469
N/A	N/A	N/A	67,000	67,000	67,000
N/A	N/A	N/A	650	650	650
N/A	N/A	N/A	518	522	527
67,547	67,547	67,547	67,547	67,547	67,547
600	600	600	600	600	600
544	527	561	561	532	540
53,206	53,206	53,206	53,206	53,206	53,206
562	562	562	562	562	562
560	537	553	553	460	472
46,375	46,375	46,375	46,375	46,375	46,375
540	540	540	540	540	540
489	505	493	493	527	539

**SEGUIN INDEPENDENT SCHOOL DISTRICT**

*SCHOOL BUILDING INFORMATION (Page 2 of 2)*

**Last Ten Years**

	Year			
	2004	2005	2006	2007
<b>Middle School</b>				
Barnes (2004)				
Square feet	-	105,000	105,000	105,000
Capacity	-	700	700	700
Enrollment	-	557	556	541
Briesemeister (1975)				
Square feet	103,606	103,606	103,606	103,606
Capacity	700	700	700	700
Enrollment	588	508	526	508
Burgess (1950)				
Square feet	17,114	17,114	17,114	17,114
Capacity	120	120	120	120
Enrollment	69	67	76	71
<b>High School</b>				
Learning Center (1964)				
Square feet	21,968	21,968	21,968	21,968
Capacity	125	125	125	125
Enrollment	103	78	105	112
Seguin High School				
Square feet	289,914	289,914	289,914	289,914
Capacity	2,500	2,500	2,500	2,500
Enrollment	1,937	1,909	2,007	1,959

Source: District records



Year					
2008	2009	2010	2011	2012	2013
105,000	105,000	105,000	105,000	105,000	105,000
700	700	700	700	700	700
551	564	549	549	547	530
103,606	103,606	103,606	103,606	103,606	103,606
700	700	700	700	700	700
530	536	536	536	535	530
17,114	17,114	17,114	17,114	17,114	17,114
120	120	120	120	120	120
71	43	58	58	49	21
21,968	21,968	21,968	21,968	21,968	21,968
125	125	125	125	125	125
118	118	131	131	135	155
289,914	289,914	289,914	289,914	289,914	289,914
2,500	2,500	2,500	2,500	2,500	2,500
1,906	1,913	1,945	1,945	1,915	1,878

(This page intentionally left blank.)