

**GEORGETOWN INDEPENDENT  
SCHOOL DISTRICT**

**Annual Financial Report  
for the Fiscal Year Ended  
June 30, 2014**



# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## Annual Financial Report Year Ended June 30, 2014 Table of Contents

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	<u>Page</u>
<b>CERTIFICATE OF BOARD</b>	1
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-12
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	18
Statement of Fiduciary Net Position - Fiduciary Funds	19
Notes to Basic Financial Statements	20-36
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	37-38
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	39-40
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	41
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Food Service Fund	42
Other Schedules:	
Schedule of Delinquent Taxes Receivable	43
Exhibit L-1 - Required Responses to Selected School First Indicators	44

# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## Annual Financial Report Year Ended June 30, 2014

### Table of Contents

---

	<u>Page</u>
<b>FEDERAL AWARDS SECTION:</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>	45-46
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133	47-48
Schedule of Expenditures of Federal Awards	49
Notes to the Schedule of Expenditures of Federal Awards	50
Schedule of Findings and Questioned Costs	51-53

**CERTIFICATE OF BOARD**

Georgetown Independent School District      Williamson      246904  
Name of School District                      County                      Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved \_\_\_ disapproved for the year ended June 30, 2014 at a meeting of the Board of Trustees of such school district on the 20 day of October, 2014.

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

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

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

## **FINANCIAL SECTION**



MAXWELL LOCKE & RITTER LLP

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*An Affiliate of CPAmerica International*

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees of  
Georgetown Independent School District:

### **Report on the Financial Statements**

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

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

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

### **Auditors' Responsibility**

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"*

*This firm is not a CPA firm*

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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund 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 on pages 5 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2014 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.

*Maxwell Locke + Ritter LLP*

Austin, Texas  
October 16, 2014



# GEORGETOWN INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Georgetown Independent School District's (the "District") annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2014. Please read it in conjunction with the District's basic financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

- The District's net position at June 30, 2014 was approximately \$64.7 million.
- The fund balance for the General Fund at June 30, 2014 was approximately \$16.2 million, an increase of approximately \$1.9 million from the prior year. The increase was primarily due to an increase in property tax revenue from an increase in assessed property values.
- During 2014, the District issued \$18.4 million in Variable Rate Unlimited Tax School Building Bonds for the acquisition, construction, renovation, and equipment for school facilities in the District, including a new elementary school, new middle school and land for future facilities.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three parts: 1.) government-wide financial statements 2.) fund financial statements and 3.) notes to the basic financial statements. This report also contains required supplementary information and other financial information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to that of a private sector business.

The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods such as uncollected property tax and earned but unused sick leave.

The government-wide financial statements distinguish functions of the District that are principally supported by taxes, intergovernmental revenues, and user fees and charges (governmental activities). The governmental activities of the District include the education of District students and the programs necessary to support such education.

**Fund Financial Statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

By doing so readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds balance sheet provides a reconciliation to facilitate the comparison between total fund balances and net position of governmental activities. There is a reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities on page 17.

The District maintains numerous governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund and Capital Projects Fund as they are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with this budget. Supplementary budgetary comparison schedules have also been prepared for the Food Service and Debt Service Funds and are included in the Combining and Individual Fund Statements and Schedules section of this report.

**Fiduciary Funds** - The District is the trustee, or *fiduciary*, for certain 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 are reported in a separate Statement of 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 operations.

**Notes to the Basic Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Information** - The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Notes to the Basic Financial Statements. In addition, certain information required by the Texas Education Agency and the federal government regarding tax collection, food service, and grant expenditures is also presented.

## Government-wide Financial Analysis

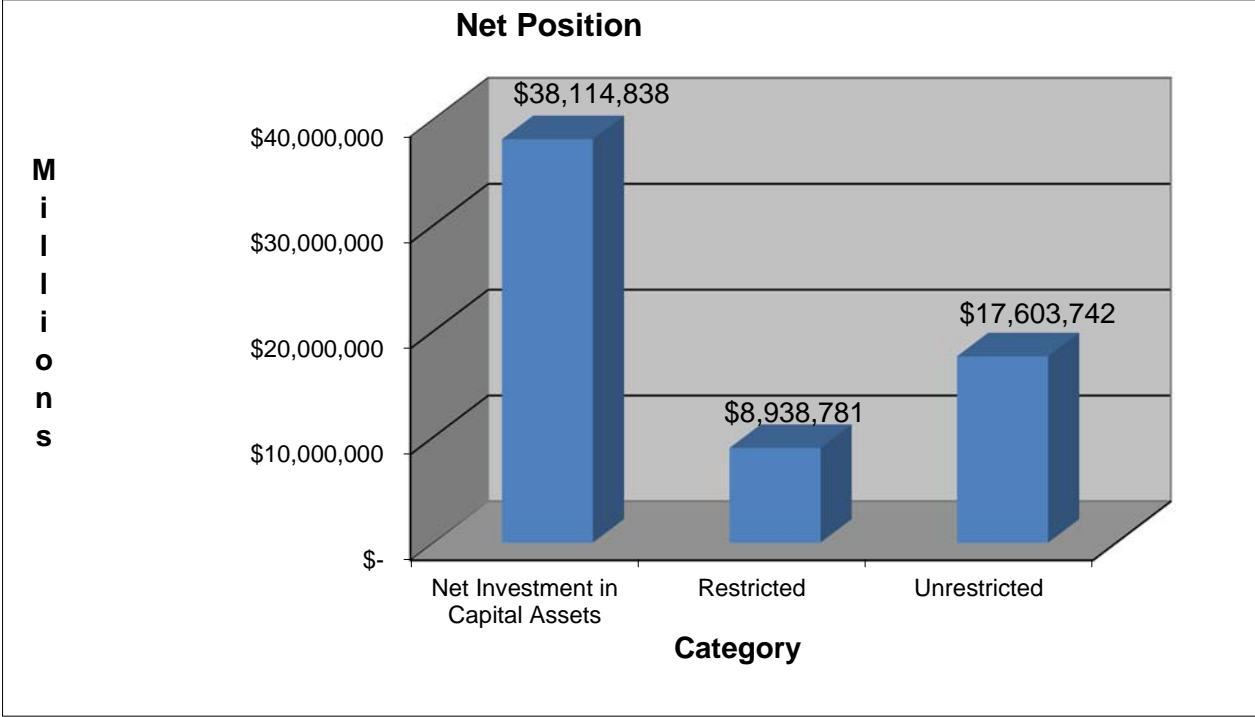
Net position may serve over time as a useful indicator of the District's financial position. For the year ended June 30, 2014, net position was \$64,657,361 an increase of \$6,261,003 as compared to net position for the year ended June 30, 2013.

Net position for the year ended June 30, 2014 as compared to the year ended June 30, 2013 can be presented as follows:

### Georgetown Independent School District's Net Position

	Governmental Activities as of	
	June 30, 2013	June 30, 2014
Current assets:		
Cash and temporary investments	\$ 40,860,106	\$ 56,713,450
Property taxes, net	2,359,447	2,319,185
Due from other governments	4,022,956	3,358,423
Due from fiduciary funds	20,779	23,817
Other receivables and inventory	578,121	287,990
Prepaid items	2,600	1,087
Total current assets	<u>47,844,009</u>	<u>62,703,952</u>
Non-current assets -		
Capital assets, net of accumulated depreciation	<u>238,330,645</u>	<u>237,597,340</u>
Total assets	<u>\$ 286,174,654</u>	<u>\$ 300,301,292</u>
Deferred outflows of resources -		
Deferred charges on refundings	<u>\$ 7,763,128</u>	<u>\$ 6,512,672</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,061,902	\$ 10,279,668
Bonds payable	7,675,000	8,075,000
Bond interest payable	3,241,033	3,474,619
Unearned revenue	4,337,599	2,697,833
Due to other governments	1,170	1,170
Total current liabilities	<u>27,316,704</u>	<u>24,528,290</u>
Long-term liabilities:		
Bonds payable	207,915,767	217,310,765
Accretion payable	308,953	317,548
Total long-term liabilities	<u>208,224,720</u>	<u>217,628,313</u>
Total liabilities	<u>\$ 235,541,424</u>	<u>\$ 242,156,603</u>
Net position:		
Net investment in capital assets	\$ 36,797,005	\$ 38,114,838
Restricted	6,186,593	8,938,781
Unrestricted	15,412,760	17,603,742
Total net position	<u>\$ 58,396,358</u>	<u>\$ 64,657,361</u>

The District has unrestricted net position of \$17,603,742 as of June 30, 2014. For the year ended June 30, 2014, restricted net position increased by \$2,752,188 and unrestricted net position increased by \$2,190,982. Overall cash and investments increased from the previous year due to increased tax revenues and proceeds received from a bond issuance in the current year.



Net position may be restricted for a variety of uses by the District. These restrictions are imposed by bond covenants or federal grant requirements. Restricted net position is available for use in the designated areas only. Unrestricted net position may be used by the District to meet ongoing operating obligations as determined by the Board of Trustees (the "Board").

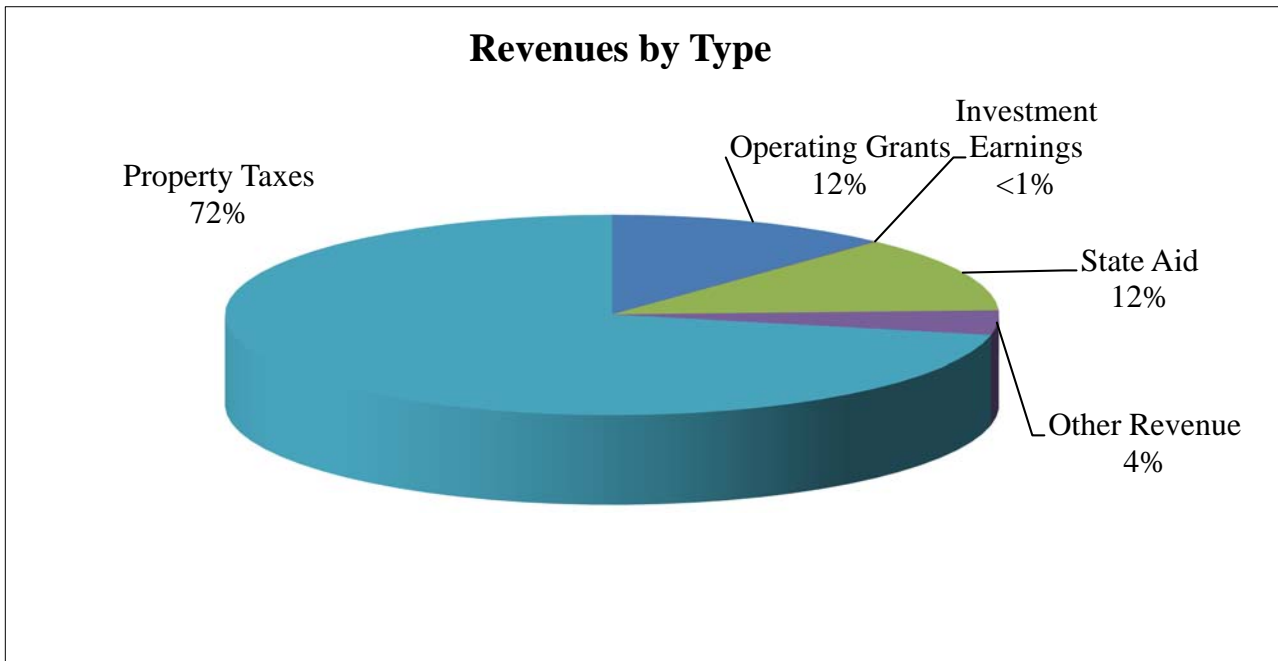
## Governmental Activities

Governmental activities increased the District's net position by \$6,261,003 during the year ended June 30, 2014. Key elements of this increase are as follows:

### Georgetown Independent School District's Changes in Net Position

	Governmental Activities as of	
	June 30, 2013	June 30, 2014
Revenues:		
Program Revenues:		
Charges for services	\$ 4,444,763	\$ 4,330,455
Operating grants and contributions	13,000,306	13,767,147
General Revenues:		
Property taxes	78,241,042	82,673,844
State aid - formula grants	14,567,460	14,245,029
Investment earnings	90,717	53,768
Miscellaneous	316,165	250,524
Total Revenues	<u>110,660,453</u>	<u>115,320,767</u>
Expenses:		
Instruction and instructional resources	54,356,226	57,634,379
Curriculum, instructional and school leadership	8,167,094	8,158,743
Student support services	7,577,434	8,237,107
Food services	5,438,444	5,975,407
Extracurricular activities	3,351,619	3,937,614
General administration	2,432,183	2,409,648
Support services	11,365,648	11,819,266
Community services	1,389,262	1,512,572
Interest on long-term debt	8,695,617	7,943,242
Facilities acquisition and construction	13,277	199,125
Other	1,153,401	1,232,661
Total Expenses	<u>103,940,205</u>	<u>109,059,764</u>
Change in Net Position	6,720,248	6,261,003
Net Position Beginning	<u>51,676,110</u>	<u>58,396,358</u>
Net Position Ending	<u>\$ 58,396,358</u>	<u>\$ 64,657,361</u>

Property taxes revenues increased from the prior year primarily due to an increase in property values for the 2013 tax year. Overall property taxes account for 72% of the District's revenue sources while State funding represents 12%. Operating grants account for 12% of revenue sources.



House Bill 1, which passed during the final special legislative session in 2005, changed the way school districts receive revenue from both state and local sources. Property tax rates were “bought down” for two years and replaced with a combination of business franchise taxes and an increase in the tobacco tax. Districts that had reached the \$1.50 M&O tax rate cap, were compressed to \$1.33 in 2006 and \$1.00 in 2007. Local school boards retained the option of adding up to four cents to the local compressed rate without approval, and the District’s Board has exercised that option.

With the compression of local tax rates, the State now funds a much higher percentage of public school revenue than in the previous years. However, the new funding formula now caps the amount of money a district can receive in combined state/local revenue per WADA (Weighted Average Daily Attendance). This “hold harmless” provision was set using a greater of amount between 2005 and 2006 funding under the old law and the set amount per WADA will remain in effect until changed by the legislature at a later session. The only way a school district can now increase its operating revenue is by adding students. Increases in local property values and collections are now negated by the funding formula.

The State has mandated that a district’s property value per WADA is limited to \$319,500. When values exceed this amount a district must share its wealth with the State to equalize access to revenue.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District’s governmental funds reported a combined ending fund balance of \$48,196,610. Of this amount \$16,220,122 constitutes unassigned fund balance available for use in the General Fund activities at the District’s discretion, and an additional \$12,145 in General Fund fund balance is nonspendable due to being in the form of prepaid items and inventory. The remainder of the fund balance is restricted, committed or assigned to indicate that it is not available for new spending because it has already been designated for other obligations of the District.

The Texas Education Agency recommends that districts keep a fund balance that is between 12% to 20% of annual General Fund operating expenses. As a measure of the General Fund’s liquidity, unassigned fund balance represents 19% of the total General Fund expenditures.

The Debt Service Fund has a total fund balance of \$11,901,608, all of which is restricted for payment of debt service.

The Capital Projects Fund had a total fund balance of \$19,390,591, which represents funds remaining from the current year bond sale. These funds are restricted for the construction and renovation of school buildings and purchase of equipment and land. In December 2013, the District issued \$18.4 million from the remaining \$135.5 million bond approved by voters in November 2010, leaving \$28 million unissued.

**Budgetary Highlights**

Differences between the original General Fund operating budget and the final amended budget or actual amounts can be briefly summarized as follows:

- Expenditures were lower than final budgeted amounts due to utility costs and transportation fuel and supplies costs being lower than expected.
- Revenues were higher than final budgeted amounts due to higher than expected student enrollment, Medicaid federal reimbursements and property tax values and collection rate.

**Capital Assets and Debt Administration:**

**Capital Assets**

The District’s investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$237,597,340 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, and furniture and equipment.

**Georgetown Independent School District  
Capital Assets  
(Net of accumulated depreciation)**

Land	\$ 11,907,298
Construction in progress	2,022,383
Buildings and improvements	220,236,128
Furniture and equipment	3,431,531
Total	\$ 237,597,340

Additional information on the District’s capital assets can be found in Note 7 of this report.

**Long-term Debt**

At the end of the current fiscal year, the District had total bonded debt outstanding of \$209,550,000. The bonded debt constitutes a direct obligation of the District from a continuing, direct ad valorem tax levied against all taxable property of the District without legal limit as to rate or amount. The bonds are also guaranteed by the corpus of the Permanent School fund of the State of Texas. Both Standard & Poor’s Rating Services and Moody’s Investors Services have provided bond ratings ranging from AA- to AAA and Aa2 to Aaa, respectively, to the District’s outstanding debt obligations.

Additional information on the District’s long-term debt can be found in Note 9 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The District is located in the City of Georgetown, Texas, which has been ranked No. 2 of best places to “Live and Launch” and recently placed as No. 3 in the country on the top ten list of America’s Best Suburbs. The District is a diversified agricultural and manufacturing area located in central Williamson County, approximately 25 miles north of Austin, covering an area of approximately 180 square miles. The City of Georgetown has an estimated population in 2014 of 51,954 and is one of the fastest growing communities in Central Texas. Georgetown is also home to Southwestern University, one of the most prestigious liberal arts colleges in the Southwest.

The District’s elected officials considered many factors when setting the fiscal year 2013-14 budget and tax rates. One of the significant factors was the 5.8% increase in property values creating \$2.8 million in new taxes, thus resulting in a state aid decrease of \$2.7 million. Additionally, state compensatory component of the state aid funding formula dropped by over \$420,000 due to lower counts of students reported for this category.

The District’s Debt Service Fund has improved substantially over the past couple of years. Property values have increased above expectations and the board approved a refinancing of its overall debt that saved over \$10 million thereby reducing its annual bond payments.

The District invested funds in daily liquidity local government investment pools, money market funds and certificates of deposit. The priority of the District in this interest rate environment and volatile market was safety of principal and liquidity.

For budget purposes, the 2013-14 tax rate was \$1.398 (\$1.08 for maintenance and operations and \$0.318 for debt service) and did not change from 2012-13. After a three year salary and benefits freeze, the District gave a pay increase of 2% of midpoint for administrators and a 3% of midpoint for teachers, para-professionals and support staff for 2013-14. The employer insurance contribution increased by \$72 to \$3,900 per year of all employees participating in the health insurance program. The District is considered a Chapter 41 district and paid \$317,019 state recapture in 2013-14.

The District expects an increase of over \$700 million in taxable value for the 2014 tax year. The large growth in tax collections will move the District out of the target revenue system to become a “formula” district for one year. The local property tax revenue will rise sharply by almost \$5.5 million. The additional tax collections created by rising taxable values normally means that state funding will be reduced by an equal amount. However, that is not the case in this situation. State aid will only fall by \$1.4 million. The extra \$1.9 million for 2014-15 is a one-time event and is not expected to recur in subsequent fiscal years. The 2014-15 budget includes a pay increase of 1.25% for all staff, \$700,000 for buses, \$350,000 for new textbooks adoptions and \$590,000 for computer replacements. The employer insurance contributions will remain the same as 2013-14.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District’s Business Office.



## **BASIC FINANCIAL STATEMENTS**

# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## Statement of Net Position

June 30, 2014

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current assets:	
Cash and temporary investments	\$ 56,713,450
Receivables:	
Property taxes - delinquent	2,366,515
Allowance for uncollectible taxes	(47,330)
Due from other governments	3,358,423
Other	132,523
Due from fiduciary funds	23,817
Inventory	155,467
Prepaid items	1,087
Noncurrent assets-	
Capital assets (net of accumulated depreciation):	
Land	11,907,298
Construction in progress	2,022,383
Buildings and improvements	220,236,128
Furniture and equipment	3,431,531
Total assets	<u>300,301,292</u>
<b>DEFERRED OUTFLOWS OF RESOURCES -</b>	
Deferred charges on refundings	<u>6,512,672</u>
<b>LIABILITIES:</b>	
Current liabilities:	
Accounts payable	2,347,294
Payroll deductions and withholdings payable	9,966
Accrued wages payable	7,922,408
Bond interest payable	3,474,619
Bonds payable	8,075,000
Due to other governments	1,170
Unearned revenue	2,697,833
Noncurrent liabilities:	
Bonds payable	217,310,765
Accretion payable	317,548
Total liabilities	<u>242,156,603</u>
<b>NET POSITION:</b>	
Net investment in capital assets	38,114,838
Restricted for:	
Debt service	8,747,559
Food service	191,222
Unrestricted	17,603,742
Total net position	<u>\$ 64,657,361</u>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Statement of Activities**  
**Year Ended June 30, 2014**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Position</u>
				<u>Governmental</u>
				<u>Activities</u>
<b>Governmental activities:</b>				
Instruction	\$ 56,474,672	1,980,689	7,411,601	(47,082,382)
Instructional resources and media services	1,159,707	4,418	49,632	(1,105,657)
Curriculum and staff development	708,008	5,183	355,946	(346,879)
Instructional leadership	1,569,368	7,040	170,605	(1,391,723)
School leadership	5,881,367	-	518,093	(5,363,274)
Guidance, counseling, and evaluation services	2,989,208	-	411,004	(2,578,204)
Social work services	179,761	4,131	96,608	(79,022)
Health services	1,132,525	-	104,003	(1,028,522)
Student transportation	3,935,613	-	180,940	(3,754,673)
Food services	5,975,407	1,778,179	3,587,139	(610,089)
Extracurricular activities	3,937,614	367,307	93,173	(3,477,134)
General administration	2,409,648	180,174	112,892	(2,116,582)
Facilities maintenance and operations	9,922,907	-	463,075	(9,459,832)
Security and monitoring services	274,879	-	4,044	(270,835)
Data processing services	1,621,480	-	64,892	(1,556,588)
Community services	1,512,572	-	143,500	(1,369,072)
Debt service	7,943,242	-	-	(7,943,242)
Facilities acquisition and construction	199,125	3,334	-	(195,791)
Incremental costs related to Chapter 41	317,019	-	-	(317,019)
Payments to juvenile justice alternative education programs	296,445	-	-	(296,445)
Other intergovernmental charges	619,197	-	-	(619,197)
<b>Total governmental activities</b>	<b>\$ 109,059,764</b>	<b>4,330,455</b>	<b>13,767,147</b>	<b>(90,962,162)</b>
<b>General revenues:</b>				
Property taxes				\$ 82,673,844
State aid-formula grants				14,245,029
Investment earnings				53,768
Miscellaneous				250,524
<b>Total general revenues</b>				<b>97,223,165</b>
<b>Change in net position</b>				<b>6,261,003</b>
<b>Net position - beginning</b>				<b>58,396,358</b>
<b>Net position - ending</b>				<b>\$ 64,657,361</b>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash and temporary investments	\$ 23,603,441	11,702,662	20,292,942	1,114,405	56,713,450
Receivables:					
Property taxes - delinquent	1,856,017	510,498	-	-	2,366,515
Allowance for uncollectible taxes	(37,121)	(10,209)	-	-	(47,330)
Due from other governments	2,687,580	-	-	670,843	3,358,423
Due from other funds	394,065	19,227	-	-	413,292
Other	85,687	-	-	46,836	132,523
Inventory	11,058	-	-	144,409	155,467
Prepaid items	1,087	-	-	-	1,087
Total assets	<u>\$ 28,601,814</u>	<u>12,222,178</u>	<u>20,292,942</u>	<u>1,976,493</u>	<u>63,093,427</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 1,359,482	-	894,391	93,421	2,347,294
Payroll deductions and withholdings payable	9,966	-	-	-	9,966
Accrued wages payable	7,374,346	-	-	548,062	7,922,408
Due to other funds	19,227	-	3,482	366,766	389,475
Due to other governments	-	-	-	1,170	1,170
Unearned revenue	2,398,425	-	4,478	294,930	2,697,833
Total liabilities	<u>11,161,446</u>	<u>-</u>	<u>902,351</u>	<u>1,304,349</u>	<u>13,368,146</u>
Deferred inflows of resources -					
Deferred revenue - property taxes	<u>1,208,101</u>	<u>320,570</u>	<u>-</u>	<u>-</u>	<u>1,528,671</u>
Fund balances:					
Nonspendable:					
Inventory	11,058	-	-	-	11,058
Prepaid items	1,087	-	-	-	1,087
Restricted for:					
Debt service	-	11,901,608	-	-	11,901,608
Authorized construction	-	-	19,390,591	-	19,390,591
Food service	-	-	-	191,222	191,222
Committed to-					
Campus activities	-	-	-	313,528	313,528
Assigned to:					
Local grants	-	-	-	33,296	33,296
SSA - JJAEP	-	-	-	134,098	134,098
Unassigned	<u>16,220,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,220,122</u>
Total fund balances	<u>16,232,267</u>	<u>11,901,608</u>	<u>19,390,591</u>	<u>672,144</u>	<u>48,196,610</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,601,814</u>	<u>12,222,178</u>	<u>20,292,942</u>	<u>1,976,493</u>	

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 237,597,340
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,528,671
The following liabilities and deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and contractual obligations payable, including premiums	(225,418,369)
Less: Issuance discount	32,604
Less: Deferred charges on refundings	6,512,672
Interest payable	(3,474,619)
Accretion payable	(317,548)
Net position of governmental activities	<u>\$ 64,657,361</u>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2014**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>					
Local and intermediate sources	\$ 66,018,319	18,768,618	23,537	3,415,718	88,226,192
State program revenues	18,220,153	-	-	534,936	18,755,089
Federal program revenues	1,280,140	-	-	6,839,583	8,119,723
Total revenues	<u>85,518,612</u>	<u>18,768,618</u>	<u>23,537</u>	<u>10,790,237</u>	<u>115,101,004</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction	47,354,795	-	29,080	4,113,805	51,497,680
Instructional resources and media services	961,619	-	-	3,708	965,327
Curriculum and staff development	369,468	-	-	346,553	716,021
Instructional leadership	1,509,410	-	-	104,587	1,613,997
School leadership	5,511,313	-	-	200,910	5,712,223
Guidance, counseling, and evaluation services	2,713,534	-	-	278,088	2,991,622
Social work services	85,902	-	-	93,859	179,761
Health services	1,068,112	-	-	42,426	1,110,538
Student transportation	4,210,041	-	-	-	4,210,041
Food services	-	-	-	5,382,533	5,382,533
Extracurricular activities	2,944,212	-	73,528	-	3,017,740
General administration	2,355,887	-	-	37,016	2,392,903
Facilities maintenance and operations	9,930,832	-	-	-	9,930,832
Security and monitoring services	289,778	-	-	-	289,778
Data processing services	1,650,036	-	-	2,400	1,652,436
Community services	1,437,262	-	-	68,031	1,505,293
Debt service	-	16,257,609	240,279	-	16,497,888
Facilities acquisition and construction	-	-	5,979,033	2,798	5,981,831
Incremental costs related to Chapter 41	317,019	-	-	-	317,019
Payments to juvenile justice alternative education programs	296,445	-	-	-	296,445
Other intergovernmental charges	619,197	-	-	-	619,197
Total expenditures	<u>83,624,862</u>	<u>16,257,609</u>	<u>6,321,920</u>	<u>10,676,714</u>	<u>116,881,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,893,750</u>	<u>2,511,009</u>	<u>(6,298,383)</u>	<u>113,523</u>	<u>(1,780,101)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of property	19,867	-	-	-	19,867
Insurance recovery	26,178	-	-	-	26,178
Proceeds from sale of bonds	-	447,306	17,917,694	-	18,365,000
Premium on sale of bonds	-	-	1,477,281	-	1,477,281
Total other financing sources, net	<u>46,045</u>	<u>447,306</u>	<u>19,394,975</u>	<u>-</u>	<u>19,888,326</u>
Net change in fund balances	1,939,795	2,958,315	13,096,592	113,523	18,108,225
Fund balances - beginning	14,292,472	8,943,293	6,293,999	558,621	30,088,385
Fund balances - ending	<u>\$ 16,232,267</u>	<u>11,901,608</u>	<u>19,390,591</u>	<u>672,144</u>	<u>48,196,610</u>

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

# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2014

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Net change in fund balances-total governmental funds	\$ 18,108,225
Amounts reported for <i>governmental activities</i> 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 as depreciation expense.	
Capital outlay	7,080,525
Depreciation expense	(7,813,830)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	173,718
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond proceeds, including premiums	(19,842,281)
Repayment of bond principal	7,675,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in bond interest payable	(233,586)
Amortization of bond premiums	2,404,886
Amortization of bond issuance discounts	(32,603)
Amortization of deferred charges on refunding	(1,250,456)
Change in accretion payable	(8,595)
Change in net position of governmental activities	<u>\$ 6,261,003</u>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Local and intermediate sources	\$ 64,405,251	65,152,700	66,018,319	865,619
State program revenues	16,541,077	18,211,484	18,220,153	8,669
Federal program revenues	809,000	1,059,187	1,280,140	220,953
Total revenues	<u>81,755,328</u>	<u>84,423,371</u>	<u>85,518,612</u>	<u>1,095,241</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction	46,753,863	47,231,983	47,354,795	(122,812)
Instructional resources and media services	884,347	954,334	961,619	(7,285)
Curriculum and staff development	334,249	449,191	369,468	79,723
Instructional leadership	1,426,550	1,545,530	1,509,410	36,120
School leadership	5,437,915	5,553,154	5,511,313	41,841
Guidance, counseling, and evaluation services	2,631,933	2,773,341	2,713,534	59,807
Social work services	91,561	95,561	85,902	9,659
Health services	1,065,188	1,074,508	1,068,112	6,396
Student transportation	3,655,833	4,513,678	4,210,041	303,637
Food services	1,129	9,526	-	9,526
Extracurricular activities	2,530,803	3,069,659	2,944,212	125,447
General administration	2,375,830	2,388,554	2,355,887	32,667
Facilities maintenance and operations	10,082,302	10,106,602	9,930,832	175,770
Security and monitoring services	302,540	318,845	289,778	29,067
Data processing services	1,608,282	1,670,582	1,650,036	20,546
Community services	1,295,003	1,458,173	1,437,262	20,911
Debt service	32,000	3,376	-	3,376
Facilities acquisition and construction	-	-	-	-
Incremental costs related to Chapter 41	336,000	327,454	317,019	10,435
Payments to juvenile justice alternative education programs	300,000	296,500	296,445	55
Other intergovernmental charges	<u>610,000</u>	<u>620,000</u>	<u>619,197</u>	<u>803</u>
Total expenditures	<u>81,755,328</u>	<u>84,460,551</u>	<u>83,624,862</u>	<u>835,689</u>
Excess (deficiency) of revenues over (under) expenditures	-	(37,180)	1,893,750	1,930,930
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of property	-	37,180	19,867	(17,313)
Insurance recovery	-	-	26,178	26,178
Total other financing sources	<u>-</u>	<u>37,180</u>	<u>46,045</u>	<u>8,865</u>
Net change in fund balance	-	-	1,939,795	1,939,795
Fund balance - beginning	<u>14,292,472</u>	<u>14,292,472</u>	<u>14,292,472</u>	<u>-</u>
Fund balance - ending	<u>\$ 14,292,472</u>	<u>14,292,472</u>	<u>16,232,267</u>	<u>1,939,795</u>

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

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**June 30, 2014**

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**ASSETS-**

Cash and temporary investments	\$ 952,229
Total assets	<u>\$ 952,229</u>

**LIABILITIES:**

Accounts payable	\$ 928,412
Due to other funds	<u>23,817</u>
Total liabilities	<u>\$ 952,229</u>

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



# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **The Financial Reporting Entity**

This report includes those activities, organizations and functions which are related to the Georgetown Independent School District (the "District") and which are controlled by or dependent upon the District's governing body, the Board of Trustees (the "Board"). The Board, a seven member group, is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the Governmental Accounting Standards Board ("GASB"), since Board members are elected by the public and have decision making authority. There are no component units included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency's ("TEA") Financial Accountability System Resource Guide. These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

#### **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 District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

## **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 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 government considers revenues to be available if they are collected within sixty 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 are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues, interest income, and property taxes. Delinquent property taxes at year end that are not collected within sixty days of year end are reported as deferred revenue.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balances are considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The Capital Projects Fund includes the proceeds from the sale of bonds and other revenues to be used for authorized construction and other capital asset acquisitions.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds. The District uses project accounting to maintain integrity for the various sources of funds.

Fiduciary Funds are unbudgeted funds and are used to account for activities of student groups and other types of activities requiring clearing accounts. These funds have no equity, assets are equal to liabilities, and they do not include revenues and expenditures for general operations of the District.

### **Budgetary Information**

Budgets are prepared annually for the General Fund, Debt Service Fund, and Food Service Fund (special revenue fund) on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by June 20 and is adopted by the Board at a public meeting after ten days public notice of the meeting has been given. The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was amended by the Board as needed throughout the year. The instruction and the instructional resources and media services functions in the General Fund exceeded budgeted amounts by \$122,812 and \$7,285, respectively, for the year ended June 30, 2014.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, and encumbrances outstanding at that time are to be either canceled or provided for in the subsequent year's budget. There were no material outstanding encumbrances at June 30, 2014 that were provided for in the subsequent year's budget.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

Investments - Temporary investments throughout the year consisted of investments in external investment pools, a money market account, and certificates of deposit. The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policy. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, and furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. The District has no infrastructure assets. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000. Such assets are recorded at historical cost if purchased or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - 39 years, furniture and equipment - 5 to 7 years.

Inventories - Inventories in the General Fund consist of expendable supplies held for consumption. Inventories are charged to expenditures when consumed. Supply inventory is recorded at cost using the FIFO method.

Federal food commodities inventory is stated at fair value and at year end is recorded as unearned revenue. Revenue is recognized at fair value when commodities are distributed to the schools.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are charged to expenditures when consumed.

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

Accumulated Sick Leave Liability - The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the State minimum. The District's policy is not to provide reimbursement upon termination of employment with the District. Accordingly, no liability for accrued compensated absences has been established by the District.

Fund Equity - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See Note 8 for additional information on deferred outflows of resources.

## Recently Issued Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment to GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. The objective of GASB Statement No. 68 is to improve accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through certain trusts. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 68 also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB Statement No. 68 addresses the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Management is evaluating the effects that the full implementation of GASB Statement No. 68 will have on its financial statements for the year ended June 30, 2015.

In November 2013, the GASB issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective for fiscal years beginning after June 15, 2014. The objective of GASB Statement No. 71 is to address an issue regarding application of the transition provisions of GASB Statement No. 68 related to amounts associated with contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB Statement No. 71 requires that, at the time of transition to GASB Statement No. 68, a government recognize beginning deferred outflows of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Management is still evaluating the effects that the full implementation of GASB Statement No. 71 will have on its financial statements for the year ended June 30, 2015.

## 2. DEPOSITS, SECURITIES AND INVESTMENTS

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are preservation and safety of principal, liquidity and yield.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker's acceptance
- Commercial paper
- Money market funds and no-load mutual funds
- Guaranteed investment contracts
- Public funds investment pools

The District’s funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District’s agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (“FDIC”) insurance. Therefore, the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

At June 30, 2014, the carrying amount of the District’s deposits (cash and interest-bearing savings accounts included in temporary investments) was \$6,216,344 and the bank balance was \$6,557,836.

The District’s deposits with financial institutions at June 30, 2014 and during the year ended June 30, 2014 were entirely covered by FDIC insurance or by pledged collateral held by the District’s agent bank in the District’s name. The deposits were collateralized in accordance with Texas law and the TEA maintains copies of all safekeeping receipts in the name of the District.

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

- a) Name of depository bank: First Texas Bank and East West Bank
- b) Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$26,872,477
- c) Largest cash, savings and time deposit combined account balance amounted to \$24,586,658 and occurred during the month of June 2014.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$393,539.

Investments held at June 30, 2014 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor’s Rating
Local governmental investment pools:			
TexPool/TexPool Prime	\$ 16,811,513	1	AAAm
Lone Star	17,630,488	1	AAAm
Money market accounts and CDs:			
East West Bank - MM	3,000,653	1	N/A
East West Bank - Public CDs	14,006,681	248	N/A
Total	<u>\$ 51,449,335</u>		

The District had investments in two external local government investment pools at June 30, 2014: Texas Local Governmental Investment Pool (“TexPool”) and Lone Star Investment Pool (“Lone Star”). Although TexPool and Lone Star are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC’s Rule 2a7-of the Investment Company Act of 1940. These investments are stated at fair value which is the same as the value of the pool shares.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy, which is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manages daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

Lone Star is governed by an eleven member board of trustees, in which all of the members are also participants in Lone Star. The board meets quarterly to review operations, adopt or make changes to the investment policy, review financial activity and approve contractor agreements. Lone Star also has an advisory board consisting of participants and nonparticipants. RBC Dain Rauscher, Inc. is an independent consultant for Lone Star that reviews daily operations, analyzes all investment transactions for compliance with the Public Funds Investment Act, and performs monitoring activities. The Bank of New York provides custody and valuation services for Lone Star. American Beacon Advisors and Standish Mellon provide other investment management services. Lone Star’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

The investments are reported by the District at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Credit Risk - At June 30, 2014, investments were included in local government investment pools, money market accounts and certificates of deposit in compliance with the District’s investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the District’s name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty’s trust department or agent not in the District’s name. At June 30, 2014, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District’s total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. Government. At June 30, 2014, the District had 67% of its investments in local government investment pools and 33% in certificates of deposits and a money market account with East West Bank.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the investment policy requires the District to monitor interest rate risk using weighted average maturity and specific identification. Maturities of any individual investment owned by the District should not exceed one year from the time of purchase unless the Board specifically authorizes a longer maturity for a given investment, within legal limits. The District considers the holdings in the local government investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At June 30, 2014, the District was not exposed to significant interest rate risk.

### **3. APPRAISAL DISTRICT**

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the “Code”) which established a county-wide appraisal district and an appraisal review board in each county in the State. The Williamson Central Appraisal District (the “Appraisal District”) is responsible for the recording and appraisal of all property in the District. Under the Code, the District’s Board sets the tax rates on property and the Appraisal District’s tax department provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every four years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District’s fiscal year. The assessed value at January 1, 2013, upon which the October 2013 levy was based, was \$6,009,212,317. The District levied taxes based on a combined tax rate of \$1.398 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

In May 1993, the Texas Legislature passed Senate Bill 7. Senate Bill 7 significantly changed certain aspects of the school finance system relative to accountability, teacher appraisal, career ladder, funding allotments, district local share, distribution of Foundation School Funds, tax limitations and rollback tax provisions. Funding equalization for school districts is a major component of the bill. Districts with wealth per student in excess of \$319,500 are required to take action to bring their wealth down to the equalized State level. During the year ended June 30, 2014, the District was required to pay \$317,019 to purchase attendance credits to equalize its wealth per weighted average daily attendance (“WADA”). This purchase of WADA was made to the TEA and was incorporated into the District’s budget.



#### 4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. These amounts are reported in the basic financial statements as Due from Other Governments and are summarized below as of June 30, 2014.

	General Fund	Nonmajor Governmental Funds	Total
State entitlements	\$ 2,663,319	-	2,663,319
Federal and state grants	-	670,843	670,843
Other	24,261	-	24,261
Total	<u>\$ 2,687,580</u>	<u>670,843</u>	<u>3,358,423</u>

#### 5. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of June 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 366,766
	Capital Projects Fund	3,482
	Fiduciary Fund	23,817
Debt Service Fund	General Fund	19,227
		<u>\$ 413,292</u>

#### 6. UNEARNED REVENUE

At June 30, 2014, unearned revenue in governmental funds consisted of the following:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Federal and state grants	\$ 2,391,510	-	294,930	2,686,440
Other	6,915	4,478	-	11,393
Total	<u>\$ 2,398,425</u>	<u>4,478</u>	<u>294,930</u>	<u>2,697,833</u>

## 7. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,905,085	2,213	-	11,907,298
Construction in progress	<u>80,278,079</u>	<u>6,198,623</u>	<u>(84,454,319)</u>	<u>2,022,383</u>
Total capital assets, not being depreciated	<u>92,183,164</u>	<u>6,200,836</u>	<u>(84,454,319)</u>	<u>13,929,681</u>
Capital assets, being depreciated:				
Buildings and improvements	204,301,226	84,454,319	-	288,755,545
Furniture and equipment	<u>8,627,472</u>	<u>879,689</u>	<u>-</u>	<u>9,507,161</u>
Total capital assets being depreciated	<u>212,928,698</u>	<u>85,334,008</u>	<u>-</u>	<u>298,262,706</u>
Less accumulated depreciation for:				
Buildings and improvements	(61,185,032)	(7,334,385)	-	(68,519,417)
Furniture and equipment	<u>(5,596,185)</u>	<u>(479,445)</u>	<u>-</u>	<u>(6,075,630)</u>
Total accumulated depreciation	<u>(66,781,217)</u>	<u>(7,813,830)</u>	<u>-</u>	<u>(74,595,047)</u>
Total capital assets, being depreciated, net	<u>146,147,481</u>	<u>77,520,178</u>	<u>-</u>	<u>223,667,659</u>
Governmental activities capital assets, net	<u><u>\$ 238,330,645</u></u>	<u><u>83,721,014</u></u>	<u><u>(84,454,319)</u></u>	<u><u>237,597,340</u></u>

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental activities:**

Instruction	\$ 5,124,673
Instruction resources and media services	244,280
Instructional leadership	6,814
School leadership	172,094
Health services	21,987
Student transportation	395,267
Food services	592,874
Extracurricular activities	1,057,330
General administration	57,955
Facilities maintenance and operations	109,784
Data processing services	12,699
Community services	<u>18,073</u>
Total depreciation expense - governmental activities	<u><u>\$ 7,813,830</u></u>

**8. DEFERRED OUTFLOWS OF RESOURCES**

The following is a summary of changes in deferred outflows of resources for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Deferred charges on refundings	<u>\$ 7,763,128</u>	<u>-</u>	<u>(1,250,456)</u>	<u>6,512,672</u>

**9. LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
General obligation bonds	\$ 198,860,000	18,365,000	(7,675,000)	209,550,000
Premiums on bonds	16,795,974	1,477,281	(2,404,886)	15,868,369
Issuance discount on bonds	<u>(65,207)</u>	<u>-</u>	<u>32,603</u>	<u>(32,604)</u>
Total debt payable - principal	215,590,767	19,842,281	(10,047,283)	225,385,765
Accretion on capital appreciation bonds	<u>308,953</u>	<u>8,595</u>	<u>-</u>	<u>317,548</u>
Total debt payable	<u><u>\$ 215,899,720</u></u>	<u><u>19,850,876</u></u>	<u><u>(10,047,283)</u></u>	<u><u>225,703,313</u></u>

Bonded debt consists of the following at June 30, 2014:

General obligation bonds:

Series	Date of Issue	Amounts of Original Issue	Matures Through	Interest Rate	Outstanding at 6-30-14	Due Within One Year
2005	2-21-05	\$ 8,795,000	2017	3.00 - 5.00%	\$ 7,175,000	\$ -
2006	1-17-06	95,700,000	2015	3.50 - 5.00%	1,785,000	1,785,000
2010	5-19-10	1,830,000	2022	2.00 - 3.38%	1,580,000	180,000
2011	1-27-11	88,325,000	2035	2.00 - 5.00%	87,825,000	995,000
2011	4-27-11	2,905,000	2022	2.00 - 3.25%	2,465,000	285,000
2012	2-10-12	17,125,000	2035	1.20 - 4.75%	17,125,000	-
2013-A	2-20-13	61,195,000	2026	1.00 - 5.00%	60,870,000	-
2013-B	2-20-13	12,555,000	2020	0.44 - 3.00%	12,360,000	4,830,000
2013-C	12-18-13	18,365,000	2035	3.50 - 6.50%	18,365,000	-
Total		<u>\$ 306,795,000</u>			<u>\$ 209,550,000</u>	<u>\$ 8,075,000</u>

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District without limitation as to rate. The Texas Education Code generally prohibits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness exceeds \$0.50 per \$100 of assessed valuation of taxable property within the District. The District's debt service rate for tax year 2013 was \$0.318.

On December 18, 2013, the District issued \$18,365,000 in Variable Rate Unlimited Tax School Building Bonds, Series 2013-C, for the acquisition, construction, renovation, and equipment of school facilities in the District, including a new elementary school, new middle school and land for future facilities. The net proceeds of \$19,647,306 (after payment of \$194,975 in underwriting fees, insurance, and other issuance costs) were used for the following: \$19,200,000 was invested by the District to fund future construction and \$447,306 was deposited in the Debt Service Fund for future interest and principal payments and bond issuance costs. The 2013-C Bonds have a variable interest rate. The variable rate is locked at the initial rate of 3.50% for five years. The variable rate will then be re-marketed annually. The District's rate was 3.50% as of June 30, 2014.

The annual principal installments for each of the outstanding issues vary each year. As of June 30, 2014, the debt service requirements of bonded indebtedness to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	\$ 8,075,000	8,995,569	17,070,569
2016	8,660,000	8,582,291	17,242,291
2017	9,290,000	8,188,063	17,478,063
2018	9,640,000	7,826,500	17,466,500
2019	9,990,000	7,457,600	17,447,600
2020 - 2024	47,260,000	34,193,657	81,453,657
2025 - 2029	45,480,000	23,689,988	69,169,988
2030 - 2034	57,775,000	11,169,431	68,944,431
2035	13,380,000	348,375	13,728,375
Total	<u>\$ 209,550,000</u>	<u>110,451,474</u>	<u>320,001,474</u>

The outstanding Series 2012 Bonds include both Serial and Capital Appreciation Bonds. The interest shown above, with respect to the Capital Appreciation Bonds, includes the interest to be paid on bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years. The outstanding Series 2012 Bonds are multi-mode variable interest bonds and will bear interest at a per annum rate of 4.75% from the date of delivery through July 31, 2015. Thereafter, these bonds will bear interest at a term rate determined by the remarketing agent with a term rate period of one year unless a different rate period is specified by the District as provided in the bond order.

In prior years, the District defeased outstanding general obligation bonds through the Series 2012, Series 2013-A, and Series 2013-B Refunding Bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the District's financial statements. At June 30, 2014 outstanding bonds of \$76,545,000 are considered defeased.

As of June 30, 2014, general obligation bonds of \$28,000,000 were authorized by voters of the District, but unissued.

## 10. FUND BALANCES

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, amounts that are appropriated by the Board or Board designee that are to be used for specific purposes. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The detail of the fund balances are included in the Governmental Funds Balance Sheet on page 15.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated the authority to assign fund balance for a specific purpose to the Superintendent or the Assistant Superintendent for Business and Operations.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

## 11. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

For the year ended June 30, 2014, revenues from local and intermediate sources in governmental funds consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 63,461,644	18,683,746	-	-	82,145,390
Food service	-	-	-	1,778,179	1,778,179
Investment income	24,470	5,653	23,537	108	57,768
Penalties, interest, and other tax related income	275,517	79,219	-	-	354,736
Tuition and fees from patrons	1,519,046	-	-	-	1,519,046
Co-curricular student activities	367,307	-	-	-	367,307
Other	370,335	-	-	1,637,431	2,007,766
<b>Total</b>	<b>\$ 66,018,319</b>	<b>18,768,618</b>	<b>23,537</b>	<b>3,415,718</b>	<b>88,226,192</b>

## **12. PENSION PLAN OBLIGATIONS**

The District's employees participate in the Teacher Retirement System of Texas (the "System"), a public employee retirement system ("PERS"). 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 under the authority of provisions contained primarily in Texas Government Code, Title 8, Public Retirement Systems, Subtitle C, Teacher Retirement System of Texas, which is subject to amendment by the Texas Legislature. During the year ended June 30, 2014, contributions of \$3,860,407 were made by the State. These contributions made by the State on behalf of the District have been reflected in the accompanying basic financial statements as both revenue and expenditures. The System's annual financial report and other required disclosures are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 877-0123.

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.8% of the District's covered payroll. The District's employees' contributions to the System for the years ended June 30, 2014, 2013, and 2012 were approximately \$3,955,000, \$3,853,000, and \$4,064,000, respectively, which were equal to the required contributions for the years. Other contributions made from federal grants and from the District for salaries above the statutory minimum for the year ended June 30, 2014, 2013, and 2012 were approximately \$578,000, \$490,000, and \$608,000, respectively, which was equal to the required contributions for the year.

## **13. ON-BEHALF PAYMENTS**

The District recognizes as revenues and expenditures retiree drug subsidy reimbursements under the provisions of Medicare Part D made by the federal government to the System on behalf of the District. For the year ended June 30, 2014, reimbursements of \$167,276 were received by the System and allocated to the District.

## **14. SCHOOL DISTRICT RETIREE HEALTH PLAN**

Plan Description - The District contributes to the Texas Public School Retired Employees Group Insurance Program ("TRS-Care"), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the System. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.02 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The System issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of the System at 1000 Red River Street, Austin, Texas 78701.

Funding Policy - Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2012-2014.

Contribution Rates:

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2014	.65%	\$ 401,703	1.0%	\$ 309,002	.55%	\$ 339,902
2013	.65%	391,315	0.5%	301,011	.55%	331,112
2012	.65%	412,719	1.0%	634,953	.55%	349,224

**15. RISK MANAGEMENT**

The District’s risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers compensation and other miscellaneous bonds. During the year ended June 30, 2014, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

**16. SHARED SERVICES ARRANGEMENTS**

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) to operate a Juvenile Justice Alternative Education Program (“JJAEP”) in compliance with the Texas Education Code, Section 37.011 for the member districts listed below. All services are provided by the fiscal agent and the member districts provide the funds to the fiscal agent. The District has accounted for the fiscal agent’s activities of the SSA in a special revenue fund, SSA- JJAEP. Contributions from the SSA are summarized below:

Round Rock ISD	\$ 431,523
Georgetown ISD	296,445
Leander ISD	173,719
Taylor ISD	92,141
Hutto ISD	69,095
Jarrell ISD	34,511
Liberty Hill ISD	34,510
Florence ISD	5,191
Bartlett ISD	115
Thrall ISD	115
Total	<u>\$ 1,137,365</u>



## **17. COMMITMENTS AND CONTINGENCIES**

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, these programs are subject to financial and compliance audits. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

At June 30, 2014, the District is also committed under construction contracts with a remaining balance of \$16,809,351.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES**

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2014**

	211	212	224	225	240	244	255	263	280
	ESEA Title I, Part A Improving Basic Programs	ESEA Title I, Part C Education of Migratory Children	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical Basic Grant	ESEA Title II, Part A Teacher and Principal Training and Recruiting	Title III, Part A English Language Acquisition and Language Enhancement	Education for Homeless Children and Youth, Recovery Act
<b>Assets:</b>									
Cash and temporary investments	\$ -	1,170	-	-	374,209	-	-	-	-
Receivables:									
Due from other governments	231,092	-	291,360	3,371	53,693	9,296	66,310	9,040	1,964
Other	-	-	-	-	46,836	-	-	-	-
Inventory	-	-	-	-	144,409	-	-	-	-
Total assets	<u>\$ 231,092</u>	<u>1,170</u>	<u>291,360</u>	<u>3,371</u>	<u>619,147</u>	<u>9,296</u>	<u>66,310</u>	<u>9,040</u>	<u>1,964</u>
<b>Liabilities and fund balances:</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 7,673	-	29,318	-	42,034	-	2,584	787	1,081
Accrued wages payable	83,194	-	124,298	2,987	239,434	-	-	1,390	-
Due to other funds	140,225	-	137,744	384	2,048	9,296	63,726	6,863	883
Due to other governments	-	1,170	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	144,409	-	-	-	-
Total liabilities	<u>231,092</u>	<u>1,170</u>	<u>291,360</u>	<u>3,371</u>	<u>427,925</u>	<u>9,296</u>	<u>66,310</u>	<u>9,040</u>	<u>1,964</u>
<b>Fund balances:</b>									
Restricted	-	-	-	-	191,222	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 231,092</u>	<u>1,170</u>	<u>291,360</u>	<u>3,371</u>	<u>619,147</u>	<u>9,296</u>	<u>66,310</u>	<u>9,040</u>	<u>1,964</u>

(continued)

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (continued)**  
**June 30, 2014**

	289	385	397	404	410	459	461	499	
	<u>Summer School</u>	<u>State Supplemental Visually</u>	<u>Advanced Placement</u>	<u>Student Success Initiative</u>	<u>State Instructional Materials</u>	<u>SSA JJAEP</u>	<u>Campus Activity</u>	<u>Local Grants</u>	<u>Total Special Revenue Funds</u>
<b>Assets:</b>									
Cash and temporary investments	\$ -	-	-	-	155,444	230,987	319,299	33,296	1,114,405
Receivables:									
Due from other governments	-	4,717	-	-	-	-	-	-	670,843
Other	-	-	-	-	-	-	-	-	46,836
Inventory	-	-	-	-	-	-	-	-	144,409
Total assets	<u>\$ -</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>155,444</u>	<u>230,987</u>	<u>319,299</u>	<u>33,296</u>	<u>1,976,493</u>
<b>Liabilities and fund balances:</b>									
<b>Liabilities:</b>									
Accounts payable	\$ -	-	-	-	4,923	130	4,891	-	93,421
Accrued wages payable	-	-	-	-	-	96,759	-	-	548,062
Due to other funds	-	4,717	-	-	-	-	880	-	366,766
Due to other governments	-	-	-	-	-	-	-	-	1,170
Unearned revenue	-	-	-	-	150,521	-	-	-	294,930
Total liabilities	<u>-</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>155,444</u>	<u>96,889</u>	<u>5,771</u>	<u>-</u>	<u>1,304,349</u>
<b>Fund balances:</b>									
Restricted	-	-	-	-	-	-	-	-	191,222
Committed	-	-	-	-	-	-	313,528	-	313,528
Assigned	-	-	-	-	-	134,098	-	33,296	167,394
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,098</u>	<u>313,528</u>	<u>33,296</u>	<u>672,144</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>4,717</u>	<u>-</u>	<u>-</u>	<u>155,444</u>	<u>230,987</u>	<u>319,299</u>	<u>33,296</u>	<u>1,976,493</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended June 30, 2014**

	211	212	224	225	240	244	255	263	280
	ESEA Title I, Part A Improving Basic Programs	ESEA Title I, Part C Education of Migratory Children	IDEA - Part B, Formula	IDEA - Part B, Preschool	National School Breakfast and Lunch Program	Career and Technical Basic Grant	ESEA Title II, Part A Teacher and Principal Training and Recruiting	Title III, Part A English Language Acquisition and Language Enhancement	Education for Homeless Children and Youth, Recovery Act
<b>Revenues:</b>									
Local and intermediate sources	\$ -	-	-	-	1,778,287	-	-	-	-
State program revenues	-	-	-	-	26,040	-	-	-	-
Federal program revenues	1,354,019	-	1,415,932	17,773	3,561,098	93,913	225,064	158,645	3,121
Total revenues	1,354,019	-	1,415,932	17,773	5,365,425	93,913	225,064	158,645	3,121
<b>Expenditures:</b>									
Instruction	1,174,184	-	1,133,151	17,773	-	92,552	28,045	82,630	-
Instructional resources and media services	-	-	-	-	-	-	-	-	-
Curriculum and staff development	74,152	-	7,441	-	-	1,361	197,019	50,630	-
Instructional leadership	79,746	-	119	-	-	-	-	18,814	-
School leadership	-	-	-	-	-	-	-	-	-
Guidance, counseling and evaluation services	-	-	228,770	-	-	-	-	-	-
Social work services	10,928	-	-	-	-	-	-	-	3,121
Health services	-	-	-	-	-	-	-	-	-
Food services	-	-	-	-	5,382,533	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-
Data processing services	-	-	-	-	-	-	-	-	-
Community services	15,009	-	46,451	-	-	-	-	6,571	-
Facility acquisition and construction	-	-	-	-	-	-	-	-	-
Total expenditures	1,354,019	-	1,415,932	17,773	5,382,533	93,913	225,064	158,645	3,121
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(17,108)	-	-	-	-
Fund balances - beginning	-	-	-	-	208,330	-	-	-	-
Fund balances - ending	\$ -	-	-	-	191,222	-	-	-	-

(continued)

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Special Revenue Funds (continued)**  
**Year Ended June 30, 2014**

	289	385	397	404	410	459	461	499	Total Special Revenue Funds
	Summer School	State Supplemental Visually	Advanced Placement	Student Success Initiative	State Instructional Materials	SSA JJAEP	Campus Activity	Local Grants	
<b>Revenues:</b>									
Local and intermediate sources	\$ -	-	-	-	-	1,137,365	430,344	69,722	3,415,718
State program revenues	-	4,717	7,600	6,763	437,255	52,561	-	-	534,936
Federal program revenues	10,018	-	-	-	-	-	-	-	6,839,583
Total revenues	10,018	4,717	7,600	6,763	437,255	1,189,926	430,344	69,722	10,790,237
<b>Expenditures:</b>									
Instruction	10,018	4,717	-	6,763	437,255	739,292	354,924	32,501	4,113,805
Instructional resources and evaluation services	-	-	-	-	-	-	-	3,708	3,708
Curriculum and staff development	-	-	7,600	-	-	4,000	-	4,350	346,553
Instructional leadership	-	-	-	-	-	-	-	5,908	104,587
School leadership	-	-	-	-	-	200,910	-	-	200,910
Guidance, counseling and evaluation services	-	-	-	-	-	49,318	-	-	278,088
Social work services	-	-	-	-	-	76,343	-	3,467	93,859
Health services	-	-	-	-	-	42,426	-	-	42,426
Food services	-	-	-	-	-	-	-	-	5,382,533
General administration	-	-	-	-	-	25,000	12,016	-	37,016
Data processing services	-	-	-	-	-	2,400	-	-	2,400
Community services	-	-	-	-	-	-	-	-	68,031
Facility acquisition and construction	-	-	-	-	-	-	-	2,798	2,798
Total expenditures	10,018	4,717	7,600	6,763	437,255	1,139,689	366,940	52,732	10,676,714
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	50,237	63,404	16,990	113,523
Fund balances - beginning	-	-	-	-	-	83,861	250,124	16,306	558,621
Fund balances - ending	\$ -	-	-	-	-	134,098	313,528	33,296	672,144

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Major Governmental Fund - Debt Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES-</b>				
Local and intermediate sources	\$ 18,300,513	18,555,933	18,768,618	212,685
Total revenues	18,300,513	18,555,933	18,768,618	212,685
<b>EXPENDITURES-</b>				
Debt service	16,254,759	16,258,661	16,257,609	1,052
Total expenditures	16,254,759	16,258,661	16,257,609	1,052
Excess of revenues over expenditures	2,045,754	2,297,272	2,511,009	213,737
<b>OTHER FINANCING SOURCES-</b>				
Proceeds from sale of bonds	-	447,000	447,306	306
Net change in fund balance	2,045,754	2,744,272	2,958,315	214,043
Fund balance - beginning	8,943,293	8,943,293	8,943,293	-
Fund balance - ending	<u>\$ 10,989,047</u>	<u>11,687,565</u>	<u>11,901,608</u>	<u>214,043</u>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Nonmajor Special Revenue Fund - Food Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Year Ended June 30, 2014**

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Local and intermediate sources	\$ 1,815,750	1,815,750	1,778,287	(37,463)
State program revenues	26,000	26,000	26,040	40
Federal program revenues	3,104,861	3,639,668	3,561,098	(78,570)
Total revenues	4,946,611	5,481,418	5,365,425	(115,993)
<b>EXPENDITURES-</b>				
Food services	4,946,611	5,425,261	5,382,533	42,728
Total expenditures	4,946,611	5,425,261	5,382,533	42,728
Excess (deficiency) of revenues over (under) expenditures	-	56,157	(17,108)	(73,265)
Fund balance - beginning	208,330	208,330	208,330	-
Fund balance - ending	\$ 208,330	264,487	191,222	(73,265)



## **OTHER SCHEDULES**

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Delinquent Taxes Receivable**  
**Year Ended June 30, 2014**

<b>Years Ended</b>	<b>Tax Rates</b>		<b>Assessed/ Appraised Value for School Tax Purposes</b>	<b>Beginning Balance 6/30/2013</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Total Collections</b>	<b>Debt Service Total Collections</b>	<b>Entire Year's Adjustment</b>	<b>Ending Balance 6/30/2014</b>
	<b>Maintenance</b>	<b>Debt Service</b>							
2005 and prior	Various	Various	\$ -	\$ 173,059	-	1,133	197	(34,853)	136,876
2006	1.5000	0.2550	3,442,301,140	8,328	-	2,958	503	-	4,867
2007	1.3700	0.2550	3,938,047,569	81,422	-	4,571	851	-	76,000
2008	1.0400	0.2500	4,543,813,023	55,113	-	6,076	1,460	(35)	47,542
2009	1.0400	0.2500	5,121,312,943	85,563	-	7,333	1,763	(14,377)	62,090
2010	1.0400	0.2500	5,222,131,705	126,853	-	4,976	1,196	(5,686)	114,995
2011	1.0400	0.2500	5,301,848,322	155,891	-	10,074	2,421	(5,559)	137,837
2012	1.0400	0.3180	5,478,150,116	181,760	-	14,868	4,546	(12,983)	149,363
2013	1.0800	0.3180	5,758,004,414	1,539,610	-	956,893	281,752	(86,492)	214,473
2014	1.0800	0.3180	6,009,212,317	-	81,872,723	62,618,214	18,437,585	605,548	1,422,472
<b>Totals</b>				<b>\$ 2,407,599</b>	<b>81,872,723</b>	<b>63,627,096</b>	<b>18,732,274</b>	<b>445,563</b>	<b>2,366,515</b>

**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**EXHIBIT L-1 - REQUIRED RESPONSES TO SELECTED**  
**SCHOOL FIRST INDICATORS**  
**As of June 30, 2014**

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<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 unmodified opinion in the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Was there any disclosure in the Annual Financial Report of material noncompliance?	No
SF10	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end:	\$ 317,548

**FEDERAL AWARDS SECTION**



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**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**

The Board of Trustees of  
Georgetown 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Georgetown Independent School District (the "District"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2014.

**Internal Control Over Financial Reporting**

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

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"

This firm is not a CPA firm

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maxwell Locke + Ritter LLP*

Austin, Texas  
October 16, 2014



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

The Board of Trustees of  
Georgetown Independent School District:

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

We have audited Georgetown Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of 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, regulations, 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"  
This firm is not a CPA firm

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Maxwell Socha + Ritter LLP*

Austin, Texas  
October 16, 2014



**GEORGETOWN INDEPENDENT SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2014**

<u>Project Number</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<b><u>Passed Through Texas Education Agency:</u></b>			
14610101246904	Title I Grants to Local Educational Agencies	84.010A	\$ 1,354,019
146600012469046000	Special Education_Grants to States	84.027A	1,415,932
146610012469046000	Special Education_Preschool Grants	84.173A	17,773
14420006246904	Career and Technical Education - Basic Grants to States	84.048A	93,913
14694501246904	Improving Teacher Quality State Grants	84.367A	225,064
14671001246904	English Language Acquisition State Grants	84.365A	158,645
69551302	Grants for State Assessments and Related Activities	84.369A	10,018
<b><u>Passed Through Education Service Center Region 10-</u></b>			
00-006	Education for Homeless Children and Youth, Recovery Act	84.387A	<u>3,121</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<u>3,278,485</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<b><u>Passed Through Texas Education Agency:</u></b>			
71301401	National School Lunch Program	10.555	2,142,885
71401401	School Breakfast Program	10.553	810,440
<b><u>Passed Through Texas Department of Agriculture-</u></b>			
01148	Child and Adult Care Food Program	10.558	249,369
<b><u>Passed Through the Texas Department of Human Services-</u></b>			
	Non-cash assistance - Food Distribution Program	10.555	<u>358,404</u>
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>3,561,098</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$ 6,839,583</u></u>

The accompanying notes are an integral part of this schedule.

# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**General** - The accompanying schedule of expenditures of federal awards presents all federal expenditures of the Georgetown Independent School District (the "District").

**Basis of Accounting** - The expenditures on the accompanying schedule of expenditures of federal awards are presented using the modified accrual basis of accounting, with the exception of the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, and the Food Distribution Program. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable, and expenditures in the accounting period in which the fund liability is incurred, if measurable. Expenditures in the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, and the Food Distribution Program are not specifically attributable to this revenue source and are shown on the accompanying schedule of expenditures of federal awards in an amount equal to revenue for balancing purposes only.

**Relationship to Basic Financial Statements** - Expenditures of federal awards are reported in the District's basic financial statements in the special revenue funds.

**Relationship to Federal Financial Reports** - Amounts reported in the accompanying schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports in all significant respects.

**Valuation of Non-cash Programs** - The District values revenues and expenditures for the Food Distribution Program based on the value of commodities received.

# GEORGETOWN INDEPENDENT SCHOOL DISTRICT

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2014

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### SECTION I - SUMMARY OF AUDITORS' RESULTS

#### FINANCIAL STATEMENTS

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

#### FEDERAL AWARDS

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiencies identified that are not considered to be material weaknesses?  yes  none reported

Type of auditors' report issued on compliance for major federal programs:

Title I Grants to Local Educational Agencies unmodified

Child Nutrition Cluster unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  yes  no

Identification of major federal programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.010A	Title I Grants to Local Educational Agencies
	Child Nutrition Cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Distribution Program

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes  no

# **GEORGETOWN INDEPENDENT SCHOOL DISTRICT**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2014**

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### **SECTION II - FINANCIAL STATEMENT FINDINGS**

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the years ended June 30, 2014 and 2013.

### **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs required to be reported in accordance with section 510(a) of OMB Circular A-133 for the years ended June 30, 2014 and 2013.