



**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

**FOR THE YEAR ENDED
AUGUST 31, 2013**

SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2013

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CERTIFICATE OF BOARD

Schertz-Cibolo-Universal City Independent School District
Name of School District

Guadalupe
County

094-902
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 August 31, 2013, at a meeting of the Board of Trustees of such school district on the 19th of December 2013.



Signature of Board Secretary



Signature of Board President

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

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Schertz-Cibolo-Universal City
Independent School District
Schertz, Texas

Members of the Board:

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 the Schertz-Cibolo-Universal City Independent School District, (the District), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 August 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 5–12 and 42–43 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 required TEA schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining statements, required TEA 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 statements, required TEA 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 December 10, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
December 10, 2013

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**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

MANAGEMENT'S DISCUSSION AND ANALYSIS

AUGUST 31, 2013

As Management of Schertz-Cibolo-Universal City Independent School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2013. This information is not intended to be a complete statement of the District's financial condition. We recommend and encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- At August 31, 2013, the District's net position was \$10,648,077.
- For the year ended August 31, 2013, the District recorded total revenues of \$117,319,840 and total expenses of \$117,412,293. The District's revenues are derived from ad valorem tax collections, State Foundation Program entitlements and other grants, sale of food to students and employees, and other miscellaneous sources.
- The General Fund reported an increase in fund balance of \$8,791,115, from \$34,053,201 at August 31, 2012, to \$42,844,316 at August 31, 2013.
- The Capital Projects Fund reported an increase in fund balance of \$33,495,350, from \$1,495,470 at August 31, 2012, to \$34,990,820 at August 31, 2013.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The statement of net position includes all of the District's assets and liabilities. All of the current period's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net position and how they have changed. Net position are the difference between the District's assets and liabilities and are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating. To assess overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, staffing patterns, enrollment and attendance.

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services such as instruction, extracurricular activities, curriculum and staff development, health services, general administration and plant operation and maintenance are included in governmental activities. Local assessed property taxes, together with State Foundation Program entitlements, which are based upon student enrollment and attendance, finance most of the governmental activities.

FUND FINANCIAL STATEMENTS

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

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

The District reports the following types of funds:

Governmental Funds – Most of the District's basic services are included in governmental funds, which focus on 1) how *cash and other financial assets* that can readily be converted to cash flow in and out; and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

Fiduciary Funds – The District serves as the trustee, or *fiduciary*, for certain funds such as scholarship and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its governmental operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District’s net position was \$10,648,077 at August 31, 2013. Table 1 focuses on the net position while Table 2 shows the revenues and expenses that changed the net position balance during the year ended August 31, 2013.

TABLE 1
SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT
NET POSITION

	Governmental Activities		Change	Percentage Change 2013-2012
	2013	2012		
Current and other assets	\$ 98,227,016	\$ 53,441,022	\$ 44,785,994	83.80%
Capital assets	<u>252,482,978</u>	<u>260,748,979</u>	<u>(8,266,001)</u>	<u>(3.17%)</u>
Total assets	<u>350,709,994</u>	<u>314,190,001</u>	<u>36,519,993</u>	<u>11.62%</u>
Other liabilities	7,487,266	6,933,579	553,687	7.99%
Long-term liabilities	<u>332,574,651</u>	<u>296,515,892</u>	<u>36,058,759</u>	<u>12.16%</u>
Total liabilities	<u>340,061,917</u>	<u>303,449,471</u>	<u>36,612,446</u>	<u>12.07%</u>
Net position:				
Net investment in capital assets	5,115,563	9,407,516	(4,291,953)	(45.62%)
Restricted	7,234,520	5,977,311	1,257,209	21.03%
Unrestricted	<u>(1,702,006)</u>	<u>(4,644,297)</u>	<u>2,942,291</u>	<u>(63.35%)</u>
Total net position	<u>\$ 10,648,077</u>	<u>\$ 10,740,530</u>	<u>\$ (92,453)</u>	<u>(0.86%)</u>

TABLE 2**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT****CHANGES IN NET POSITION**

	Governmental Activities		Change	Percentage
	2013	2012		Change
REVENUES				
Program revenues:				
Charges for services	\$ 3,492,955	\$ 3,488,975	\$ 3,980	0.11%
Operating grants and contributions	14,656,584	13,305,888	1,350,696	10.15%
General revenues:				
Property taxes	54,825,281	50,686,822	4,138,459	8.16%
Grants and contributions not restricted	44,151,202	44,311,136	(159,934)	(0.36%)
Investment earnings	73,356	95,297	(21,941)	(23.02%)
Other revenues	120,462	169,298	(48,836)	(28.85%)
Total revenues	<u>117,319,840</u>	<u>112,057,416</u>	<u>5,262,424</u>	<u>4.70%</u>
EXPENSES				
Instruction	60,488,237	57,850,463	2,637,774	4.56%
Instructional resources and media services	1,568,925	1,568,957	(32)	(0.00%)
Curriculum and staff development	1,809,368	1,467,403	341,965	23.30%
Instructional leadership	770,341	841,030	(70,689)	(8.41%)
School leadership	5,610,138	5,275,664	334,474	6.34%
Guidance and counseling	3,503,316	3,353,393	149,923	4.47%
Social work services	167,865	186,600	(18,735)	(10.04%)
Health services	1,118,231	1,051,319	66,912	6.36%
Student transportation	3,851,227	3,713,204	138,023	3.72%
Food services	4,825,117	4,581,691	243,426	5.31%
Extracurricular activities	3,874,368	3,678,647	195,721	5.32%
General administration	2,770,135	2,625,547	144,588	5.51%
Plant maintenance and operations	10,877,666	11,295,232	(417,566)	(3.70%)
Security and monitoring services	400,379	426,794	(26,415)	(6.19%)
Data processing services	1,229,653	1,100,877	128,776	11.70%
Community services	223,449	199,374	24,075	12.08%
Interest, issuance costs and fees on debt	13,681,078	14,490,272	(809,194)	(5.58%)
Other governmental charges	642,800	575,182	67,618	11.76%
Total expenses	<u>117,412,293</u>	<u>114,281,649</u>	<u>3,130,644</u>	<u>2.74%</u>
INCREASE (DECREASE) IN NET POSITION	(92,453)	(2,224,233)	2,131,780	95.84%
NET POSITION, BEGINNING	<u>10,740,530</u>	<u>12,964,763</u>	<u>(2,224,233)</u>	<u>(17.16%)</u>
NET POSITION, ENDING	<u>\$ 10,648,077</u>	<u>\$ 10,740,530</u>	<u>\$ (92,453)</u>	<u>(0.86%)</u>

Governmental Activities

Total revenues for the District increased \$5.3 million, or 4.70%, as well as expenses increased \$3.1 million, or 2.74%.

Significant factors affecting the change in net position included:

- Operating grants and contributions increased \$1.4 primarily due to the state textbook program.
- The District’s tax rate increased to \$1.46 for every \$100 of assessed valuation. At the same time, the total taxable valuation increased by a total of \$215 million. The result of the increase in property tax collections resulted in an increase in property tax revenue of \$4.1 million.
- Expenses increased \$3.1 million from the prior period. The most significant functional change was the increase in instructional costs of \$2,637,774, due primarily to a 3% salary increase on the mid-point for all employees and the hiring of approximately 25 additional teachers.

The District records its expenses in various cost centers or “functions” in accordance with the requirements of the Texas Education Agency. Table 3 presents the cost of each of the functions with the largest expense totals together with that function’s net cost (total cost less fees and grants that are directly attributable to that function). The net cost of each function reflects what was funded primarily from State Foundation Program and tax revenues.

TABLE 3

**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT’S**

TOTAL AND NET COST OF SELECTED EXPENSE FUNCTIONS

Description	Total Cost of Services		Net Cost of Services		Percent Change
	2013	2012	2013	2012	
Instruction	\$ 60,488,237	\$ 57,850,463	\$ 53,002,148	\$ 50,672,396	4.60%
Plant maintenance and operations	10,877,666	11,295,232	10,592,756	11,025,363	(3.92%)
School leadership	5,610,138	5,275,664	5,347,489	5,022,718	6.47%
Extracurricular activities	3,874,368	3,678,647	2,807,251	2,564,685	9.46%
Guidance and counseling	3,503,316	3,353,393	3,313,312	3,167,110	4.62%
Student transportation	3,851,227	3,713,204	3,725,958	3,591,558	3.74%
General administration	2,770,135	2,625,547	2,671,736	2,523,210	5.89%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At the close of the reporting period, August 31, 2013, the District's combined governmental funds (as presented in the balance sheet on page 15 of this report) reported a combined fund balance of \$86,164,753. This compares to a combined fund balance of \$42,507,017 at August 31, 2012. The General Fund increased its fund balance a total of \$8,791,115. The Debt Service Fund increased its fund balance a total of \$1,450,190. The Capital Projects Fund increased its ending fund balance \$33,495,350.

General Fund Budgetary Highlights

In accordance with state law and generally accepted accounting standards, the District prepares an annual budget for the General Fund, the Food Service Special Revenue Fund, and for the Debt Service Fund. The District budgets the Capital Projects Fund for each project, which normally covers multiple years. Special Revenue Funds have budgets approved by the funding agency and are amended throughout the year as required.

During the period ended August 31, 2013, the District prepared and amended its budget as required by state law prudent operating procedures. The District strives diligently to adjust its budget to reflect current levels of both revenues and expenditures. District officials have adopted a conservative approach to budgeting anticipated revenues and expenditures and make a good faith effort to amend the budget as changes occur.

The District's Board of Trustees is required by state law to formally adopt budgets for the General Fund, the Debt Service Fund and the Food Service (Special Revenue) Fund, and to amend those budgets as needed to avoid over expending any functional expenditure category. The District was in compliance with this requirement and, at the close of the fiscal year; all functional expenditure categories had positive budgetary variances. The General Fund had an overall positive budget variance of \$628,258, the Food Service Fund had a positive variance of \$115,541, and the Debt Service Fund had a positive variance of \$5,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets are generally defined as those items that have useful lives of one year or more and have an initial cost or value (if donated) of \$5,000, an amount determined by the Board. The cost or acquisition value, less accumulated depreciation, of the District's capital assets is recorded and displayed in the government-wide financial statements but not in the fund financial statements. Depreciation is calculated using the straight-line method with estimated useful lives as recommended by the Comptroller of Public Accounts of the State of Texas.

At August 31, 2013, the District had a total of \$335,508,360 invested in capital assets (land, buildings, vehicles and equipment). Of this amount, the District invested a total of \$1,173,934 in the year ended August 31, 2013. For fiscal year 2013, a total of \$9,411,849 was charged as depreciation, and at August 31, 2013, the total accumulated depreciation in the District's depreciable assets totaled \$83,025,382.

Table 4 summarizes the District’s capital assets at August 31, 2013. More detailed information regarding the District’s capital assets is presented in the Notes to the Financial Statements.

TABLE 4
SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT’S
CAPITAL ASSETS AND DEPRECIATION AT YEAR-END

	Governmental Activities		Changes	Percentage
	2013	2012		Change
Land	\$ 24,172,872	\$ 24,038,139	\$ 134,733	0.56%
Construction in progress	1,218,421	815,606	402,815	49.39%
Buildings and improvements	294,215,067	293,933,991	281,076	0.10%
Equipment	6,303,599	6,045,520	258,079	4.27%
Vehicles	8,123,915	8,167,806	(43,891)	(0.54%)
Infrastructure	1,474,486	1,474,486	-	-
Total historical cost	335,508,360	334,475,548	1,032,812	3.83%
Accumulated depreciation	83,025,382	73,726,569	9,298,813	12.61%
Total capital assets	<u>\$ 252,482,978</u>	<u>\$ 260,748,979</u>	<u>\$(8,266,001)</u>	<u>(3.17%)</u>

Long-term Debt

At August 31, 2013, the District had bond issues outstanding of which the unpaid principal totaled \$295,895,515. Of this total, \$69,440,515 represents the original principal amount capital appreciation bonds, upon which no interest is paid until the maturity of the bond. At August 31, 2013, a total of \$33,145,429 interest had been “accreted” and is included in the accompanying government-wide financial statements as a long-term payable.

Interest on the outstanding bonds is payable semi-annually. Interest earned but not paid at the end of the year is “accrued” and is included in the government-wide statements as a payable and as an expense. This interest accrual was \$953,281 at August 31, 2013, and \$777,060 at August 31, 2012. Since this will be due and payable in February of the following fiscal year, the accrued interest on bonds is included as a “current liability” in the accompanying government-wide statements.

Table 5 summarizes the District’s outstanding debt at August 31, 2013. More detailed information regarding the District’s debt obligations is presented in the notes to the financial statements.

TABLE 5**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT'S ANALYSIS OF DEBT AT YEAR-END**

Description of Debt Outstanding	Governmental Activities		Changes	Percentage
	2013	2012		Change 2013-2012
Bonds payable	\$ 295,895,515	\$ 265,495,515	\$ 30,400,000	11.45%
Accreted interest on bonds	33,145,429	28,861,720	4,283,709	14.84%
Deferred loss on refunding	(3,429,763)	(3,594,857)	165,094	(4.59%)
Premium/discount on bonds	6,291,767	5,092,984	1,198,783	23.54%
Compensated absences	<u>671,703</u>	<u>660,530</u>	<u>11,173</u>	<u>1.69%</u>
Total long-term debt	\$ <u>332,574,651</u>	\$ <u>296,515,892</u>	\$ <u>36,058,759</u>	<u>12.16%</u>

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS

The following factors were considered in establishing the District's budget for 2013-2014:

- Student enrollment and attendance for 2013-2014 is projected to increase by 3.5%. The budget is based on an enrollment projection of 14,078 students. Average daily attendance is estimated to increase from 13,064 to 13,515 in 2013-2014.
- Property values for ad valorem tax purposes are projected to increase by \$186 million or 5.32% for 2013-2014 as compared to the taxable values for 2012-2013. The District's maintenance and operations tax rate remained at \$1.04 and the interest and sinking tax rate increased to \$0.45 due to increased bond principal and interest payments.
- Appropriations for the 2013-2014 General Fund budget increased over the appropriations for 2012-2013 General Fund budget by \$6.6 million. The increase is attributable to increases in personnel costs, including a salary increase for all employees and approximately 74 new positions.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our clients, taxpayers, students and creditors with a general overview of the District's finances and to demonstrate the District's commitment to accountability for the resources it receives. If you have any questions about this report or need additional financial information, contact Peggy Jaskinia, Chief Financial Officer at (210) 945-6260.

BASIC FINANCIAL STATEMENTS

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2013

Data Control Codes	1 <u>Primary Government</u> Governmental Activities
ASSETS	
1110 Cash and cash equivalents	\$ 3,587,206
1120 Current investments	90,377,102
1220 Delinquent property taxes receivables	1,286,914
1230 Allowance for uncollectible taxes (credit)	(190,887)
1240 Due from other governments	103,569
1250 Accrued interest	10,162
1290 Other receivables (net)	26,355
1300 Inventories	143,548
1420 Capital bond and other debt issuance costs	2,883,047
Capital assets:	
1510 Land	24,172,872
1520 Buildings and improvements, net	220,425,325
1530 Furniture and equipment, net	5,413,048
1580 Construction in progress	1,218,421
1590 Infrastructure, net	<u>1,253,312</u>
1000 Total assets	<u>350,709,994</u>
LIABILITIES	
2110 Accounts payable	998,139
2140 Interest payable	953,281
2150 Payroll deductions and withholdings	531,282
2160 Accrued wages	3,228,315
2180 Due to other governments	1,331,330
2300 Unearned revenue	444,919
Noncurrent liabilities:	
2501 Due within one year	12,828,631
2502 Due in more than one year	<u>319,746,020</u>
2000 Total liabilities	<u>340,061,917</u>
NET POSITION	
3200 Net investment in capital assets	5,115,563
Restricted for:	
3820 Federal and state programs	1,477,103
3850 Debt service	5,757,417
3900 Unrestricted	<u>(1,702,006)</u>
3000 Total net position	<u>\$ 10,648,077</u>

The accompanying notes are an integral part of this financial statement.

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Functions/Programs	Program Revenues			Net (Expenses)
		1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	6 Revenue Changes in Net Position Primary Government Governmental Activities
Primary government:					
Governmental activities:					
11	Instruction	\$ 60,488,237	\$ 99,968	\$ 7,386,121	\$(53,002,148)
12	Instructional resources and media services	1,568,925	-	175,978	(1,392,947)
13	Curriculum and staff development	1,809,368	-	210,493	(1,598,875)
21	Instructional leadership	770,341	-	54,559	(715,782)
23	School leadership	5,610,138	-	262,649	(5,347,489)
31	Guidance, counseling, and evaluation services	3,503,316	-	190,004	(3,313,312)
32	Social work services	167,865	-	8,326	(159,539)
33	Health services	1,118,231	-	52,227	(1,066,004)
34	Student transportation	3,851,227	-	125,269	(3,725,958)
35	Food service	4,825,117	2,407,239	1,936,604	(481,274)
36	Extracurricular activities	3,874,368	985,748	81,369	(2,807,251)
41	General administration	2,770,135	-	98,399	(2,671,736)
51	Facilities maintenance and operations	10,877,666	-	284,910	(10,592,756)
52	Security and monitoring services	400,379	-	1,892	(398,487)
53	Data processing services	1,229,653	-	26,870	(1,202,783)
61	Community services	223,449	-	106,000	(117,449)
72	Interest on long-term debt	13,552,370	-	3,654,914	(9,897,456)
73	Bond issuance costs and fees	128,708	-	-	(128,708)
99	Other governmental changes	642,800	-	-	(642,800)
TG	Total governmental activities	<u>117,412,293</u>	<u>3,492,955</u>	<u>14,656,584</u>	<u>(99,262,754)</u>

Data
Control
Codes

General revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	39,072,169
DT	Property taxes, levied for debt service	15,753,112
GC	Grants and contributions not restricted to specific programs	44,151,202
IE	Investment earnings	73,356
MI	Miscellaneous	<u>120,462</u>
TR	Total general revenues	<u>99,170,301</u>
CN	Change in net position	(92,453)
NB	Net position, beginning	<u>10,740,530</u>
NE	Net position, ending	<u>\$ 10,648,077</u>

The accompanying notes are an integral part of this financial statement.

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

AUGUST 31, 2013

Data Control Codes	10 General	50 Debt Service	60 Capital Projects	98 Other Governmental	Total Governmental Funds
ASSETS					
1110	\$ 2,844,522	\$ 654	\$ 671	\$ 740,999	\$ 3,586,846
1120	40,233,433	6,434,979	40,791,252	1,788,629	89,248,293
1220	963,870	323,044	-	-	1,286,914
1230	(142,910)	(47,977)	-	-	(190,887)
1240	-	-	-	103,569	103,569
1250	10,162	-	-	-	10,162
1260	5,863,508	-	-	-	5,863,508
1290	26,355	-	-	-	26,355
1300	143,548	-	-	-	143,548
1000	<u>\$ 49,942,488</u>	<u>\$ 6,710,700</u>	<u>\$ 40,791,923</u>	<u>\$ 2,633,197</u>	<u>\$ 100,078,308</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	\$ 627,119	\$ -	\$ 1,103	\$ 172,798	\$ 801,020
2150	531,282	-	-	-	531,282
2160	3,184,674	-	-	43,641	3,228,315
2170	560,903	-	5,800,000	127,552	6,488,455
2180	1,331,330	-	-	-	1,331,330
2300	862,864	272,866	-	397,423	1,533,153
2000	<u>7,098,172</u>	<u>272,866</u>	<u>5,801,103</u>	<u>741,414</u>	<u>13,913,555</u>
Fund balances:					
Nonspendable:					
3410	143,548	-	-	-	143,548
Restricted for:					
3450	-	-	-	1,477,103	1,477,103
3470	-	-	34,990,820	-	34,990,820
3480	-	6,437,834	-	-	6,437,834
Committed for:					
3545	-	-	-	414,680	414,680
Assigned for:					
3550	3,780,155	-	-	-	3,780,155
3570	1,623,783	-	-	-	1,623,783
3600	37,296,830	-	-	-	37,296,830
	<u>42,844,316</u>	<u>6,437,834</u>	<u>34,990,820</u>	<u>1,891,783</u>	<u>86,164,753</u>
4000	<u>\$ 49,942,488</u>	<u>\$ 6,710,700</u>	<u>\$ 40,791,923</u>	<u>\$ 2,633,197</u>	<u>\$ 100,078,308</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION**

AUGUST 31, 2013

Total fund balances - governmental funds	\$ 86,164,753
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.	252,482,978
Uncollected property taxes are reported as deferred revenue in the governmental funds balance sheet, but are recognized as a revenue in the statement of activities.	1,088,234
Long-term liabilities, including bonds and loans payable, are not due and payable in the current period and therefore are not reported in the funds. Losses on refunding of bonds and the premium on issuance of bonds payable are netted against the long-term liabilities in the statement of net position.	(332,574,651)
Interest payable is not due and payable in the current period and, therefore, is not reported as a liability in the governmental funds.	(953,281)
Bond issuance costs are reported in the governmental funds as an expenditure and the costs net of amortization are reported as an asset in the statement of net position.	2,883,047
Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation insurance to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities.	<u>1,556,997</u>
Net position of governmental activities	\$ <u><u>10,648,077</u></u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	10 General	50 Debt Service	60 Capital Projects	Other Governmental	98 Total Governmental Funds
REVENUES					
5700 Local and intermediate sources	\$ 39,599,194	\$ 15,724,355	\$ 1,714	\$ 3,069,812	\$ 58,395,075
5800 State programs	47,851,833	3,654,914	-	1,361,159	52,867,906
5900 Federal programs	1,166,055	-	-	4,735,749	5,901,804
5020 Total revenues	<u>88,617,082</u>	<u>19,379,269</u>	<u>1,714</u>	<u>9,166,720</u>	<u>117,164,785</u>
EXPENDITURES					
Current:					
0011 Instruction	52,327,650	-	-	3,728,042	56,055,692
0012 Instructional resources and media services	1,038,474	-	-	131,320	1,169,794
0013 Curriculum and staff development	1,684,371	-	-	142,749	1,827,120
0021 Instructional leadership	747,572	-	-	22,769	770,341
0023 School leadership	5,446,804	-	-	-	5,446,804
0031 Guidance, counseling, and evaluation services	3,415,126	-	-	29,538	3,444,664
0032 Social work services	167,865	-	-	-	167,865
0033 Health services	1,042,294	-	-	-	1,042,294
0034 Student transportation	3,253,070	-	-	7,471	3,260,541
0035 Food service	-	-	-	4,368,426	4,368,426
0036 Extracurricular activities	2,523,569	-	-	667,881	3,191,450
0041 General administration	2,677,461	-	59,789	445	2,737,695
0051 Facilities maintenance and operations	8,957,543	-	94,993	46,798	9,099,334
0052 Security and monitoring services	391,148	-	-	-	391,148
0053 Data processing services	1,207,973	-	-	-	1,207,973
0061 Community services	117,449	-	-	106,000	223,449
Debt service:					
0071 Principal on long-term debt	-	9,545,000	-	-	9,545,000
0072 Interest on long-term debt	-	9,176,161	-	-	9,176,161
0073 Bond issuance costs and fees	-	112,116	488,400	-	600,516
0081 Capital outlay	-	-	551,582	-	551,582
Intergovernmental:					
0099 Other intergovernmental charges	642,800	-	-	-	642,800
6030 Total expenditures	<u>85,641,169</u>	<u>18,833,277</u>	<u>1,194,764</u>	<u>9,251,439</u>	<u>114,920,649</u>
1100 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,975,913</u>	<u>545,992</u>	<u>(1,193,050)</u>	<u>(84,719)</u>	<u>2,244,136</u>
OTHER FINANCING SOURCES (USES)					
7911 Capital-related debt issued	-	2,395,000	40,000,000	-	42,395,000
7912 Sale of real or personal property	15,202	-	-	5,800	21,002
7915 Transfers in	5,800,000	-	-	114	5,800,114
7916 Premium on issuance of bonds	-	971,627	488,400	-	1,460,027
8911 Transfers out	-	-	(5,800,000)	(114)	(5,800,114)
8940 Payment to bond refunding escrow agent	-	(2,462,429)	-	-	(2,462,429)
7080 Total other financing sources (uses)	<u>5,815,202</u>	<u>904,198</u>	<u>34,688,400</u>	<u>5,800</u>	<u>41,413,600</u>
1200 NET CHANGE IN FUND BALANCES	8,791,115	1,450,190	33,495,350	(78,919)	43,657,736
0100 FUND BALANCES, BEGINNING	<u>34,053,201</u>	<u>4,987,644</u>	<u>1,495,470</u>	<u>1,970,702</u>	<u>42,507,017</u>
3000 FUND BALANCES, ENDING	<u>\$ 42,844,316</u>	<u>\$ 6,437,834</u>	<u>\$ 34,990,820</u>	<u>\$ 1,891,783</u>	<u>\$ 86,164,753</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED AUGUST 31, 2013

Net change in fund balances - total governmental funds	\$ 43,657,736
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(8,265,999)
In the statement of activities, only the gain on the sale of the land is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(2)
Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	134,055
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. This is the amount by which proceeds exceeded repayments.	(31,847,598)
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.	
Amortization of bond issuance cost	471,808
Amortization of deferred loss on refunding	(250,826)
Amortization of bond premium	334,547
Interest expense	(176,221)
Accretion of interest on capital appreciation bonds	(4,283,709)
Compensated absences	<u>(11,173)</u>
	(3,915,574)
Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation insurance to individual funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities.	<u>144,929</u>
Change in net position of governmental activities	\$ <u><u>92,453</u></u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

AUGUST 31, 2013

	<u>Governmental Activities Workers' Compensation Insurance</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 360
Investments	1,128,809
Due from other funds	<u>624,947</u>
Total current assets	<u>1,754,116</u>
LIABILITIES	
Current liabilities:	
Accounts payable	2,773
Short term debt payable	<u>194,346</u>
Total current liabilities	<u>197,119</u>
NET POSITION	
Unrestricted	<u>1,556,997</u>
Total net position	\$ <u>1,556,997</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

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

PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	Governmental Activities
	<u>Workers' Compensation Insurance</u>
OPERATING REVENUES	
Charges for services	\$ 624,980
Total operating revenues	<u>624,980</u>
OPERATING EXPENSES	
Payroll costs	90,921
Professional and contracted services	61,697
Supplies and materials	1,808
Other operating costs	<u>326,956</u>
Total operating expenses	<u>481,382</u>
OPERATING INCOME	143,598
NONOPERATING REVENUES	
Earnings from temporary deposits and investments	<u>1,331</u>
Total nonoperating revenues	<u>1,331</u>
CHANGE IN NET POSITION	144,929
NET POSITION, BEGINNING	<u>1,412,068</u>
NET POSITION, ENDING	<u>\$ 1,556,997</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	<u>Governmental Activities</u> <u>Workers'</u> <u>Compensation</u> <u>Insurance</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 184,534
Cash payments for insurance claims	(219,593)
Cash payments for other operating expenses	(154,426)
Net cash used for operating activities	<u>(189,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends	<u>1,331</u>
Net cash provided by investing activities	<u>1,331</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(188,154)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,317,323</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,129,169</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ 143,598
Effects of increases and decreases in assets and liabilities:	
Decrease (increase) in due from other funds	(440,446)
Increase (decrease) in accounts payable and short term debt	<u>107,363</u>
Net cash used by operating activities	<u>\$(189,485)</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

AUGUST 31, 2013

	Private Purpose Trusts	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 344,875
Investments - current	-	60,558
Restricted assets	<u>15,765</u>	<u>-</u>
 Total assets	 <u>15,765</u>	 <u>\$ 405,433</u>
LIABILITIES		
Due to student groups	<u>-</u>	<u>405,433</u>
Total liabilities	<u>-</u>	<u>\$ 405,433</u>
NET POSITION		
Unrestricted net position	<u>15,765</u>	
 Total net position	 <u>\$ 15,765</u>	

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	<u>Private Purpose Trusts</u>
ADDITIONS	
Earnings from temporary deposits and investments	\$ <u>31</u>
Total additions	<u>31</u>
DEDUCTIONS	<u>-</u>
CHANGE IN NET POSITION	31
NET POSITION, BEGINNING	<u>15,734</u>
NET POSITION, ENDING	\$ <u>15,765</u>

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**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Schertz-Cibolo-Universal City Independent School District (the “District”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental units in conjunction with the Texas Education Agency’s Financial Accountability System Resource Guide (“Resource Guide”). The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting properties.

A. Reporting Entity

The Board of School Trustees (the “Board”), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (“TEA”) or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental “reporting entity” as defined by the GASB and there are no component units included within the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants and intergovernmental revenue.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include 1) fees, fines, and charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

The ***General Fund*** is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The ***Debt Service Fund*** accounts for resources accumulated and payments made for principal and interest in long-term general obligation debt of governmental funds.

The ***Capital Projects Fund*** is used for activities funded by the issuance of long-term debt and local resources. Expenditures are generally restricted to the acquisition and/or construction of capital assets. This fund normally operates pursuant to a project length budget that is established without constraints of an annual operating budget.

In addition, the District reports the following fund types:

Internal Service Fund is used to account for revenues and expenses related to services provided to parties inside the District. This fund facilitates distribution of workers' compensation self-insurance costs to the users of support services on a cost-reimbursement basis. Because the principal user of the internal service is the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Private-Purpose Trust Funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types.

Agency Funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, proprietary, and private-purpose trust fund financial statements are reported using the economic resources measurement focus. The Agency Fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenue available if it is collectible within 30 days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Assets, Liabilities and Net Position or Fund Balance

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables 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.

Inventories

The District values inventory at cost, and records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	30-40
Portable buildings	20-30
Building improvements	10-30
Vehicles	2-10
District equipment	3-20
Infrastructure	30

Compensated Absences

Terminating employees who meet the criteria as set forth in official District policy are paid a lump sum payment of any accrued local or state leave. Leave time is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers in and transfers out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net position.

Long-term Obligations

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. The difference between this method and the interest method is immaterial. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The District does not have any items that qualify for reporting in either of the above categories in the current fiscal year.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

A deficit unrestricted net position of \$1.7 million exists in governmental activities as of August 31, 2013. This deficit is primarily the result of the District issuing bonds to finance certain noncapital items of school building construction. Another contributing factor is accreted interest on capital appreciation bonds. These items were \$16.4 million and \$33.1 million, respectively, as of August 31, 2013. The bonds and accreted interest will be paid with future property tax revenues restricted for debt service.

Net Position Flow Assumption

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

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the School Board, the District’s highest level of decision making authority. These amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board, Superintendent, or Chief Financial Officer.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Fund Balance Policy

In order to preserve financial stability, the District must be prepared to respond to cash flow shortages, large or unexpected one-time expenditures, changes in the economy, and changes in state funding. The District targets a yearly unassigned General Fund balance of 25 percent (90 days) of total operating expenditures. The District also targets a minimum restricted debt service fund balance of 25 percent of annual debt service requirements on all outstanding debt issuance.

Fund Balance Flow Assumption

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimates as of August 31, 2013, will change.

Data Control Codes

Data control codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to insure accuracy in building a statewide database for policy development and funding plans.

II. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank 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 depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits

Cash deposits of the District include all amounts deposited at the District's depository bank, including demand deposits and certificates of deposit. The District's cash deposits at August 31, 2013, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments

The District is required by Government Code Chapter 2256, The Public Funds Investment act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: 1) safety of principal and liquidity, 2) portfolio diversification, 3) allowable investments, 4) acceptable risk levels, 5) expected rates of return, 6) maximum allowable stated maturity of portfolio investments, 7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, 8) investment staff quality and capabilities, and 9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports an establishment of appropriate policies, the District adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the District. These include, with certain restrictions, 1) obligations of the U. S. Treasury, U. S. agencies, and the State of Texas; 2) certificates of deposit; 3) certain municipal securities; 4) securities lending program; 5) repurchase agreements; 6) bankers' acceptances; 7) mutual funds; 8) investment pools; 9) guaranteed investment contracts; and 10) commercial paper.

The following are investments the District held as of August 31, 2013, that have interest rate risk and credit risk:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Rating</u>	<u>Rating Agency</u>
TexPool	\$ 14,520,818	56	AAAm	S & P
Lone Star	15,217,484	57	AAAm	S & P
Logic	5,928,168	57	AAAm	S & P
TexStar	2,816,171	49	AAAm	S & P
Texas Daily	<u>46,949,992</u>	57	AAAm	S & P
Total Portfolio	<u>\$ 85,432,633</u>			
Total portfolio weighted average maturity days		55		

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term, "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case, they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

B. Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. Amounts due from federal, state, and local governments as of August 31, 2013, are summarized below:

	Federal Programs	State Programs
Nonmajor governmental funds	\$ <u>62,156</u>	\$ <u>41,413</u>
	\$ <u><u>62,156</u></u>	\$ <u><u>41,413</u></u>

C. Capital Assets

Capital asset activity for the period ended August 31, 2013, was as follows:

	Beginning Balance 08/31/12	Increases	Decreases and Reclassifications	Ending Balance 08/31/13
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 24,038,139	\$ 134,733	\$ -	\$ 24,172,872
Construction in progress	815,606	402,815	-	1,218,421
Total capital assets, not being depreciated	<u>24,853,745</u>	<u>537,548</u>	<u>-</u>	<u>25,391,293</u>
Capital assets, being depreciated:				
Buildings and improvements	293,933,991	281,076	-	294,215,067
Equipment	6,045,520	275,894	(17,815)	6,303,599
Vehicles	8,167,806	79,416	(123,307)	8,123,915
Infrastructure	1,474,486	-	-	1,474,486
Total capital assets, being depreciated	<u>309,621,803</u>	<u>636,386</u>	<u>(141,122)</u>	<u>310,117,067</u>
Less accumulated depreciation for:				
Buildings and improvements	(65,344,827)	(8,416,825)	(28,090)	(73,789,742)
Equipment	(3,569,778)	(329,121)	17,835	(3,881,064)
Vehicles	(4,639,940)	(616,753)	123,291	(5,133,402)
Infrastructure	(172,024)	(49,150)	-	(221,174)
Total accumulated depreciation	<u>(73,726,569)</u>	<u>(9,411,849)</u>	<u>113,036</u>	<u>(83,025,382)</u>
Total capital assets, being depreciated, net	<u>235,895,234</u>	<u>(8,775,463)</u>	<u>(28,086)</u>	<u>227,091,685</u>
Governmental activities capital assets, net	<u>\$ 260,748,979</u>	<u>\$(8,237,915)</u>	<u>\$(28,086)</u>	<u>\$ 252,482,978</u>

Depreciation was charged to functions as follows:

Instruction	\$ 4,447,573
Instructional resources and media services	415,073
Curriculum and staff development	26,318
School leadership	166,233
Guidance, counseling and evaluation services	67,348
Health services	75,937
Student transportation	622,563
Food service	642,009
Co-curricular/extracurricular activities	718,170
General administration	32,440
Plant maintenance and operations	2,143,290
Security and monitoring services	9,231
Data processing	<u>45,664</u>
Total depreciation expense - governmental activities	<u>\$ 9,411,849</u>

D. Interfund Balances and Activity

Due to and from Other Funds

Balances due to and due from other funds at August 31, 2013, consisted of the following:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General	Capital project	\$ 5,800,000
General	Nonmajor governmental	63,508
Internal service	General	560,903
Internal service	Nonmajor governmental	<u>64,044</u>
Total		<u>\$ 6,488,455</u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided on reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Transfers to and from Other Funds

Transfers to and from other funds at August 31, 2013, consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Capital Projects	\$ 5,800,000
Nonmajor governmental	Nonmajor governmental	<u>114</u>
		<u>\$ 5,800,114</u>

The Capital Projects Fund transferred \$5.8 million of bond proceeds to reimburse the General Fund for the purchase of land.

E. Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General fund)	\$ 815,370	\$ -
Delinquent property taxes receivable (Debt Service fund)	272,866	-
Extracurricular activities	-	47,494
Grants drawn down prior to meeting all eligibility requirements	<u>-</u>	<u>397,423</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 1,088,236</u>	<u>\$ 444,917</u>

F. Long-term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

Long-term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the period ended August 31, 2013, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ 265,495,515	\$ 42,395,000	\$ 11,995,000	\$ 295,895,515	\$ 12,705,000
Accreted interest on CAB	28,861,720	4,283,709	-	33,145,429	-
Deferred loss on refunding	(3,594,857)	(85,732)	(250,826)	(3,429,763)	(256,542)
Discount on bonds	(547,495)	-	(107,522)	(439,973)	(34,219)
Premium on bonds	5,640,479	1,460,027	368,766	6,731,740	414,392
Compensated absences	<u>660,530</u>	<u>11,173</u>	<u>-</u>	<u>671,703</u>	<u>-</u>
Total governmental activities	<u>\$ 296,515,892</u>	<u>\$ 48,064,177</u>	<u>\$ 12,005,418</u>	<u>\$ 332,574,651</u>	<u>\$ 12,828,631</u>

The General Fund typically liquidates other long-term liabilities. The District's interest rates for bonds range from 3.00% to 5.00%.

Accretion on Premium Capital Appreciation Bonds

A portion of the bonds sold in the Unlimited Tax Refunding and School Building Bonds Series 2002, 2006, 2006A, and 2007 was premium capital appreciation bonds. These obligations have par values of \$69,440,515 and maturity values of \$236,750,000. The interest on these obligations will be paid upon maturity in the fiscal years ending August 31, 2023-2036. The accreted values of these bonds at August 31, 2013, are approximately \$33,145,429, which has been allocated to the governmental activities.

Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2013, are as follows:

Year Ending August 31,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 12,705,000	\$ 10,432,683	\$ 23,137,683
2015	13,680,000	9,957,763	23,637,763
2016	14,575,000	9,294,150	23,869,150
2017	15,220,000	8,625,025	23,845,025
2018	15,895,000	7,925,253	23,820,253
2019-2023	90,860,000	27,685,056	118,545,056
2024-2028	101,340,000	15,833,228	117,173,228
2029-2033	102,140,000	14,754,000	116,894,000
2034-2038	73,480,000	9,279,775	82,759,775
2039-2043	18,070,000	3,110,500	21,180,500
2044-2045	<u>5,240,000</u>	<u>242,581</u>	<u>5,482,581</u>
Totals	463,205,000	<u>\$ 117,140,014</u>	<u>\$ 580,345,014</u>
Less: Accretion of CABs	<u>167,309,485</u>		
Par Value of Bonds Outstanding	<u>\$ 295,895,515</u>		

Refunding of Debt

As of August 31, 2013, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows:

Bond Issue, Series 2001	\$ 560,000
Bond Issue, Series 2002	755,000
Bond Issue, Series 2004	<u>1,135,000</u>
	<u>\$ 2,450,000</u>

The District issued \$42,395,000 of unlimited tax school building and refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$2,450,000 of unlimited tax bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$85 thousand. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to decrease total debt service payments over 12 years by \$137,681 and resulted in an economic gain of \$127,188.

G. Risk Management

During the year ended August 31, 2013, Schertz-Cibolo-Universal City Independent School District participated in the Texas Association of Public Schools Property and Liability Fund (the Fund) with coverage in Auto Liability, Auto Physical Damage, Crime, Equipment Breakdown, General Liability, Manuscript Special, Property, Sexual Misconduct Endorsement, and Special Legal Liability. The Fund was created and is operated under the provision of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund purchases stop-loss coverage for protection against catastrophic and larger than anticipated claims for the Property Casualty Program. The terms and limits of the stop-loss program vary by line of coverage. The Fund uses the services of an independent actuary to determine the adequacy of reserves and fully funds those reserves. For the year ended August 31, 2013, the Fund anticipates Schertz-Cibolo-Universal City Independent School District has no additional liability beyond the contractual obligations for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2013, are available at the TAPS offices and have been filed with the Texas Department of Insurance in Austin.

During the year ended August 31, 2013, employees of the District were covered by a self-insured workers' compensation pool. All claims were processed and paid by the third party administrator (Sedgwick Claims Management Services, Inc.) acting on behalf of the self-funded pool. The contract between the District and the third party administrator is renewable annually and terms of coverage and costs to the District are included in the contractual provisions. In accordance with state statutes, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Midwest Employer Casualty Company, a commercial insurance carrier licensed or otherwise eligible to do business in the State of Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$375,000.

The claims liability of \$ 194,346 reported in the Self-insurance Workers' Compensation Fund at August 31, 2013, is based on the requirements of GASB Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. Claim liabilities, including incurred but not reported (IBNR) claims, are based on the estimated ultimate cost of settling the claims. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the workers' compensation claims liability in fiscal years 2012 and 2013 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Change in Estimates	Claim Payments	Ending of Fiscal Year Liability
2012	\$ 161,235	\$ 89,252	\$ 162,116	\$ 88,371
2013	\$ 88,371	\$ 261,858	\$ 155,883	\$ 194,346

H. Pension Plan

Plan Description. Schertz-Cibolo-Universal City Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8; Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, 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 TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Contribution rates and contributions for fiscal years 2011-2013 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceed the statutory minimum.

Contribution Rates and Amounts

Member Year	Rate	Amount	State		Statutory Minimum
			Rate	Amount	Amount
2011	6.40%	\$ 955,217	6.644%	\$ 3,275,020	\$ 955,217
2012	6.40%	805,349	6.000%	3,266,231	805,349
2013	6.40%	892,177	6.400%	3,119,773	892,177

I. Health Care Coverage

During the period ended August 31, 2013, employees of the District were covered by a health insurance plan (the “Plan”). The District paid premiums of \$300 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable September 1, 2013, and terms of coverage and premium costs are included in the contractual provisions.

J. Retiree Health Plan

Plan Description. The Schertz-Cibolo-Universal City Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit post-employment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.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 Teacher Retirement System of Texas 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 2011-2013.

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2011	0.65%	\$ 435,930	1.0%	\$ 670,665	0.55%	\$ 368,866
2012	0.65%	421,013	1.0%	647,715	0.55%	356,242
2013	0.65%	432,117	0.5%	332,398	0.55%	365,636

Medicare Part D – On-behalf Payments. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$175,698, \$142,972, and \$175,096 were recognized for the years ended August 31, 2013, 2012, and 2011, respectively, as equal revenues and expenditures.

Early Retiree Reinsurance Program – On-behalf Payments. The Early Retiree Reinsurance Program (ERRP) is a provision of the Patient Protection and Affordable Care Act (PPAVA). A provision of the PPAVA allows the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive a reimbursement from the federal government for a portion of the cost to provide health benefits to retirees between the ages of 55 – 64 and their covered dependents regardless of age. This program was not available to the District in fiscal year 2013; therefore, an on-behalf payment was not recorded in fiscal year 2013. The District participated in the program for the year ended August 31, 2012, and \$157,651 was recognized during the year as equal revenues and expenditures.

K. Commitments and Contingencies

Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Litigation

No reportable litigation was pending against the District at August 31, 2013.

Construction Commitments

The District has construction contracts totaling \$1,074,480 of which \$1,069,475 has been completed.

L. Shared Services Arrangements

Shared Services Arrangement – Membership

The District participates in two shared services arrangements (“SSA”) for which ESC Region 13 and 20 are the fiscal agents. The District accounts for revenues received and expenditures incurred in these programs and has disclosed them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, ESC Region 13 or 20, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

The following are SSAs with ESC Region 13 and 20:

<u>Fund</u>	<u>Description</u>
385	State Supplemental Visually Impaired Program (Region 20)
386	Day School for the Deaf (Region 13)

The District participates in a shared services arrangement for adult education services with other school districts. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Seguin ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

REQUIRED SUPPLEMENTARY INFORMATION

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET TO ACTUAL

GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 38,776,901	\$ 39,515,099	\$ 39,599,194	\$ 84,095
5800	State programs	49,135,946	47,163,329	47,851,833	688,504
5900	Federal programs	<u>1,085,000</u>	<u>949,766</u>	<u>1,166,055</u>	<u>216,289</u>
5020	Total revenues	<u>88,997,847</u>	<u>87,628,194</u>	<u>88,617,082</u>	<u>988,888</u>
EXPENDITURES					
Current:					
0011	Instruction	53,089,088	52,655,056	52,327,650	327,406
0012	Instructional resources and media sources	1,034,044	1,040,389	1,038,474	1,915
0013	Curriculum and staff development	1,732,803	1,703,639	1,684,371	19,268
0021	Instructional leadership	772,660	750,606	747,572	3,034
0023	School leadership	5,399,962	5,454,210	5,446,804	7,406
0031	Guidance, counseling, and evaluation services	3,420,491	3,439,626	3,415,126	24,500
0032	Social work services	176,481	168,997	167,865	1,132
0033	Health services	1,047,952	1,047,776	1,042,294	5,482
0034	Student transportation	3,794,310	3,334,339	3,253,070	81,269
0036	Extracurricular activities	2,775,516	2,551,514	2,523,569	27,945
0041	General administration	3,010,321	2,732,530	2,677,461	55,069
0051	Facilities maintenance and operations	10,237,724	8,979,033	8,957,543	21,490
0052	Security and monitoring services	463,040	426,930	391,148	35,782
0053	Data processing services	1,216,146	1,217,533	1,207,973	9,560
0061	Community services	159,989	118,449	117,449	1,000
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative	32,320	5,000	-	5,000
0099	Other governmental charges	<u>635,000</u>	<u>643,800</u>	<u>642,800</u>	<u>1,000</u>
6030	Total expenditures	<u>88,997,847</u>	<u>86,269,427</u>	<u>85,641,169</u>	<u>628,258</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>1,358,767</u>	<u>2,975,913</u>	<u>1,617,146</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	-	15,202	15,202	-
7915	Transfers in	<u>-</u>	<u>5,800,000</u>	<u>5,800,000</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>5,815,202</u>	<u>5,815,202</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	-	7,173,969	8,791,115	1,617,146
0100	FUND BALANCES, BEGINNING	<u>34,053,201</u>	<u>34,053,201</u>	<u>34,053,201</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 34,053,201</u>	<u>\$ 41,227,170</u>	<u>\$ 42,844,316</u>	<u>\$ 1,617,146</u>

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**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

AUGUST 31, 2013

Budgetary Information

The Board of Trustees adopts an “appropriated budget” for the General Fund, Debt Service Fund, and the National School Breakfast and Lunch Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds, and compares the final amended budget to actual revenue and expenditures. The District presented the General Fund budgetary comparison schedule as required supplementary information, and the National School Breakfast and Lunch and Debt Service Funds budgetary comparison schedules are presented as required TEA schedules.

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

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least 10 days’ public notice of the meeting must be given.
3. Prior to September 1, the budget is legally approved by Board action. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. Because the District has a policy of careful budgetary control, amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year’s budget. The District had no outstanding end-of-year encumbrances.

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COMBINING STATEMENTS

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2013

	Special Revenue Funds		
	211	224	225
	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool
ASSETS			
Cash and cash equivalents	\$ -	\$ 2,465	\$ -
Investments - current	-	-	-
Due from other governments	1,720	-	61
Other receivables	-	-	-
 Total assets	 \$ 1,720	 \$ 2,465	 \$ 61
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,240	\$ 2,465	\$ -
Accrued wages	-	-	-
Due to other funds	480	-	61
Due to other governments	-	-	-
Deferred revenues	-	-	-
Total liabilities	1,720	2,465	61
 Fund balances:			
Restricted for:			
Federal and state programs	-	-	-
Committed for:			
Campus activities	-	-	-
Total fund balances	-	-	-
 Total liabilities and fund balances	 \$ 1,720	 \$ 2,465	 \$ 61

Special Revenue Funds				
240 National Breakfast and Lunch Program	244 Career and Technical - Basic	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	287 Education Jobs
\$ 128,698	\$ -	\$ -	\$ -	\$ -
1,769,396	-	-	-	-
38,090	-	15,091	7,194	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,936,184</u>	<u>\$ -</u>	<u>\$ 15,091</u>	<u>\$ 7,194</u>	<u>\$ -</u>
\$ 155,612	\$ -	\$ -	\$ -	\$ -
43,641	-	-	-	-
65,024	-	15,091	7,194	-
-	-	-	-	-
<u>194,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>459,081</u>	<u>-</u>	<u>15,091</u>	<u>7,194</u>	<u>-</u>
1,477,103	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,477,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,936,184</u>	<u>\$ -</u>	<u>\$ 15,091</u>	<u>\$ 7,194</u>	<u>\$ -</u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2013

	Special Revenue Funds		
	289 Other Federal Programs	385 Visually Impaired	386 Regional Day School for the Deaf
ASSETS			
Cash and cash equivalents	\$ 1,115	\$ -	\$ -
Investments - current	-	-	-
Due from other governments	-	9,948	10,883
Other receivables	-	-	-
 Total assets	\$ 1,115	\$ 9,948	\$ 10,883
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 1,711	\$ -
Accrued wages	-	-	-
Due to other funds	-	8,237	10,883
Due to other governments	-	-	-
Deferred revenues	1,115	-	-
Total liabilities	1,115	9,948	10,883
Fund balances:			
Restricted for:			
Federal and state programs	-	-	-
Committed for:			
Campus activities	-	-	-
Total fund balances	-	-	-
 Total liabilities and fund balances	\$ 1,115	\$ 9,948	\$ 10,883

Special Revenue Funds				
397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook	411 Technology Allotment	426 TX Educator Excellence Award
\$ 14,571	\$ -	\$ 198,134	\$ -	\$ 569
-	-	-	-	-
-	20,582	-	-	-
-	-	-	-	-
<u>\$ 14,571</u>	<u>\$ 20,582</u>	<u>\$ 198,134</u>	<u>\$ -</u>	<u>\$ 569</u>
\$ -	\$ -	\$ 11,770	\$ -	\$ -
-	-	-	-	-
-	20,582	-	-	-
-	-	-	-	-
14,571	-	186,364	-	569
<u>14,571</u>	<u>20,582</u>	<u>198,134</u>	<u>-</u>	<u>569</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 14,571</u>	<u>\$ 20,582</u>	<u>\$ 198,134</u>	<u>\$ -</u>	<u>\$ 569</u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

AUGUST 31, 2013

	Special Revenue Funds	
	461 Campus Activity Funds	Total Nonmajor Governmental
ASSETS		
Cash and cash equivalents	\$ 395,447	\$ 740,999
Investments - current	19,233	1,788,629
Due from other governments	-	103,569
Other receivables	-	-
 Total assets	 \$ 414,680	 \$ 2,633,197
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 172,798
Accrued wages	-	43,641
Due to other funds	-	127,552
Due to other governments	-	-
Deferred revenues	-	397,423
Total liabilities	-	741,414
 Fund balances:		
Restricted for:		
Federal and state programs	-	1,477,103
Committed for:		
Campus activities	414,680	414,680
Total fund balances	414,680	1,891,783
 Total liabilities and fund balances	 \$ 414,680	 \$ 2,633,197

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	Special Revenue Funds		
	211	224	225
	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool
REVENUES			
Local and intermediate sources	\$ -	\$ -	\$ -
State programs	-	-	-
Federal programs	<u>612,222</u>	<u>1,904,212</u>	<u>22,703</u>
Total revenues	<u>612,222</u>	<u>1,904,212</u>	<u>22,703</u>
EXPENDITURES			
Current:			
Instruction	420,847	1,874,638	22,703
Instruction resources and media services	131,217	-	-
Curriculum and staff development	12,835	360	-
Instructional leadership	15,928	-	-
Guidance, counseling and evaluation services	-	29,214	-
Health services	-	-	-
Student transportation	-	-	-
Food service	-	-	-
Extracurricular activities	-	-	-
General administration	-	-	-
Facilities maintenance and operations	-	-	-
Community services	<u>31,395</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>612,222</u>	<u>1,904,212</u>	<u>22,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds				
240 National Breakfast and Lunch Program	244 Career and Technical - Basic	255 ESEA II, A Training and Recruiting	263 Title III, A English Lang. Acquisition	287 Education Jobs
\$ 2,409,675	\$ -	\$ -	\$ -	\$ -
103,655	-	-	-	-
<u>1,832,949</u>	<u>90,261</u>	<u>185,749</u>	<u>42,669</u>	<u>44,251</u>
<u>4,346,279</u>	<u>90,261</u>	<u>185,749</u>	<u>42,669</u>	<u>44,251</u>
-	46,191	64,947	-	44,251
-	-	-	-	-
-	44,070	40,152	41,873	-
-	-	6,045	796	-
-	-	-	-	-
-	-	-	-	-
4,368,426	-	-	-	-
-	-	-	-	-
-	-	-	-	-
46,798	-	-	-	-
-	-	74,605	-	-
<u>4,415,224</u>	<u>90,261</u>	<u>185,749</u>	<u>42,669</u>	<u>44,251</u>
(68,945)	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(63,145)	-	-	-	-
<u>1,540,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,477,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	Special Revenue Funds		
	289	385	386
	Other Federal Programs	Visually Impaired	Regional Day School for the Deaf
REVENUES			
Local and intermediate sources	\$ -	\$ -	\$ -
State programs	-	11,560	71,747
Federal programs	<u>733</u>	<u>-</u>	<u>-</u>
Total revenues	<u>733</u>	<u>11,560</u>	<u>71,747</u>
EXPENDITURES			
Current:			
Instruction	733	11,236	71,747
Instruction resources and media services	-	-	-
Curriculum and staff development	-	-	-
Instructional leadership	-	-	-
Guidance, counseling and evaluation services	-	324	-
Health services	-	-	-
Student transportation	-	-	-
Food service	-	-	-
Extracurricular activities	-	-	-
General administration	-	-	-
Facilities maintenance and operations	-	-	-
Community services	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>733</u>	<u>11,560</u>	<u>71,747</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Special Revenue Funds				
397 Advanced Placement Incentives	404 Student Success Initiative	410 State Textbook	411 Technology Allotment	426 TX Educator Excellence Award
\$ -	\$ -	\$ -	\$ -	\$ -
3,459	41,850	1,128,785	-	103
-	-	-	-	-
<u>3,459</u>	<u>41,850</u>	<u>1,128,785</u>	<u>-</u>	<u>103</u>
-	41,850	1,128,899	-	-
-	-	-	-	103
3,459	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>3,459</u>	<u>41,850</u>	<u>1,128,899</u>	<u>-</u>	<u>103</u>
-	-	(114)	-	-
-	-	114	-	-
-	-	-	(114)	-
-	-	<u>114</u>	<u>(114)</u>	<u>-</u>
-	-	-	(114)	-
-	-	-	<u>114</u>	<u>-</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	Special Revenue Funds	
	461 Campus Activity Funds	Total Nonmajor Governmental Funds
REVENUES		
Local and intermediate sources	\$ 660,137	\$ 3,069,812
State programs	-	1,361,159
Federal programs	-	4,735,749
Total revenues	660,137	9,166,720
EXPENDITURES		
Current:		
Instruction	-	3,728,042
Instruction resources and media services	-	131,320
Curriculum and staff development	-	142,749
Instructional leadership	-	22,769
Guidance, counseling and evaluation services	-	29,538
Health services	-	-
Student transportation	7,471	7,471
Food service	-	4,368,426
Extracurricular activities	667,881	667,881
General administration	445	445
Facilities maintenance and operations	-	46,798
Community services	-	106,000
Total expenditures	675,797	9,251,439
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,660)	(84,719)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	114
Transfers out	-	(114)
Total other financing sources (uses)	-	5,800
NET CHANGE IN FUND BALANCES	(15,660)	(78,919)
FUND BALANCES, BEGINNING	430,340	1,970,702
FUND BALANCES, ENDING	\$ 414,680	\$ 1,891,783

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

PRIVATE PURPOSE TRUST FUNDS

AUGUST 31, 2013

	821	822	Total
	<u>Karen Nation</u>	<u>Allison L. Steele</u>	<u>Private Purpose Trust Funds</u>
ASSETS			
Noncurrent assets:			
Restricted assets	\$ <u>7,513</u>	\$ <u>8,252</u>	\$ <u>15,765</u>
Total noncurrent assets	<u>7,513</u>	<u>8,252</u>	<u>15,765</u>
Total assets	<u>7,513</u>	<u>8,252</u>	<u>15,765</u>
NET POSITION			
Total net position	\$ <u><u>7,513</u></u>	\$ <u><u>8,252</u></u>	\$ <u><u>15,765</u></u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

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

PRIVATE PURPOSE TRUST FUNDS

FOR THE YEAR ENDED AUGUST 31, 2013

	821	822	Total
	<u>Karen Nation</u>	<u>Allison L. Steele</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS			
Earnings from temporary deposits and investments	\$ <u>11</u>	\$ <u>20</u>	\$ <u>31</u>
Total additions	<u>11</u>	<u>20</u>	<u>31</u>
 Change in net position	 <u>11</u>	 <u>20</u>	 <u>31</u>
 NET POSITION, BEGINNING	 <u>7,502</u>	 <u>8,232</u>	 <u>15,734</u>
 NET POSITION, ENDING	 <u>\$ 7,513</u>	 <u>\$ 8,252</u>	 <u>\$ 15,765</u>

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REQUIRED TEA SCHEDULES

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE

FOR THE YEAR ENDED AUGUST 31, 2013

Last Ten Years Ended August 31,	1		2	3	10	20
	Tax Rates			Net Assessed/ Appraised Value for School Tax Purpose	Beginning Balance 09/01/12	Current Year's Total Levy
	Maintenance	Debt Service				
2004 and prior years	various	various		various	\$ 161,996	\$ -
2005	1.500000	0.240000		1,704,941,943	44,247	-
2006	1.500000	0.220000		1,943,721,221	42,396	-
2007	1.370000	0.240000		2,343,170,683	51,829	-
2008	1.040000	0.275000		2,813,933,010	46,144	-
2009	1.040000	0.345000		3,196,305,415	83,145	-
2010	1.040000	0.380000		3,297,068,803	106,052	-
2011	1.040000	0.395000		3,429,603,136	207,049	-
2012	1.040000	0.395000		3,515,023,345	397,512	-
2013 (School year under audit)	1.040000	0.420000		3,729,824,795	-	<u>54,455,442</u>
1000 Totals					<u>\$ 1,140,370</u>	<u>\$ 54,455,442</u>

EXHIBIT J-1

31	32	40	50
<u>Maintenance Total Collections</u>	<u>Debt Service Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance 08/31/13</u>
\$ 4,693	\$ 850	\$(2,744)	\$ 153,709
3,727	596	(313)	39,611
5,640	827	(779)	35,150
7,668	1,343	(1,605)	41,213
4,688	1,240	(452)	39,764
10,855	3,601	(1,227)	67,462
20,334	7,430	194	78,482
49,011	18,615	(2,510)	136,913
131,305	49,871	(27,832)	188,504
<u>38,541,904</u>	<u>15,557,986</u>	<u>150,554</u>	<u>506,106</u>
<u>\$ 38,779,825</u>	<u>\$ 15,642,359</u>	<u>\$ 113,286</u>	<u>\$ 1,286,914</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS
OF INDIRECT COST FOR 2014 - 2015
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2013

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

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collections	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
11X-6146	PAYROLL COSTS	\$ -	\$ -	\$ 386,018	\$ 1,516,126	\$ -	\$ 12,170	\$ 1,914,314
6149	Fringe benefits	-	-	-	-	-	-	-
6211	Legal services	220,284	11,673	-	-	-	-	231,957
6212	Audit services	-	-	-	30,850	-	-	30,850
6213	Tax appraisal and collection	-	642,800	-	-	-	-	642,800
6214	Lobbying	-	-	-	-	-	-	-
621X	Other professional services	-	-	-	-	-	-	-
6220	Tuition and transfer payments	-	-	-	-	-	-	-
6230	Education service centers	-	-	2,640	200,211	-	-	202,851
6240	Contractor maintenance and repair	-	-	-	-	47,034	-	47,034
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	-	5,411	-	-	5,411
6290	Miscellaneous contractors	-	-	68,557	145,755	-	-	214,312
6320	Textbooks and reading	-	-	873	1,351	-	-	2,224
6330	Testing materials	-	-	-	-	-	830	830
63XX	Other supplies materials	764	-	8,354	40,167	-	-	49,285
6410	Travel, subsistence, stipends	5,704	-	20,073	25,111	-	-	50,888
6420	Insurance and bonding costs	-	-	71	36,949	-	-	37,020
6430	Election costs	5,613	-	-	-	-	-	5,613
6490	Miscellaneous operating	28,875	-	14,661	26,021	-	-	69,557
6500	Debt service	-	-	-	-	-	-	-
6600	Capital outlay	-	-	-	-	-	-	-
6000	Total	\$ 261,240	\$ 654,473	\$ 501,247	\$ 2,027,952	\$ 47,034	\$ 13,000	\$ 3,504,946

Total expenditures/expenses for General and Special Revenue Funds

9 94,892,608

Less: Deductions of unallowable costs

FISCAL YEAR

Total capital outlay (6600)	10	622,352
Total debt and lease (6500)	11	-
Food (Function 35, 6341 and 6499)	13	1,740,133
Stipends (6413)	14	-
Column 4 (above) - Total indirect cost		<u>2,027,952</u>

Subtotal

13,043,203

Net allowed direct cost

81,849,405

CUMULATIVE

Total cost of buildings before depreciation (1520)	15	294,215,067
Historical cost of buildings over 50 years old	16	3,447,836
Amount of federal money in building cost (net of #16)	17	-
Total cost of furniture and equipment before depreciation(1530 & 1540)	18	14,427,514
Historical cost of furniture and equipment over 16 years old	19	1,894,543
Amount of federal money in furniture and equipment (net of #19)	20	-

- (8) Note A - \$ 184,240 in Function 53 expenditures are included in this report on administrative costs.
\$ 642,800 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET - UNAUDITED

GENERAL FUND

AUGUST 31, 2013

Data Control Codes	Explanation		
1	Total General Fund Balance as of 8/31/13 (Exhibit C-1 object 3000 for the General Fund only)	\$	42,844,316
2	Total Non-Spendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	\$	143,548
3	Total Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)		-
4	Total Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)		-
5	Total Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)		5,403,938
6	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)		-
7	Estimate of two months' average cash disbursements during the fiscal year		14,000,000
8	Estimate of delayed payments from state sources (58XX)		-
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount		-
10	Estimate of delayed payments from federal sources (59XX)		-
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)		-
12	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11)		<u>19,547,486</u>
13	<u>Excess/(Deficit) Unassigned General Fund Balance (1 - 12)</u> The District will use positive unassigned General Fund balance to fund future operations and capital projects.	\$	<u>23,296,830</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL**

NATIONAL BREAKFAST AND LUNCH PROGRAM

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 2,604,919	\$ 2,565,806	\$ 2,409,675	\$(156,131)
5800	State programs	135,000	103,655	103,655	-
5900	Federal programs	<u>1,980,204</u>	<u>1,846,223</u>	<u>1,832,949</u>	<u>(13,274)</u>
5020	Total revenues	<u>4,720,123</u>	<u>4,515,684</u>	<u>4,346,279</u>	<u>(169,405)</u>
EXPENDITURES					
Current:					
0035	Food service	4,642,123	4,483,967	4,368,426	115,541
0051	Facilities maintenance and operations	<u>78,000</u>	<u>46,798</u>	<u>46,798</u>	<u>-</u>
6030	Total expenditures	<u>4,720,123</u>	<u>4,530,765</u>	<u>4,415,224</u>	<u>115,541</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(15,081)	(68,945)	(53,864)
OTHER FINANCING SOURCES (USES)					
7912	Sale of real or personal property	-	5,800	5,800	-
7080	Total other financing sources (uses)	<u>-</u>	<u>5,800</u>	<u>5,800</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	-	(9,281)	(63,145)	(53,864)
0100	FUND BALANCES, BEGINNING	<u>1,540,248</u>	<u>1,540,248</u>	<u>1,540,248</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 1,540,248</u>	<u>\$ 1,530,967</u>	<u>\$ 1,477,103</u>	<u>\$(53,864)</u>

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SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL**

DEBT SERVICE FUND

FOR THE YEAR ENDED AUGUST 31, 2013

Data Control Codes	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES					
5700	Local and intermediate sources	\$ 15,397,673	\$ 15,719,461	\$ 15,724,355	\$ 4,894
5800	State programs	<u>3,287,655</u>	<u>3,654,914</u>	<u>3,654,914</u>	<u>-</u>
5020	Total revenues	<u>18,685,328</u>	<u>19,374,375</u>	<u>19,379,269</u>	<u>4,894</u>
EXPENDITURES					
Debt service:					
0071	Principal on long-term debt	9,545,000	9,545,000	9,545,000	-
0072	Interest on long-term debt	9,130,328	9,181,161	9,176,161	5,000
0073	Bond issuance costs and fees	<u>10,000</u>	<u>112,116</u>	<u>112,116</u>	<u>-</u>
1100	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	536,098	545,992	9,894
OTHER FINANCING SOURCES (USES)					
7911	Capital-related debt issued	-	2,395,000	2,395,000	-
7916	Premium on issuance of bonds	-	971,627	971,627	-
8940	Payment to bond refunding escrow agent	<u>-</u>	<u>(2,462,429)</u>	<u>(2,462,429)</u>	<u>-</u>
7080	Total other financing sources (uses)	<u>-</u>	<u>904,198</u>	<u>904,198</u>	<u>-</u>
1200	NET CHANGE IN FUND BALANCES	-	1,440,296	1,450,190	9,894
0100	FUND BALANCES, BEGINNING	<u>4,987,644</u>	<u>4,987,644</u>	<u>4,987,644</u>	<u>-</u>
3000	FUND BALANCES, ENDING	<u>\$ 4,987,644</u>	<u>\$ 6,427,940</u>	<u>\$ 6,437,834</u>	<u>\$ 9,894</u>

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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*

Board of Trustees
Schertz-Cibolo-Universal City
Independent School District
Schertz, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Schertz-Cibolo-Universal City Independent School District, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the Schertz-Cibolo-Universal City Independent School District's basic financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Schertz-Cibolo-Universal City Independent School 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 Schertz-Cibolo-Universal City Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Schertz-Cibolo-Universal City Independent School District's internal control.

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
December 10, 2013



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

Board of Trustees
Schertz-Cibolo-Universal City
Independent School District
Schertz, Texas

Report on Compliance for Each Major Federal Program

We have audited Schertz-Cibolo-Universal City 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 August 31, 2013. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, 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.

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 August 31, 2013.

Report on Internal Control Over Compliance

Management of the District's, 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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
December 10, 2013

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2013

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal CFDA Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF DEFENSE</u>			
Direct Program:			
JROTC	12.000	TX072064/TX070082	\$ 144,880
Total Direct Program			<u>144,880</u>
TOTAL U. S. DEPARTMENT OF DEFENSE			<u>144,880</u>
<u>U. S. DEPARTMENT OF AGRICULTURE</u>			
Passed through the Texas Education Agency:			
School Breakfast Program	10.553	71401201	321,085
National School Lunch Program	10.555	71301201	<u>1,297,242</u>
Total Passed through the Texas Education Agency			<u>1,618,327</u>
Passed through the Texas Department of Agriculture:			
Commodities - Noncash Assistance	10.555	094001A	<u>214,622</u>
Total Passed through the Texas Department of Agriculture			<u>214,622</u>
Total Child Nutrition Cluster			<u>1,832,949</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>1,832,949</u>
<u>U. S. DEPARTMENT OF EDUCATION</u>			
Passed through the Texas Education Agency:			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	13610101094902	<u>612,222</u>
IDEA - Part B, Formula	84.027A	136600010949026600	1,904,212
IDEA - Part B, Preschool	84.173A	136610010949026610	<u>22,703</u>
Total Special Education Cluster (IDEA)			<u>1,926,915</u>

SCHERTZ-CIBOLO-UNIVERSAL CITY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2013

(1) Federal Grantor/ Pass-through Grantor/ Grantor/Program Title	(2) Federal CFDA Number	(2A) Pass-through Entity Identifying Number	(3) Federal Expenditures
<u>U. S. DEPARTMENT OF EDUCATION</u> (Continued)			
Passed through the Texas Education Agency: (Continued)			
Career and Technical - Basic Grant	84.048A	13420006094902	\$ 90,261
Title III, Part A - English Language Acquisition	84.365A	13671001094902	42,669
ESEA Title II, Part A, Teacher/Principal Training	84.367A	13694501094902	185,749
LEP Summer Program	84.369A	69550702	733
Education Jobs Fund	84.410A	11550101094902	<u>44,251</u>
Total Passed through the Texas Education Agency			<u>2,902,800</u>
Direct Program:			
Impact Aid	84.041	53-TX-2008-0118	23,432
Impact Aid	84.041	53-TX-2009-0118	32,181
Impact Aid	84.041	53-TX-2010-0118	95,772
Impact Aid	84.041	53-TX-2012-0118	<u>869,790</u>
Total Direct Program			<u>1,021,175</u>
TOTAL U. S. DEPARTMENT OF EDUCATION			<u>3,923,975</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>5,901,804</u>

**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

AUGUST 31, 2013

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal award programs of Schertz-Cibolo-Universal City Independent School District. The District's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note I of the financial statements.

**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2013**

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	None

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	None
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Identification of major programs:

CFDA Number(s):	Name of Federal Program or Cluster:
84.010A	ESEA, Title I, Part A - Improving Basic Programs
84.027A & 84.173A	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs	\$300,000
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Auditee qualified as low-risk auditee?	Yes
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

**SCHERTZ-CIBOLO-UNIVERSAL CITY
INDEPENDENT SCHOOL DISTRICT**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2013

None

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