

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2014





**Laredo Independent School District
Comprehensive Annual Financial Report
For the Year Ended
August 31, 2014**

Prepared by:

Division of Finance

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INTRODUCTORY SECTION



**LAREDO INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED AUGUST 31, 2014**

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Dr. A. Marcus Nelson
Superintendent of Schools



1702 Houston St. • Laredo, Texas 78040 • Ph. 956-273-1070

*Board of Trustees
2014-2015*

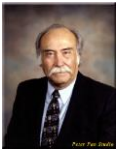
January 8, 2015



Jesus Martinez
President, District 2

Board of Trustees and Taxpayers of
Laredo Independent School District
1702 Houston Street
Laredo, Texas 78040

Dear Board Members and Taxpayers:



Jose A. Valdez
Vice President, District 1

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the Laredo Independent School District (the “District”) for the fiscal year ended August 31, 2014. The report was prepared by the District’s Division of Finance. The basic financial statements have been audited by the independent accounting firm of Pattillo, Brown and Hill, L.L.P., whose report is included herein. The financial data appearing in this report has been prepared in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board (“GASB”).



Ricardo Garza
Secretary, District 4

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and is presented in a manner which daily sets forth the financial position and results of operations of the District. Furthermore, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activities have been included.



Hector J. Noyola
Trustee, District 3

United States generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

Reporting Entity



Dr. Cecilia M. Moreno
Trustee, District 5

The District is an independent school district, founded in 1882, governed by a seven-member Board of Trustees (the “Board”). The Board has governance responsibility over all activities related to public school education within the District. The District is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board Statement No. 14. The District has one blended component unit which is the Laredo Independent School District Public Facility Corporation (the “Corporation”). As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) and its component unit in conformity with GASB Statement No. 14, The Financial Reporting Entity.



Hector J. Garcia
Trustee, District 6

In accordance with GASB Statement No. 14, a financial reporting entity consists of the primary government and its component units. Component units are legally separate organizations for which the elected officials of the District are financially accountable, or for which the relationship to the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete. The District’s blended component unit, although legally a separate entity, is in substance part of the District’s operations and data from the unit is combined with data of the primary government.



Jose R. Perez, Jr.
Trustee, District 7

The criteria used to determine whether an organization is a component unit of the District include financial accountability of the District for the component unit, appointment of a voting majority, ability to impose the District’s will on the component unit, and whether there is a financial benefit or burden to the District. For financial reporting purposes, the Corporation is included in the operations and activities of the District because of the fiscal dependency criteria outlined in GASB Statement No. 14.

The Corporation, a non-profit corporation, is governed by a seven member Board composed of the members of the District. Although it is legally separate from the District, the Corporation is reported as if it were part of the primary government because its sole purpose is to assist in financing construction and furnishing the District's school facilities. To accomplish the financing of these facilities, the Corporation issued lease revenue bonds and entered into a lease with the option to purchase agreement with the District. On August 19, 2013, the Board of Trustees of the Laredo Independent School District determined that it was necessary to call and hold an election to issue new bonds to refinance the Corporation's outstanding debt and the levying of a tax to pay the principal and interest on the new bonds. On November 5, 2013, the taxpayers approved the proposition. On December 18, 2013, management issued bonds of the District for the purposes of refinancing all of the principal and interest on the previously issued Lease Revenue Bonds of the Corporation that was payable from the maintenance tax of the District. At the end of August 31, 2014, the Corporation had no assets or liabilities. Since the Corporation served its purpose for the District, the Corporation will be dissolved after adoption of the 2014 audit report and approval from the Board of Directors.

District officials must comply with state and federal laws and regulations, but the Board has complete authority, including adoption and setting of tax rates. Financial statements for the component unit can be obtained from the LISD website at www.laredoisd.org/board/meetings2.html. Select the Board Packet column, click on view for the selected date, scroll down to the PFC Agenda and click on the monthly reports item to view the financial information.

Services Provided

The District provides a safe learning environment that ensures a quality education. Beginning with the 20 elementary schools, four middle schools, and extending through the four high schools (including Early College High School), students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. In addition, in the four middle schools a diversified group of elective subjects is added to the required studies, including, career studies, art, band, choir, orchestra, mariachi band and a foreign language. Similar individual educational needs continue at the four high schools.

Additionally, the District has a communication and fine arts magnet school that offers our students comprehensive courses of study in the areas of communication, dance, music, theatre arts, and visual arts with emphasis on creative development and artistic performance; a health and science magnet school that offers our students a wide range of health and science courses to prepare them for related careers; and a technology and engineering magnet school that offers our students courses of study towards industry certifications to prepare them for related careers.

Enrollment

Our enrollment for school year 2013-2014 was 24,955 students of which 5,725 students were enrolled at the high school level, 4,987 at the middle school level, and 14,243 at the elementary level.

Over 97% of our students are classified as economically disadvantaged, 42% as Bilingual, 8% as Special Education, and 6% participate in Gifted and Talented courses. In addition, 21% of high school students take Career and Technology courses.

Mission Statement

The mission of the District is to ensure that all students achieve their potential and graduate as bilingual, bi-literate, and be responsible adults with the skills to succeed in higher education, the workforce, or the military.

District Goals

- Goal I:** The school district will continue to develop, implement and monitor a quality educational program including curriculum, instruction, assessment and professional development which considers the specific needs of each Laredo Independent School District student and the community, supports high academic standards, and addresses state and federal accountability requirements.
- Goal II:** The school district will provide all students with a safe and nurturing learning environment that promotes attendance, character building and high achievement.
- Goal III:** The school district will encourage and promote a climate that engages families in the education of their children and establish a process that cultivates open and timely communication with our public.
- Goal IV:** The school district shall implement a Health and Wellness Program designed to improve the general health of children and adults by promoting practices that lead to living healthy, active lifestyles.

Goal V: The school district will continue to seek all possible avenues to contain and/or reduce costs of all initiatives in order to best represent the financial interests of the taxpayers. In addition, the school district will effectively manage financial resources, and conduct program evaluations that will support providing quality educational experiences for LISD students.

Goal VI: The school district will actively pursue and hire highly qualified personnel and provide support that encourage growth, improvement and increased student achievement.

Achievements

The District received its twelfth Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2013. The rating system was established during the 77th Legislative session. School districts received their first official rating by TEA in August 2003 for the fiscal year 2001-2002.

Economic Condition and Outlook

Laredo Independent School District is located in the heart of the City of Laredo and encompasses approximately 13 square miles. On January 2010, the Metropolitan Statistical Area (MSA) reported population at about 236,091 for Laredo. With over 500,000 living across the river in Nuevo Laredo, both cities have a combined population of 736,091. Our District is an inner city district which serves the community of Laredo and Webb County. While the District serves a population slightly over 100,000, we expect enrollment to remain relatively constant over the next several years at about 25,000. Average daily attendance (ADA) drives school funding and it has remained flat on an average annual basis of about 95%. The district continues to work with students to reduce truancy rates.

Laredo, Texas, best known for its geographic location as the number one port along the US and Mexico Border, with one international airport, one rail bridge and four vehicles bridges (two for commercial and three for private vehicles), is in the center of a vibrant era. This era includes the passage of the North American Free Trade Agreement, which has enhanced trade between the United States and Mexico, providing for a growing tax base and attracting new industries in the City. The Port of Laredo crosses over \$180.1 billion in imports and exports. With IH-35 bisecting the city, all the industrial parks and logistical centers are within five miles. However, due to an increase in property exemptions and reductions, the District has experienced a slender decline in net taxable property values. The District's matured base is mostly built so increases to its values in the future will come from revaluations and revitalization projects. The top 10 taxpayers account for about 7% of the assessed values.

The District's financial position has experienced surpluses in the last five years and the District has begun to reserve most of the surpluses for property acquisition, construction and other capital improvements. The increase in fund balance is an indicator of sound financial management mainly attributed to the enforcement of efficiency measures reflected in improvement plans, application of staffing formulas, and elimination of costs not aligned with academic achievement and funding sources.

Financial Policies and Long-Term Financial Planning

The Superintendent's office and the executive staff oversee and coordinate all the elements involved in the strategic and financial planning process of the District. The planning process begins with demographic projections of student growth and the needs for classroom space. The District's student population experiences minimal growth annually as the District boundaries are locked. The classroom environment is determined by the Division of Curriculum and Instruction in their strategic planning for meeting the educational needs of our students and community. The educational planning process identifies the financial needs of the District and determines the proper allocation of District resources.

The District is towards the end of construction projects in which every school will either be renovated or newly constructed. The construction projects began in 1999 with the sale of \$144,000,000 of bonds. With the addition of more bond sales, it reached \$419,230,133 in original general obligation bond issues in year 2007. In July 2014, the District issued \$67,940,000 for new projects. The estimated final completion date for these projects is August 2017.

The Board approved policy establishing a capital improvement plan as a tool to assess long-term capital project requirements. This plan will assist the district in the prioritizing and financing of upcoming improvement projects. In addition, the capital improvement policy will prove beneficial during the assessment of the District's financial management by the credit agencies. The District plans to annually earmark \$1,000,000 for facility improvements and \$500,000 for equipment upgrades/replacements.

It is the responsibility of the Division of Finance to oversee all finance related issues, including the investment of construction funds for maximization of interest earnings, and to provide financial status reports to the Board with the objective of assisting in the accountability and decision-making process.

Other Information

The Accounting System and Budgetary Control

The Division of Finance is responsible for providing all District financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, procurement, tax office collections, self-funded health plan management, federal programs, and special financial and policy analyses to District management. The Chief Financial Officer, appointed by the Superintendent, has oversight responsibility for the division's operations.

The District's computer hardware includes file servers as well as numerous personal computers and laptops. The Alio software is used and deployed on an Oracle database and runs on Windows servers. The District utilizes Weidenhammer who develops and support the Alio suite of financial and human resources software, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability over the District's assets.

The District also operates a student accountability system supported by the District's Information Technology Department. This system services all campuses of the District. The applications being used are attendance, grades and report cards, student tracking, and all other information required by the State of Texas.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred. Accounting records for trust funds are maintained on the accrual basis.

The annual operating budget or financial plan is proposed by the Superintendent and enacted by the Board after public discussion. The site-based decision making process, as mandated by the education code, is the cornerstone of all LISD budgetary decisions. Each campus must have a Site-Based Decision Making (SBDM) committee made up of the campus principal, teachers, and administrators. Their role is to build consensus and support all efforts consistent with reaching the campus goals and objectives. SBDM committee members, department directors and administrators are involved in the budgetary cycle.

Subsequent budget amendments must be approved by the Board for the General Fund Budget. For Special Revenue Funds, budget amendments are subject to the approval by the granting agency. A summary of all amendments is presented to the Board on a monthly basis. All departments are required to operate within their budgetary constraints. The operating budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

Independent Audit

The Texas Education Agency requires that an annual audit of the books of account, financial records, and transactions of all administrative departments of the school district be performed by an independent certified public accountant(s). The firm of Pattillo, Brown and Hill, L.L.P., was selected by the District and approved by the Board. In addition to meeting the requirements set forth in the state and local policies, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984, as amended, and related OMB Circular A-133. The auditor's report on the basic financial statements and schedules are included in a separate report. The auditor's report related specifically to the single audit is included in the Single Audit section of the report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended August 31, 2013. This was the seventeenth consecutive year that the District has achieved this prestigious award. In order to be awarded this Certificate of Achievement, the government must publish an easily readable

and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, GFOA awarded the District the Distinguished Budget Presentation Award for the fiscal period September 1, 2012 thru August 31, 2013. The primary purpose of this document is to provide timely and useful information concerning the past, current, and projected financial status of the District. The budget's main focus is the improvement of the instructional program with the fiscal resources available to the District. We believe our budget continues to conform to the GFOA's requirements and we will continue to submit it to this organization for evaluation and suggestions for improvement.

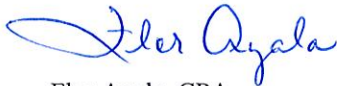
Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in the Division of Finance and the leadership of the Superintendent.

We would also like to acknowledge the thorough professional and timely manner in which the audit was conducted by our independent auditors, Pattillo, Brown and Hill, L.L.P.

Furthermore, we would like to especially acknowledge the President of the Board and the Board of Trustees who have consistently supported the school district's goals of excellence in all aspects of financial management.

Sincerely,



Flor Ayala, CPA
Chief Financial Officer

**LAREDO INDEPENDENT SCHOOL DISTRICT
DISTRICT OFFICIALS, STAFF & CONSULTANTS
AUGUST 31, 2014**

ELECTED OFFICIALS

Board of Trustees	Length of Service	Occupation
Hector Garcia President	4 Years	Assistant General Manager La Posada
Dr. Cecilia May Moreno Vice-President	4 Years	Webb County Purchasing Agent
John Amaya Secretary	4 Years	Retired
Jose A. Valdez Trustee	17 Years	Retired
Jesus Martinez Trustee	6 Years	Retired
Ricardo Garza Trustee	2 Years	Business Owner – Twins Mechanical, Inc.
Jose R. Perez Trustee	6 Years	Retired

APPOINTED OFFICIALS

A. Marcus Nelson, Ed.D.....	Superintendent of Schools
Flor Ayala, CPA.....	Chief Financial Officer
David Garza.....	Executive Director for Human Resources
Maggie Martinez.....	Executive Director for Student Services
Miguel Munoa.....	Chief Technology Officer
Roberta Ramirez.....	Executive Director for Curriculum & Instruction
Angel Velasquez.....	Executive Director for Plant Facilities & Support Services

CONSULTANTS & ADVISORS

Financial Advisor	Estrada-Hinojosa & Company, Inc. Dallas and San Antonio, Texas
Bond Counsel	J. Cruz & Associates, LLC Laredo, Texas
Co-Bond Counsel	Winstead PC San Antonio, Texas
Certified Public Accountants	Pattillo, Brown & Hill, L.L.P. Brownsville, Texas
General Counsel	Kazen, Meurer & Perez, Attorneys-at-Law Laredo, Texas

LAREDO INDEPENDENT SCHOOL DISTRICT

Board of Trustees August 31, 2014



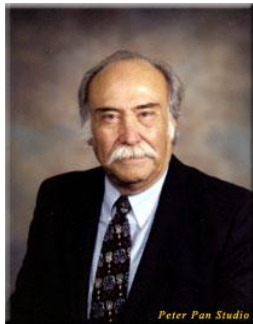
Hector Garcia
President
District 6



Dr. Cecilia May Moreno
Vice-President
District 5



John Amaya
Secretary
District 3



Jose A. Valdez
Trustee
District 1



Jesus Martinez
Trustee
District 2



Ricardo Garza
Trustee
District 4



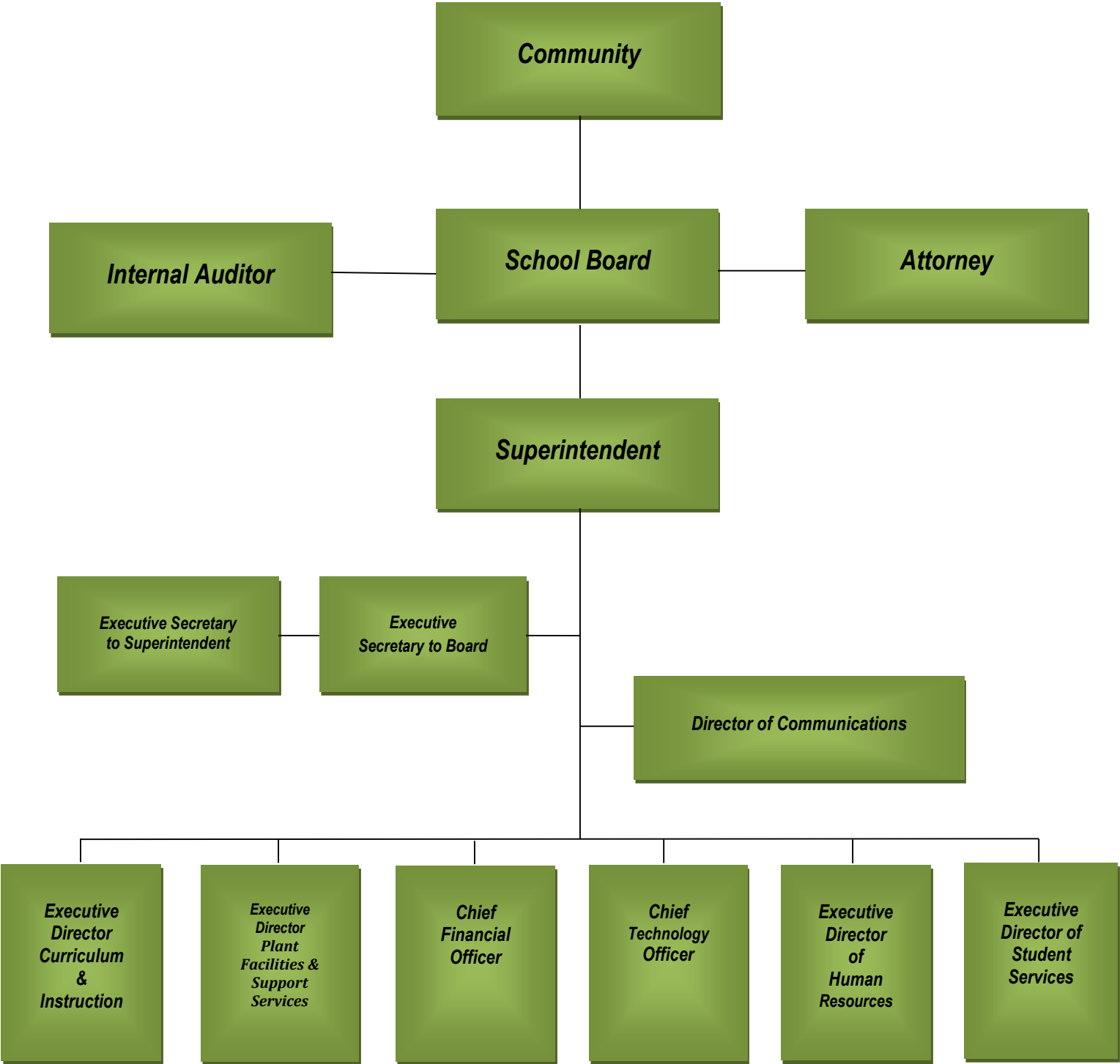
Jose R. Perez
Trustee
District 7

Superintendent of Schools



Dr. A. Marcus Nelson
August 3, 2009 to Present

LAREDO INDEPENDENT SCHOOL DISTRICT
Organizational Chart
August 31, 2014





Government Finance Officers Association

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

Presented to

**Laredo Independent School
District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2013

Executive Director/CEO

CERTIFICATE OF BOARD

Laredo Independent School District
Name of School District

Webb
County

240-901
**County District
Number**

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) X approved ___ disapproved for the year ended August 31, 2014 at a meeting of the Board of Trustees of such school district on the 15th day of January, 2015.



Signature of Board Secretary



Signature of Board President

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

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

Board of Trustees
Laredo Independent School District
Laredo, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Laredo Independent School District (the "District") as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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 Laredo Independent School District as of August 31, 2014, 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.

Change in Accounting Principle

As discussed in Note A to the financial statements, in 2014 the District adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

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 information on pages 4-15 and 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2015, on our consideration of the Laredo Independent School 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 Laredo Independent School District's internal control over financial reporting and compliance.

Patullo, Brown & Hill, LLP

Brownsville, Texas
January 8, 2015

**LAREDO INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

This section of the Laredo Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2014. This discussion has been prepared by management and should be read in conjunction with the audited financial statements and related footnote disclosures.

FINANCIAL HIGHLIGHTS

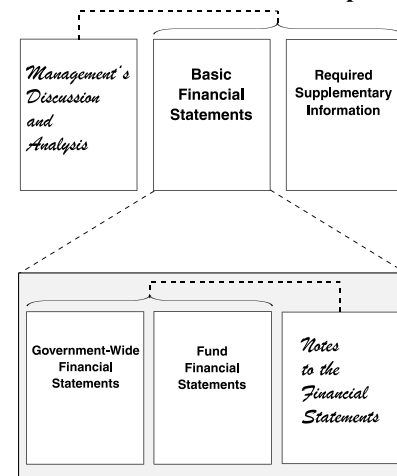
- The District's total net position increased by \$2,389,416 or 1% as a result of this year's operations.
- The District's had total long-term debt outstanding (bonds and loans payable) of \$298,948,962, an increase of \$69,584,245. The increase was due to the issuance of new debt in the amount of \$67,160,000. The bonds were sold at a premium of \$11,414,875.
- The total fund balance of the General Fund increased from \$77,536,526 to \$81,701,149, an increase of \$4,164,623. The increase was primarily due to end of the year surplus that was used to earmark projects.
- The unassigned fund balance of the General Fund did not change from last year's amount of \$62,652,991. The unassigned fund balance is available for spending at the government's discretion. This amount translates to about 28% of the total general fund expenditures.
- Standard and Poor's Rating Services, one of the three major credit agencies, raised the District's credit rating from "A+" to "AA-" and affirmed a stable outlook.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements show how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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



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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government covered and the types of information contained. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

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

Type of Statements	District-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district, except fiduciary activities	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities of the district that operate like a business, such as self-insurance funds	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> Statement of Net Position Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Position Statement of Revenues, Expenses & Changes in Fund Balance Statement of Cash Flows 	<ul style="list-style-type: none"> Statement of Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long term; The district's funds do not currently contain nonfinancial assets, though they can	All assets and liabilities, both short-term and long-term; The district's funds do not currently contain nonfinancial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid.

Government-wide Statements

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

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

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base.

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

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps 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.

As presented, the District maintains 41 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Debt Service Fund and the Capital Projects Fund. The following are considered major funds for fiscal year ended 2014: General Fund, Title I, and EDA 2014 Bond Series. Data from the other 38 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary funds*—When a District charges other District funds for the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the District's internal service fund is included within the governmental activities reported in the district-wide statements, but provides more detail and additional information, such as cash flows. The District uses the internal service fund to report activities that relate to the District's self-insured health plan. The District implemented the self-insured plan in fiscal year ended 2014.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. In addition, budget to actual presentations for the Food Service Fund and the Debt Service Fund are included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's combined net position was \$239,521,429 on August 31, 2014 (See Table A-1), of which unrestricted net assets (the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) equaled \$77,388,446, an increase of \$3,418,364 from the prior year due primarily to the increase in State aid as a result of increased student participation in various programs.

Table A-1
Laredo Independent School District's Net Position

	Governmental Activities		Percentage Change
	2014	2013	
Current assets and other assets	\$ 185,696,231	\$ 170,830,078	9%
Capital assets, net	386,680,771	331,744,334	16.6%
Total assets	572,377,002	502,574,412	14%
Total deferred outflows of resources	4,559,967	-	100%
Current Liabilities	23,335,545	17,843,720	31%
Non-Current Liabilities	313,262,191	247,598,741	27%
Total Liabilities	336,597,736	265,442,461	27%
Total deferred inflows of resources	818,074	-	100%
Net position:			
Net investment in capital assets	50,662,158	152,236,839	-67%
Restricted	111,470,825	10,925,090	920%
Unrestricted	77,388,446	73,970,082	5%
Total net position	\$ 239,521,429	\$ 237,132,011	1%

Capital assets, which consisted of the District's land, buildings and improvements, construction-in-progress and equipment, represent about 62% of total assets and deferred outflows. The increase was due to two major on-going construction projects to rebuild Nixon High School and the VMT Magnet School. The remaining assets consisted mainly of investments and cash and cash equivalents.

Ninety three percent of the District's largest liability was for the repayment of general obligation bonds. Other liabilities, representing about 7% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits. The debt to worth ratio, also called the leverage ratio, was 141%. This represented high debt financing which adds a level of risk, especially by creditors. However, the level of risk can be balanced with the State aid the District continues to qualify at an approximate rate of 73% of the annual general obligation debt payment.

The largest portion at 47% of the District's net position was due to unspent bond proceeds and resources subject to external restrictions from the Webb County Permanent School Fund. Unspent bond proceeds for the prior period were unintentionally reported in the net investment in capital assets category. However, the misclassification did not impact the total net position.

The District's current assets of \$185,696,231 were sufficient to cover current liabilities (to include debt due within one year) by \$23,335,545. This represents a current ratio of 4.83, which means that for every dollar the District owed there was \$4.83 available in current assets. By using the same formula and reducing current assets by the inventory amount, the quick ratio (acid test) decreased slightly to 4.80, which indicated a low risk of running out of working capital of \$162,360,686 to meet current obligations.

Governmental Activities

Governmental activities increased the District's net assets by \$5,360,367. However, this increase was reduced by a prior period adjustment of \$2,970,949 due to new reporting requirements. Costs related to the issuance of debt will no longer be recorded as a deferred charge and amortized over the life of the debt. They will be recognized as an

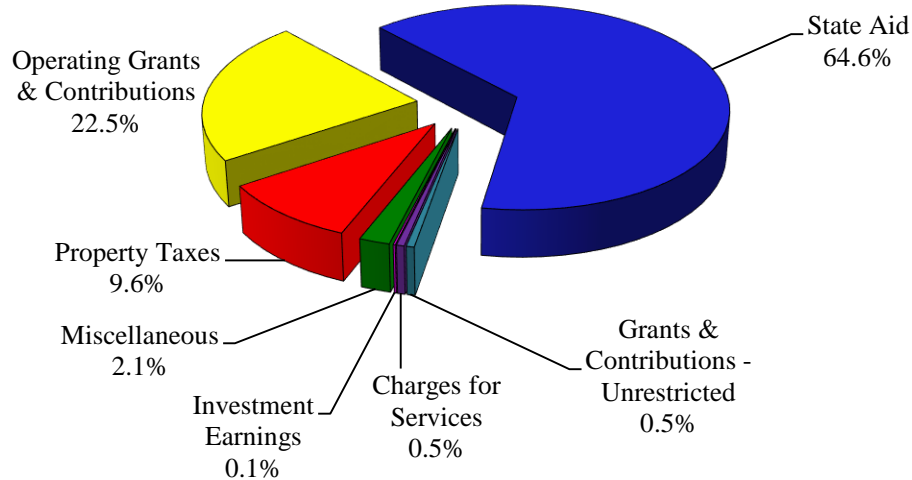
expense in the period incurred. These include, but are not limited to, legal costs, costs of printing, insurance costs and various fees such as rating agency fees, trustee fees and administrative fees. Therefore, the prior period adjustment amount reflected the cumulative result from prior years. Nonetheless, total revenues were greater than expenses because of the increase in basic allotment from the State and increased funding as a result of increased participation in various student programs. Also, the self-fund health plan generated \$2,822,198 in surplus in its first year of implementation. Those profits were credited to the functions that received benefits as part of the consolidation process of the governmental activities.

Table A-2
Laredo Independent School District's Changes in Net Assets

	Governmental Activities		Percentage Change
	2014	2013	
Revenues:			
Program revenues:			
Charges for services	\$ 1,389,124	\$ 884,750	57%
Operating grants and contributions	59,480,070	60,252,450	-1%
General revenues:			
Property taxes	25,518,913	25,934,535	-2%
State aid	171,032,991	160,288,363	7%
Grants and contributions - unrestricted	1,434,479	6,240,658	-77%
Investment earnings	374,341	607,821	-38%
Miscellaneous	5,453,682	4,263,387	28%
Special Item	109,849	-	100%
Total Revenues	<u>264,793,449</u>	<u>258,471,964</u>	<u>2%</u>
Expenses			
Instruction	142,552,448	137,739,434	3%
Instructional resources and media services	4,176,228	3,959,506	5%
Curriculum and staff development	4,487,817	3,453,301	30%
Instructional leadership	3,498,834	3,349,037	4%
School leadership	12,764,478	12,245,906	4%
Guidance, counseling, and evaluation services	8,119,158	7,492,742	8%
Social work services	1,529,866	1,238,760	23%
Health services	3,251,157	2,917,063	11%
Student transportation	4,173,383	4,234,494	-1%
Food services	18,234,193	17,009,230	7%
Extracurricular activities	4,893,908	4,431,509	10%
General administration	6,573,738	5,586,204	18%
Plant maintenance and operations	21,627,117	20,231,257	7%
Security and monitoring services	5,366,645	3,087,696	74%
Data processing services	4,454,289	4,004,593	11%
Community service	1,926,382	1,593,443	21%
Interest on long-term debt	9,811,292	11,794,066	-17%
Bond Issuance Cost and Fees	1,801,763	285,502	531%
Payments related to shared services arrangements	6,000	6,000	0%
Payments to Juvenile Justice Alt. Education Program	184,386	162,740	13%
Total Expenses	<u>259,433,082</u>	<u>244,822,483</u>	<u>6%</u>
Increase in net position	5,360,367	13,649,481	-61%
Net assets at beginning of year	<u>237,132,011</u>	<u>223,482,530</u>	<u>6%</u>
Prior period adjustment	(2,970,949)	-	-100%
Net assets at end of year	<u>\$ 239,521,429</u>	<u>\$ 237,132,011</u>	<u>1%</u>

The following chart highlights the District's revenues by funding source for the governmental activities. As illustrated, State Aid comprised 63% of the total revenues.

Figure A-3 District's Total Revenues

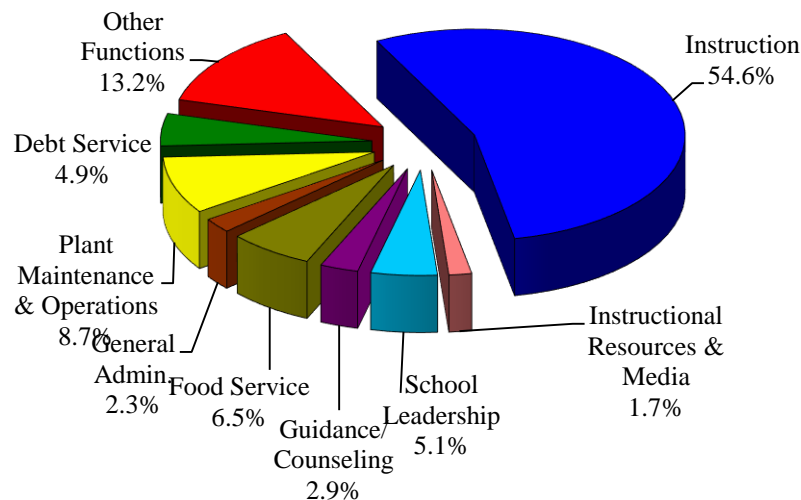


Total revenues were \$264,793,400. Total revenues for the District's governmental activities increased by \$6,321,485 or 2.45%. The major increase was attributed to the increase in the basic allotment from the State and increased student participation in career and technology education and special education programs.

Investment earnings were down by \$233,480 or 38% compared to last year. The average yield earned for the year ranged from .01% to .26% compared to rates in the prior fiscal year from .01% to .54%. The District's portfolio averaged a .26% at the last quarter of the year outperforming the rolling three and six months treasury yields which were at .03% and .06%, respectively.

The chart below presents the cost of each of the District's largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$142,552,448 or 55%, followed by plant maintenance & operations at \$21,627,117 or 8.7%.

Figure A-4 - District's Functional Expenditures



Total expenses were \$259,433,082. Total expenses increased by \$14,610,599 or 5.97%. The increase in expenses was attributed to increases in payroll costs in a combination of salary increases, increase in health insurance employer contribution and additional personnel.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$188,320,789 an increase of \$38,561,487 or 26% in comparison with the prior year. The increase was mainly caused by the issuance of a new bond whose proceeds were not fully spent by the end of the fiscal year. Of the combined fund balance, \$62,652,991 constituted unassigned fund balance, which did not change from the previous year. The remainder of fund balance has been constrained and it is not available for new spending because it has already been dedicated for inventories \$1,126,204; for Federal and State Grants \$4,030,721; for capital acquisition and contractual obligations \$101,546,934; 4) for the retirement of long term debt \$4,101,125; for an administration building \$8,088,952; for E-Rate projects \$1,298,626; for safety access control systems \$674,782; for discretionary funds for the board of trustees \$525,000; and, capital improvement projects \$547,048.

The District acquired the City of Laredo Civic Center (Performance Arts Center), accounted under a special revenue fund, which required the addition of 13 full-time equivalents, plus maintenance and operations costs. The total cost from the general fund to maintain the properties was \$722,207. Only \$182,910 was generated in revenues to support the operations of the properties with total costs of \$905,117.

The EDA 2014 Series bond was issued in July 2014. Available unspent proceeds at the end of the period were \$76,404,090. Those proceeds will be used for the rehabilitation of the Performance Arts Center, acquisition of property, reconstruction of Zachry Elementary School, the construction of the final phase of Lamar Middle School, and other capital improvement projects presented to the taxpayers before obtaining their vote during an election held on November 5, 2013.

General Fund. The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$62,652,991, while total fund balance reached \$81,701,149. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total general fund expenditures, net of transfers out, while total fund balance represents 36% of total general fund expenditures, net of transfers out.

The property tax rate remained the same at \$1.274 and the opening levy decreased by \$202,669, as a result of decrease in the certified net taxable value from \$2,184,263,660 to \$2,152,242,227. Property values decreased mainly due to increases in exemptions. As a result of the decrease in the opening levy, the District collected \$188,339 less than the previous year. When compared to the prior year, the revenues received from the state increased by \$9,161,262 due to the increase in the basic allotment and increased student participation in various programs. The revenues from federal decreased by \$2,685,905 due to higher settlement claims in the previous year from the School Health and Related Services (SHARS) program.

Total operating expenditures were \$4,176,691 higher than the previous year due to increases to wages, bonuses to teachers, new minimum wage of \$9.00 per hour, reclassification of reading interventionists and additional staff.

The unassigned fund balance gives the District a balance that is the equivalent of 113 days of operations. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures. The District continues to maintain the two month minimum expenditures required by the District's policy in the amount of \$40 million. The unassigned fund balance is also useful in supporting supplemental programs without interruption while the District waits for state and federal reimbursements.

Debt Service Fund. The Debt Service Fund ended with a fund balance of \$4,101,126, most of which was reserved for the payment of an outstanding \$8,000,000 Qualified Zone Academy Limited Maintenance Tax Note due to mature

on October 3, 2021. The net decrease in fund balance during the current year in the Debt Service fund was \$905,480. The decrease was due to adjustments in state aid by the Texas Education Agency as a result of prior year overpayments.

The decrease in the Public Facility Corporation (PFC) fund balance was attributed to the refunding of the PFC's outstanding debt. The purpose of the refinancing was to transfer the debt payments to the general fund debt service fund. This event will eliminate the use of the maintenance and operations (M&O) tax used to support the payments and to levy a tax to pay the principal and interest on the new bonds. The proceeds from the EDA 2014 Series were used to refinance all of the principal and interest of the previously issued lease revenue bonds of the PFC. As average annual savings of \$789,698 were obtained from the refinancing, the majority of the savings will go to the State of Texas and 27% of the savings will go to the District. The PFC will be dissolved since no assets or liabilities existed at the end of the period and its purpose was fulfilled.

The District received funding and will continue to receive funding under the Instructional Facilities Allotment (IFA) and Existing Debt Allotment (EDA) program to assist with the debt service payment on qualifying bonds. The State provides a guaranteed yield of \$35 per penny of tax effort per unweighted average daily attendance, which translates to about 73% in state aid for the annual debt payments. Since not all of our debt qualifies, we use maintenance and operations (M&O) to pay for the lease revenue bonds, loans or notes.

There was a decrease in the expenditures of principal of the long term debt when compared to last year because of the principal payment of \$8,000,000 of the Qualified Zone Academy Maintenance Tax Note that matured August 30, 2013.

Laredo Independent School District's Analysis of Debt Service Funds

	Debt Service Fund (511)			PFC - Debt Service Fund (512)		
	2014	2013	Percent Change	2014	2013	Percent Change
Revenues						
Property taxes	\$ 5,076,908	\$ 5,181,042	-2.01%	\$ -	\$ 4,555	-100.00%
State program revenues	14,572,358	12,086,854	20.56%	908,725	3,412,874	-73.37%
Total revenues	19,649,266	17,267,896	13.79%	908,725	3,417,429	-73.41%
Expenditures by function						
Principal Long Term Debt	13,234,622	18,800,585	-29.61%	-	2,085,000	-100.00%
Interest on Long Term Debt	9,035,619	8,033,393	12.48%	1,268,954	2,628,393	-51.72%
Other Fees	1,053,937	2,950	35626.68%	2,951	15,000	-80.33%
Total Expenditures	23,324,178	26,836,928	-13.09%	1,271,905	4,728,393	-73.10%
Other Financing Sources (Uses)	2,769,432	477,647	479.81%	(925)	1,319,644	-100.07%
	2,769,432	477,647	479.81%	(925)	1,319,644	-100.07%
Net change in fund balance	(905,480)	(9,091,385)	-90.04%	(364,105)	8,680	-4294.76%
Fund balance, beginning	5,006,606	14,097,991	-64.49%	364,105	355,425	2.44%
Fund balance, ending	\$ 4,101,126	\$ 5,006,606	-18.09%	\$ -	\$ 364,105	-100.00%

Child Nutrition Fund. The Child Nutrition Fund has a total fund balance of \$4,767,771, a decrease of \$245,528 from the prior year, but not enough to maintain within the required three month average minimum. The child nutrition program cannot exceed a three month average expenditures in the fund balance calculated at \$4,414,190, which exceeds the fund balance requirement by \$353,582. The Child Nutrition administration will submit a plan to reduce the excess operating food service fund balance by the end of August 31, 2015.

The CNP program spent \$129,508 in kitchen equipment for the new VMT Magnet School in an attempt to reduce its fund balance. Unfortunately, a major capital project approved by the Texas Department of Agriculture in the estimated

amount of \$500,000 had to be procured a second time due to its high cost on the first response to the bid; thus, the project could not be awarded and completed by the end of the fiscal year. This situation prevented the program from spending funds within the fiscal year that would have enabled the program to be compliant with the fund balance requirement.

Laredo Independent School District's Analysis of Child Nutrition Funds

	2014	2013	% Change
Local Sources	\$ 377,731	\$ 415,038	-9.0%
State Program Revenues	97,022	95,325	1.8%
Federal Program Revenues	16,936,477	16,475,778	2.8%
Total revenues	<u>17,411,230</u>	<u>16,986,141</u>	<u>2.5%</u>
Expenditures by function			
Food Service	17,235,408	15,958,774	8.0%
Facilities Maintenance and Operations	291,842	313,825	-7.0%
Facilities Acquisition and Construction	129,508	-	100.0%
Total Expenditures	<u>17,656,758</u>	<u>16,272,599</u>	<u>8.5%</u>
Net change in fund balance	(245,528)	713,542	-134.4%
Fund balance, beginning	5,013,299	4,299,757	16.6%
Fund balance, ending	<u>\$ 4,767,771</u>	<u>\$ 5,013,299</u>	<u>-4.9%</u>

The increase in federal revenues was attributed to the continued effort by Child Nutrition Program (CNP) staff to encourage students to eat the nutritious meals through the introduction of the Fresh Fruits and Vegetables Program via a USDA grant for 20 elementary schools and via nutritional curriculum. The increase in costs were attributed to personnel salaries, purchase of food items, non-food items and supplies associated with the daily food operations to feed our students.

Capital Projects Fund. The District's Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities, specifically projects funded by bonds approved by the voters. The increase in fund balance of \$35,689,712 over last year was attributable to the issuance of a \$67.1 million new bond and to costs related to two major construction projects were ongoing during the year. The Nixon High School incurred construction costs of approximately \$23 million and the VMT Magnet School incurred construction costs of about \$12.6 million. Bond proceeds from the 2005 Series and the 2006 Series were mainly used to fund the two projects; therefore, the capital project fund balances were reduced. Another \$5 million was used from Fund 616 to subsidize the two projects. In addition, the District commenced a new construction project to rebuild the Zachry Elementary School. This project only incurred about \$2.2 million in construction costs using proceeds from the EDA 2014 Series.

Business-type Activities

The District uses the internal service fund to report activities that relate to the District's self-insured health plan. The District's self-funded plan is designed to provide quality, cost-effective health benefits to eligible employees. In its first year of implementation, the plan generated \$2,822,198 in net earnings at the end of the fiscal year. The net earnings will be reserved to offset future costs and/or spikes in utilization.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Fund Budgetary Highlights

Variations – Original and Final Budget

In general, the variances between the original and final budget are attributable to the timing and length of the budget preparation process. The original budget was prepared approximately nine months prior to the final budget approved in August 2014. The final budget reflects all budget revisions made throughout the fiscal year to adjust for known facts. Consequently, when the original budget is compared to the final budget, it would be expected that significant variances can occur. For fiscal year ended August 31, 2014, the budget was developed by balancing the challenges of salary increases, while maintaining the same property tax rate.

The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times and the original appropriations had a net increase of \$4,972,973, as of the final amended budget. The activities are listed below.

Revenues

- Increase to fund two afterschool programs, \$36,000
- Increase to the Career and Technology Education Program, \$65,000

Expenditures

- Increase to purchase cafeteria furniture in various elementary schools, \$92,000
- Increase to purchase kitchen equipment and other supplies for the VMT Magnet School, \$1,033,183
- Increase to purchase food and supplies and cafeteria equipment, \$1,150,000
- Increase to fund two afterschool programs, \$36,000
- Increase to the Career and Technology Education Program, \$65,000
- Increase to purchase the City of Laredo property, \$2,000,000
- Increase to purchase safety access control systems, \$1,486,940
- Decrease to increase transfer to the Athletics program, (\$120,000)

Other Sources and (Uses)

- Transfer Out to advance to 2014 Series Bond Capital Projects under reimbursement agreement, (\$1,880,000)
- Transfer In from 2014 Series Bond Capital Projects under reimbursement agreement, \$1,880,000
- Increase Athletics program, \$120,000
- Transfer Out to advance to 2014 Series Bond Capital Projects under reimbursement agreement, (\$18,530,472)
- Transfer In from 2014 Series Bond Capital Projects under reimbursement agreement, \$18,530,472

Variances – Final Budget and Actual Results

The significant budgetary variances between the final amended budget and the actual results are listed below.

Revenues

- The increase of \$2,571,798 in state revenues was due to an increase in the District's Special Education population, an increase in the full time equivalent students for Career and Technology, and a slight increase in the District ADA.
- The increase local revenue of \$1,134,984 was mainly due an increase in tax collections.
- The increase in federal revenue of \$846,735 was due to an increase in participation in the Child Nutrition program and an increase in the reimbursement for the SHARS program.

Expenditures

- The District did not complete the purchase access control systems at various sites in the amount of \$844,134.
- The District did not complete the purchase of VMT cafeteria equipment, point of sale computers, milk boxes, menu boards, time clocks, breakfast carts, truck wraps and miscellaneous contracted services in the amount of \$1,393,382.
- The District had salary savings of approximately of \$950,000.
- The District had savings in electricity, water, and telephone expenditures in the estimated amount of \$500,000.

Other Sources and (Uses)

- The District did not complete the E-Rate budgeted projects in the amount of \$3,064,880.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Capital Projects Funds are used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2014, the District had invested \$508,838,385 in a broad range of capital assets, including land, equipment, buildings and improvements. (See Table A-3.) This amount represented a net increase (including additions and deductions) of 25,866,787 or 7.8% over the previous year. The increase was mainly due to two major ongoing construction projects.

Table A-3
Laredo Independent School District's Capital Assets

	2014	2013	Percentage Change
Land	\$ 19,339,798	\$ 19,458,937	-0.6%
Buildings and improvements	405,777,681	413,091,243	-1.8%
Equipment	35,363,068	32,449,746	9.0%
Construction in progress	48,357,838	10,838,303	346.2%
Totals at historical cost	<u>508,838,385</u>	<u>475,838,229</u>	<u>6.9%</u>
Total accumulated depreciation	<u>151,227,264</u>	<u>144,093,895</u>	<u>5.0%</u>
Net capital assets	<u>\$ 357,611,121</u>	<u>\$ 331,744,334</u>	<u>7.8%</u>

The District's fiscal year 2014 capital budget projects had unspent proceeds and interest earnings of \$101,548,948 which will be used for the completion of Nixon High School, VMT Magnet School, Zachry Elementary School, property acquisition, rehabilitation of the Performance Arts Center, final phase of Lamar Middle School and other capital improvements. The District disposed of one property during the year located in the historical downtown area. More detailed information about the District's capital assets is presented in the notes to the financial statements (Note G).

Long Term Debt

At year-end, the District had loans, bonds, and compensated absences outstanding as shown in Table A-4. The table indicates an increase of \$61,793,070 compared to the previous year. More detailed information about the District's debt is presented in the notes to the financial statements (Note K).

Table A-4
Laredo Independent School District's Long-Term Debt

	2014	2013	Percentage Change
Loans payable	\$ 8,000,000	\$ 8,000,000	0.0%
Bonds payable	298,948,962	237,364,717	25.9%
Compensated absences	2,442,849	2,234,024	9.3%
Total long term debt payable	<u>\$ 309,391,811</u>	<u>\$ 247,598,741</u>	<u>25.0%</u>

Bond Ratings:
The District's bonds carry AAA rating with underlying ratings as follows: Moody's Investor Services A1, Fitch's AA- and Standard & Poor's AA-.

Due to the issuance of a new voted bonds, bonds payable increased by \$61,584,245. The increase in the compensated absences was due to an increase in number of employees meeting the criteria for liability.

During the year, the District refunded the PFC outstanding lease revenue bonds in the amount of \$50.9 million and \$35.2 million in other outstanding bonds for a combined net present value savings of \$10,922,580 that will provide average annual savings of \$1,275,175 beginning in fiscal year 2014-15.

On June 9, 2014, Standard and Poor's Rating Services raised our underlying credit rating from A+ to AA-, while a stable outlook was affirmed. The increase was partially due to the implementation of written policy aligned with the credit agency's measures. The last time there was a change in our credit rating was on January 29, 2010, when S&P upgraded Laredo ISD's rate from an A to A+ and the Public Facility Corporation (PFC) was upgraded from A- to A. In the same year on April 30, 2010, Laredo ISD's rate from Fitch was revised from A to AA-. A credit rating is a score that shows the capacity of the issuer (district) to meet its financial obligations (payments) to the investors (buyers). It is a financial indicator to potential investors that help us achieve lower interest rate costs.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's board members considered many factors when setting the fiscal year 2014-15 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Laredo economy. The following factors listed below are highlights of the budget.

- The official opening tax levy for tax year 2014 was approved at \$29,450,271, with an increase to the total tax rate from \$1.274 to \$1.410. This levy compared to the previous year's levy is \$2,786,856 more as a result of the increase in the tax rate. The budget includes a 96% collection rate.
- The District's fiscal year 2012-13 refined average daily attendance was budgeted at 22,500, compared to last year's actual 22,545.
- The basic allotment increased from \$4,950 to \$5,040. The District is projecting an increase in state aid of approximately \$3,428,004 as a result of the new amount.

The Board of Trustees approved a balanced budget for the Fiscal Year Ending August 31, 2015. The District experienced again a reduction in net taxable value of \$4,851,778 or .23% due to increases in property exemptions. The District also increased the Interest and Sinking tax rate by 17.68 cents, from \$.234 to \$.3708. The increase was necessary to generate approximately \$2,758,004 in local taxes and \$2,011,069 in state aid to pay for the 2014 Bond Series sold in July 2014 and to assist in the payment of the refinancing of the PFC bonds. The tax increase was communicated to the taxpayers during the bond election held on November 2013. On June 12, 2014, the District adopted six new pay plans recommended by the Texas Association of School Boards (TASB). The recommendation also included some reclassifications and equity adjustments. The total cost of the pay increase was approximately \$10,136,835 and the 2014-15 budget was adjusted to afford the increases.

CONTACTING THE DISTRICT'S DIVISION OF FINANCE

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, please contact the District's Division of Finance at (956) 273-1043.

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BASIC FINANCIAL STATEMENTS

LAREDO INDEPEDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2014

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 151,834,435
1120 Current Investments	13,599,148
1220 Property Taxes Receivable (Delinquent)	3,440,613
1230 Allowance for Uncollectible Taxes	(2,505,347)
1240 Due from Other Governments	17,466,518
1250 Accrued Interest	86,569
1267 Due from Fiduciary Funds	166
1290 Other Receivables, net	150,741
1300 Inventories	1,126,204
1410 Prepayments	497,454
Capital Assets:	
1510 Land	19,339,798
1520 Buildings, Net	279,870,351
1530 Furniture and Equipment, Net	10,043,134
1580 Construction in Progress	48,357,838
1910 Long Term Investments	29,069,650
1000 Total Assets	572,377,272
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	4,559,967
1700 Total Deferred Outflows of Resources	4,559,967
LIABILITIES	
2110 Accounts Payable	9,232,906
2140 Interest Payable	776,134
2150 Payroll Deductions & Withholdings	1,187,715
2160 Accrued Wages Payable	6,821,060
2180 Due to Other Governments	2,492,974
2200 Accrued Expenses	482,503
2300 Unearned Revenue	2,470,740
Noncurrent Liabilities	
2501 Due Within One Year	15,111,277
2502 Due in More Than One Year	298,150,914
2000 Total Liabilities	336,726,223
DEFERRED INFLOWS OF RESOURCES	
2602 Deferred Gain on Refunding	689,587
2600 Total Deferred Inflows of Resources	689,587
NET POSITION	
3200 Net Investment in Capital Assets	50,662,158
3820 Restricted for Federal and State Programs	4,561,680
3850 Restricted for Debt Service	4,101,125
3860 Restricted for Capital Projects	102,808,020
3900 Unrestricted	77,388,446
3000 Total Net Position	\$ 239,521,429

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

LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 142,552,448	\$ 642,644	\$ 28,639,212	\$ (113,270,592)
12 Instructional Resources and Media Services	4,176,228	-	567,000	(3,609,228)
13 Curriculum and Staff Development	4,487,817	-	3,794,001	(693,816)
21 Instructional Leadership	3,498,834	-	1,003,718	(2,495,116)
23 School Leadership	12,764,478	-	810,989	(11,953,489)
31 Guidance, Counseling and Evaluation Services	8,119,158	-	2,191,833	(5,927,325)
32 Social Work Services	1,529,866	-	106,569	(1,423,297)
33 Health Services	3,251,157	-	1,444,319	(1,806,838)
34 Student (Pupil) Transportation	4,173,383	-	198,587	(3,974,796)
35 Food Services	18,234,193	340,262	17,797,639	(96,292)
36 Extracurricular Activities	4,893,908	214,101	98,714	(4,581,093)
41 General Administration	6,573,738	-	237,914	(6,335,824)
51 Facilities Maintenance and Operations	21,627,117	-	742,397	(20,884,720)
52 Security and Monitoring Services	5,366,645	-	337,481	(5,029,164)
53 Data Processing Services	4,454,289	-	201,665	(4,252,624)
61 Community Services	1,926,382	192,117	1,302,032	(432,233)
72 Debt Service - Interest on Long Term Debt	9,811,292	-	-	(9,811,292)
73 Debt Service - Bond Issuance Cost and Fees	1,801,763	-	-	(1,801,763)
93 Payments related to Shared Services Arrangements	6,000	-	6,000	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	184,386	-	-	(184,386)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 259,433,082	\$ 1,389,124	\$ 59,480,070	(198,563,888)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			20,829,646
DT	Property Taxes, Levied for Debt Service			4,689,267
SF	State Aid - Formula Grants			171,032,991
GC	Grants and Contributions not Restricted			1,434,479
IE	Investment Earnings			374,341
MI	Miscellaneous Local and Intermediate Revenue			5,453,682
SI	Special Item - Sale of Property			109,849
TR	Total General Revenues and Special Items			203,924,255
CN	Change in Net Position			5,360,367
NB	Net Position - Beginning			237,132,011
PA	Prior Period Adjustment			(2,970,949)
NE	Net Position - Ending			\$ 239,521,429

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

LAREDO INDEPEDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	20 ESEA, Title I Part A	60 EDA 2014 Series
ASSETS			
1110 Cash and Cash Equivalents	\$ 60,859,809	\$ -	\$ 56,732,039
1120 Investments - Current	10,048,460	-	-
1220 Property Taxes - Delinquent	2,881,745	-	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,098,397)	-	-
1240 Receivables from Other Governments	7,298,185	5,057,684	-
1250 Accrued Interest	40,009	-	-
1260 Due from Other Funds	10,924,926	-	-
1290 Other Receivables	126,617	913	-
1300 Inventories	1,126,204	-	-
1410 Prepayments	497,454	-	-
1900 Other Assets	9,069,650	-	20,000,000
1000 Total Assets	<u>\$ 100,774,662</u>	<u>\$ 5,058,597</u>	<u>\$ 76,732,039</u>
LIABILITIES			
2110 Accounts Payable	\$ 3,042,491	\$ 569,725	\$ 327,949
2150 Payroll Deductions and Withholdings Payable	1,187,715	-	-
2160 Accrued Wages Payable	5,935,527	498,511	-
2170 Due to Other Funds	7,823,387	3,990,361	-
2180 Due to Other Governments	-	-	-
2300 Unearned Revenues	301,045	-	-
2000 Total Liabilities	<u>18,290,165</u>	<u>5,058,597</u>	<u>327,949</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	783,348	-	-
2600 Total Deferred Inflows of Resources	<u>783,348</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,126,204	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	4,030,721	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	76,404,090
3480 Retirement of Long-Term Debt	-	-	-
3490 Administration Building - WCPSF	1,261,086	-	-
Committed Fund Balance:			
3510 Administration Building	6,828,866	-	-
3545 Capital Improvement Projects	2,685,000	-	-
3545 E-Rate	1,298,626	-	-
3545 Technology	674,782	-	-
3545 Discretionary Funds	525,000	-	-
Assigned Fund Balance:			
3590 School Projects	617,873	-	-
3600 Unassigned Fund Balance	62,652,991	-	-
3000 Total Fund Balances	<u>81,701,149</u>	<u>-</u>	<u>76,404,090</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 100,774,662</u>	<u>\$ 5,058,597</u>	<u>\$ 76,732,039</u>

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

Other Funds	Total Governmental Funds
\$ 34,242,587	\$ 151,834,435
3,550,688	13,599,148
558,868	3,440,613
(406,950)	(2,505,347)
5,110,649	17,466,518
46,560	86,569
69,502	10,994,428
17,420	144,950
-	1,126,204
-	497,454
-	29,069,650
<u>\$ 43,189,324</u>	<u>\$ 225,754,622</u>
\$ 4,628,536	\$ 8,568,701
-	1,187,715
387,022	6,821,060
4,694,045	16,507,793
2,492,974	2,492,974
619,279	920,324
<u>12,821,856</u>	<u>36,498,567</u>
151,918	935,266
<u>151,918</u>	<u>935,266</u>
-	1,126,204
530,959	4,561,680
25,142,844	101,546,934
4,101,125	4,101,125
-	1,261,086
-	6,828,866
411,447	3,096,447
-	1,298,626
-	674,782
-	525,000
29,175	647,048
-	62,652,991
<u>30,215,550</u>	<u>188,320,789</u>
<u>\$ 43,189,324</u>	<u>\$ 225,754,622</u>

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LAREDO INDEPEDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2014

Total Fund Balances - Governmental Funds	\$ 188,320,789
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	2,822,198
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$475,838,229 and the accumulated depreciation was \$144,093,895. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.	86,360,935
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2014 capital outlays and debt principal payments is to (decrease) net position.	(23,212,108)
4 The 2014 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to (decrease) net position.	(15,705,651)
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	935,266
19 Net Position of Governmental Activities	<u>\$ 239,521,429</u>

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

LAREDO INDEPEDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	10 General Fund	20 ESEA, Title I Part A	60 EDA 2014 Series
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 26,205,949	\$ -	\$ 5,264
5800 State Program Revenues	162,391,140	-	-
5900 Federal Program Revenues	19,552,021	16,678,893	-
5020 Total Revenues	<u>208,149,110</u>	<u>16,678,893</u>	<u>5,264</u>
EXPENDITURES:			
Current:			
0011 Instruction	108,528,456	10,908,395	-
0012 Instructional Resources and Media Services	3,765,553	281,445	-
0013 Curriculum and Instructional Staff Development	632,784	2,255,085	-
0021 Instructional Leadership	2,565,151	243,614	-
0023 School Leadership	12,492,478	90,504	-
0031 Guidance, Counseling and Evaluation Services	6,259,346	572,728	-
0032 Social Work Services	1,497,996	39,967	-
0033 Health Services	1,818,173	1,230,208	-
0034 Student (Pupil) Transportation	3,995,141	-	-
0035 Food Services	17,235,408	-	-
0036 Extracurricular Activities	4,472,817	28	-
0041 General Administration	5,796,439	-	-
0051 Facilities Maintenance and Operations	21,169,026	24,519	-
0052 Security and Monitoring Services	4,162,369	89,658	-
0053 Data Processing Services	4,156,304	-	38,015
0061 Community Services	285,459	942,742	-
Debt Service:			
0071 Principal on Long Term Debt	-	-	-
0072 Interest on Long Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	744,875
Capital Outlay:			
0081 Facilities Acquisition and Construction	3,163,306	-	1,393,159
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	184,386	-	-
6030 Total Expenditures	<u>202,180,592</u>	<u>16,678,893</u>	<u>2,176,049</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,968,518</u>	<u>-</u>	<u>(2,170,785)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued (Regular Bonds)	-	-	67,160,000
7912 Sale of Real and Personal Property	109,849	-	-
7915 Transfers In	22,492,557	-	20,410,472
7916 Premium or Discount on Issuance of Bonds	-	-	11,414,875
8911 Transfers Out (Use)	(24,406,301)	-	(20,410,472)
8949 Other (Uses)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(1,803,895)</u>	<u>-</u>	<u>78,574,875</u>
1200 Net Change in Fund Balances	4,164,623	-	76,404,090
0100 Fund Balance - September 1 (Beginning)	77,536,526	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 81,701,149</u>	<u>\$ -</u>	<u>\$ 76,404,090</u>

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

Other Funds	Total Governmental Funds
\$ 6,601,356	\$ 32,812,569
16,006,328	178,397,468
17,319,158	53,550,072
<u>39,926,842</u>	<u>264,760,109</u>
13,160,596	132,597,447
127,450	4,174,448
1,536,396	4,424,265
642,604	3,451,369
108,028	12,691,010
1,350,163	8,182,237
3,164	1,541,127
137,142	3,185,523
7,615	4,002,756
767,222	18,002,630
379,244	4,852,089
649,173	6,445,612
293,527	21,487,072
74,770	4,326,797
75,935	4,270,254
719,584	1,947,785
13,234,622	13,234,622
10,304,573	10,304,573
1,056,888	1,801,763
35,970,916	40,527,381
6,000	6,000
-	184,386
<u>80,605,612</u>	<u>301,641,146</u>
<u>(40,678,770)</u>	<u>(36,881,037)</u>
77,425,000	144,585,000
-	109,849
6,733,838	49,636,867
18,263,952	29,678,827
(4,820,094)	(49,636,867)
<u>(98,931,152)</u>	<u>(98,931,152)</u>
<u>(1,328,456)</u>	<u>75,442,524</u>
<u>(42,007,226)</u>	<u>38,561,487</u>
<u>72,222,776</u>	<u>149,759,302</u>
<u>\$ 30,215,550</u>	<u>\$ 188,320,789</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

Total Net Change in Fund Balances - Governmental Funds	\$	38,561,487
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.		2,822,198
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to (decrease) net position.		(20,241,159)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to (decrease) net position.		(15,705,651)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to (decrease) net position.		(76,508)
Change in Net Position of Governmental Activities	<u>\$</u>	<u>5,360,367</u>

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

LAREDO INDEPEDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014

	Governmental Activities -
	Health Plan Internal Service Fund
<hr/>	
ASSETS	
Current Assets:	
Due from Other Funds	\$ 6,930,195
Other Receivables	5,791
Total Assets	<u>6,935,986</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	664,205
Due to Other Funds	1,416,664
Accrued Expenses	482,503
Unearned Revenues	1,550,416
Total Liabilities	<u>4,113,788</u>
NET POSITION	
Unrestricted Net Position	<u>2,822,198</u>
Total Net Position	<u><u>\$ 2,822,198</u></u>

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

LAREDO INDEPEDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Governmental Activities -
	Health Plan Internal Service Fund
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 18,255,975
Total Operating Revenues	<u>18,255,975</u>
OPERATING EXPENSES:	
Other Operating Costs	15,433,777
Total Operating Expenses	<u>15,433,777</u>
Operating Income	2,822,198
Total Net Position - September 1 (Beginning)	<u>-</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 2,822,198</u></u>

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

LAREDO INDEPEDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Governmental Activities -
	Health Plan Internal Service Fund
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 2,822,198
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Receivables	(5,792)
Increase in Accounts Payable	664,205
Increase in Payroll Deductions	1,550,416
Increase in Due from Other Funds	(6,930,194)
Increase in Due to Other Funds	1,416,664
Increase in Accrued Expenses	482,503
Net Cash Provided by Operating Activities	\$ -

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

LAREDO INDEPEDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 AUGUST 31, 2014

	Agency Funds
ASSETS	
Cash and Cash Equivalents	\$ 473,832
Total Assets	\$ 473,832
LIABILITIES	
Accounts Payable	\$ 12,564
Due to Other Funds	166
Due to Student Groups	461,102
Total Liabilities	\$ 473,832

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

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LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies

The basic financial statements of Laredo 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 principles.

1. Reporting Entity

The Board of School Trustees (“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 appointed 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 in its Statement No.14, *The Financial Reporting Entity*, and GASB Statement No.61, *The Financial Reporting Entity: Omnibus*. There is one blended component unit included within the reporting entity, as noted below.

Laredo Independent School District Public Facility Corporation (the “Corporation”), a non-profit corporation, is governed by a seven member Board of Directors composed of the members of the Board of Trustees of Laredo Independent School District. Although it is legally separate from the District, the Corporation is reported as if it were part of the primary government because its sole purpose is to assist in financing construction and furnishing the District’s school facilities.

Financial statements for the component unit can be obtained from Laredo Independent School District website at www.laredoisd.org/board/meetings2.html. Financial information pertaining to the Public Facility Corporation is located as a separate item at the end of the each regular board agenda.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and statement of activities include the financial activities of the overall government, except for fiduciary activities. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

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. Indirect cost expenditures are determined by applying approved indirect cost rates to actual applicable expenditures of federally funded grant programs and therefore are included as an element of functional expenses. Indirect cost revenues are reported in the general fund.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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 are presented as general revenues.

The fund financial statements provide information about the District's Governmental and Fiduciary 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 non-major funds.

b. Fund Accounting

Major Governmental Funds

- General Fund - District's primary operating fund: This classification must be used to account for funds in which the local governing board designates. It accounts for all financial resources of the District except those required to be accounted for in another fund.
- ESEA, Title I, Part A - Improving Basic Program: This is a District's special revenue fund. This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.
- EDA 2014 Bond - Capital Projects Funds: The District accounts for proceeds from long-term debt financing (including the sale of bonds) and revenues and expenditures related to authorized construction and other capital asset acquisitions in this fund. The Board approves project budgets, not annual appropriated budgets.

Fiduciary Funds

Agency Funds: These fiduciary funds are used to account for assets secured by the District to serve as a trustee or as an agent for activities from student groups and other resources held in custodial nature (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, scholarships and/or other governmental units. These fiduciary funds consist of District Student Activity Funds, Donations and Scholarship Funds. Agency funds have no measurement focus.

Fiduciary Fund Financial Statement is referenced as Exhibit E-1.

Proprietary Funds

Internal Service Fund: Revenues and expenses related to services provided to organizations inside the District on a cost-reimbursement basis are accounted for in an internal service fund. The internal service fund accounts for the operations of self-funded health insurance program. The school district switched from a fully funded to a self-funded health insurance program for the year ended August 31, 2014.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

c. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus. They 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds 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 revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Grant and similar revenues, revenues received from the State of Texas, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Unavailable revenue from property taxes arises only under modified accrual basis of accounting. The governmental funds report this unavailable revenue as a deferred inflow of resources, which is recognized as revenue in the period the amounts become 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.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts where expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

3. Financial Statement Amounts

a. Deposits

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

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The depository bank may either place approved pledged securities for safekeeping and trust with the District's agent bank or file a corporate surety bond 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 insurance.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

b. Inventories and Prepaid Items

Inventories of supplies on the balance sheet are carried at cost, which is determined principally by the average cost method, while investments of food commodities are recorded at market values supplied by the United States Department of Agriculture (USDA). Inventories are considered expenditures or expenses as they are consumed. Supplies are used for almost all functions of activity, while food commodities are used only in the food service program. Although commodities are received at no cost, their fair market value is supplied by the USDA and recorded as inventory and unearned revenues when received. When requisitioned, inventory and unearned revenues are relieved, expenditures are changed, and revenue is recognized for an equal amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

c. 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the General Fund are \$2,098,397 and \$406,950 for the Debt Service Fund which is 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.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. Land and Construction in Progress are not depreciated.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is 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:

Asset Class	Estimated Useful Lives (Years)
Buildings	15 – 30
Furniture and Equipment	3 – 15
Vehicles	7 – 10

e. Receivable and Payable Balances

The District believes sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

There are no significant receivables which are not scheduled for collection within one year of year-end.

f. 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 not 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 inter-fund transactions are treated as transfers. Transfers in and transfers out are presented gross on the governmental fund financial statements. The effect of interfund activity has been eliminated from the government-wide financial statements.

g. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Significant assumptions are required in the calculation of the revenue from the Foundation School Program. It is possible this estimate could be revised in the near term and that the revision could be material.

h. 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 the TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

i. Budgets

The budget was prepared for adoption for all required Governmental Fund Types. The following procedures are followed in establishing the budgetary data:

- 1) Prior to August 20 of the preceding fiscal year, 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 after ten days of the public notice for the meeting has been provided.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, several amendments were necessary.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Debt Service, and the General Fund - Food Service. The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget was properly amended throughout the year by the Board.

Each budget is controlled by the budget coordinator at the expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. Budget information is summarized next:

	Original Budget	Increase/(Decrease)	Amended Budget
General Fund	\$189,336,862	\$3,087,940	\$192,424,802
General Fund – Child Nutrition	16,994,186	2,275,183	19,269,369
Debt Service Fund	18,736,380	5,344,351	24,080,731
PFC Debt Service Fund	4,727,908	(3,438,954)	1,288,954

It is noted that during this audited year, the budget appropriations in General Fund were increased to complete the purchase of the Civic Center in the amount of \$2,000,000 and to fund the purchase of access control systems in the amount of \$1,486,940. Budget appropriations in Child Nutrition Program were increased due to fund balance reduction plan in the amount of \$1,033,183 and purchase of new cafeteria equipment in the amount of \$1,150,000. Budget appropriations were increased in Debt Service Fund due to closing of PFC Debt Service Fund, transferring the related debt into Debt Service Fund as new bond Series 2013 in the amount of \$3,540,863. In addition, Debt Service Fund had an increased on budget appropriations in the amount of \$1,803,488 for the issuance of new and refunding bonds.

j. Encumbrances

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31. However, encumbrances outstanding at year end, not otherwise restricted or committed, are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Significant encumbrances included in governmental fund balances are as follows:

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

A. Summary of Significant Accounting Policies (Continued)

	Encumbrances included in:		
	Restricted	Other Assigned	Total
	Fund Balance	Fund Balance	
General Fund	\$ -	\$ 617,873	\$ 617,873
EDA 2014 Bond Series	17,500,770	-	17,500,770
Non Major Governmental Funds	14,459,096	-	14,459,096
Total	\$ 31,959,866	\$ 617,873	\$ 32,577,739

k. Arbitrage Payable

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. There is no District liability as of August 31, 2014.

l. Unearned Revenues

Unearned revenues arise principally from amounts received from the state that relate to the subsequent fiscal year.

m. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

n. Deferred Outflows/Inflows of Resources

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

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

B. Reconciliation of Government –Wide and Fund Financial Statements (Continued)

Assets:

Decrease in Bond Issuance Costs due to reclassification	\$ (2,970,949)	
Decrease due to amortization of Deferred Charge for bond refunding	(119,400)	
Increase in Deferred Charge on the Unlimited Tax School Building Bonds, Series 2005	3,663,142	
Increase in Deferred Charge on refunding due to reclassification	1,364,573	
Decrease in Deferred Charge on refunding due within one year	(348,348)	
Decrease in Land	(119,139)	
Decrease in Buildings and Improvements	(7,313,562)	
Increase in Furniture and Equipment	2,913,322	
Depreciation on disposed Buildings	7,771,480	
Depreciation on disposed Furniture and Equipment	800,802	
Increase in Construction in progress	37,519,535	
	Subtotal	\$ 43,161,456

Long - Term Liabilities:

Increase in termination benefits & compensated absences	(208,825)	
Increase in Interest payable	(20,527)	
Principal Payments on bonds payable	13,291,620	
Increase for the Unlimited Tax School Building Bonds, Series 2013	(43,425,000)	
Increase in premium for the Unlimited Tax School Building Bonds, Series 2013	(3,763,919)	
Decrease due to refunding 2004 Lease Revenue Bonds	50,940,000	
Decrease on unamortized premium for the 2004 Lease Revenue Bonds	771,687	
Increase in Deferred Gain on refunding 2004 Lease Revenue Bonds	(771,687)	
Increase for the Unlimited Tax School Building Bonds, Series 2014	(67,160,000)	
Increase in premium for the Unlimited Tax School Building Bonds, Series 2014	(11,414,875)	
Increase for the Unlimited Tax School Refunding Bonds, Series 2014	(34,000,000)	
Increase in premium for the Unlimited Tax School Refunding Bonds, Series 2014	(14,500,033)	
Decrease due to refunding the Unlimited Tax School Building Bonds, Series 2005	44,328,010	
Amortization of premium on bonds	543,370	
Amortization of deferred gain on bond refunding	32,840	
Increase in Other Long Term Debt due to reclassification	(1,364,573)	
Decrease in Other Payable on refunding due within one year	348,348	
	Subtotal	<u>(66,373,564)</u>
Net Adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities		<u>\$ (23,212,108)</u>

2. Only \$20,241,159 of the \$23,212,108 amount applies to the reconciliation of the total net change in fund balances in the governmental funds and change in net assets in the governmental activities. The difference of \$2,970,949 consists of a prior period adjustment due to the adoption of GASB Statement No. 65. Please refer to Note T – Prior Period Adjustment.

C. Compliance and Accountability

Excess Actual Over Budget

For the year ended August 31, 2014, appropriations exceeded expenditures in all legally budgeted funds.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

D. Deposits and Investments

Custodial Credit Risk-Deposits: The District’s funds are required to be deposited and invested under the terms of a depository contract. The depository bank places for safekeeping and trust with the District’s agent bank approved pledged securities and letters of credit 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.

The carrying amount of the District’s deposits and investments are as follows:

Cash in Bank or On Hand - Primary Government	\$	82,733,482
Cash Equivalents		
Investment Pools Accounts:		
TexasDAILY	64,828,460	
TexPool	4,272,493	
Current Investments		
Certificates of Deposit:		
Comerica Bank	2,020,050	
BBVA Compass Bank	8,028,410	
Discount Notes:		
Federal Home Loan Discount Note	3,550,688	
Total Cash Equivalents and Current Investments		82,700,101
Long Term Investments		29,069,650
Total Deposits and Investments - Primary Government	\$	194,503,233

Deposits:

At August 31, 2014, the District’s bank deposits (cash and interest bearing accounts) were \$152,901,529. The District’s cash deposits at August 31, 2014 and during the year ended August 31, 2014, were entirely covered by FDIC insurance, by pledged collateral held by the District’s agent bank in the District’s name and letters of credit from the Federal Home Loan Bank.

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

- a. Depository: BBVA Compass Bank
- b. The total collateral amount at the highest combined balance on deposits was \$137,000,000 which is the sum of seven letters of credit plus the FDIC coverage.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$124,210,814 and occurred during the month of March 2014.
- d. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

D. Deposits and Investments (Continued)

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 general purpose financial statements disclosed that in the areas of investment practices, management reports and 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, certain U.S. agencies, the state of Texas, (2) certificates of deposit and Share Certificates, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds.

External Investment Pool-Primary Government:

The District's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission, have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of the shares in each pool; the market value of a share should approximately equal the book value of a share.

Texas DAILY is a portfolio established by Texas Term Advisory Board pursuant to the provisions of the Texas TERM Common Investment Contract that established the Pool. Texas DAILY is a local government investment portfolio established to allow school districts and other governmental entities in Texas to pool their funds for investment under the provisions of the Inter local Cooperation Act, Chapter 791 of the Texas Government Code, the PFIA and other similar cooperative statutes and under the statutes governing investment of funds by those local governments.

TexPool is a local government investment pool created on behalf of Texas entities whose investment objectives are preservation and safety of principal, liquidity and yield consistent with the Public Funds Investment Act. Pursuant to subchapter G of chapter 404, the Comptroller of Public Accounts administers the Texas Local Government Investment Pools (the “TexPool Portfolios”) as public funds investment pools through the Texas Treasury Safekeeping Trust Company (the “Trust Company”). The Trust Company is a special-purpose trust company authorized to receive, transfer, and disburse money and securities as provided by statute or belonging to the state, agencies, and local political subdivisions and other organizations created on behalf of the state or agency or political subdivision of the state. The Comptroller and the Trust Company have contracted with Federated Investors, Inc. (“Federated”), as administrator and investment manager for the TexPool Portfolios.

Credit Risk. In accordance with state law and the District’s investment policy, investments in investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1,P-1, or have an equivalent rating, and obligations of states, agencies, counties, and cities must be rated at least

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

D. Deposits and Investments (Continued)

A or its equivalent. As of August 31, 2014, Texas Daily and Texpool were rated AAAM by Standard and Poor's (S&P). The District did not have any investments in commercial paper as of August 31, 2014. The Wells Fargo money market account was rated AA by S&P. The District's investments in bonds of Federal Home Loan Bank (FHLB) were rated AAA by S&P.

Concentration of Credit Risk. The District places no limit on the amount the District may invest in any one issuer, rather investments are governed by the objectives of preservation and safety of principal, liquidity, and yield. In addition, the investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer. The District's investments are allocated as follows: FHLB (1.83%), Texas Daily (33.33%), TexPool (2.20%), BBVA Compass CDs (4.13%), Comerica CDs (15.99%) and BBVA Compass (42.52%).

Interest Rate Risk. In accordance with state law and the District's investment policy, the District does not purchase any investments with maturities greater than two and a half (2.5) years for its Operating Funds.

The investment maturities in the following table reflect the maturity date of the investments in each category due 12 months from the balance sheet date. The District uses its investments in the investment pools, certificates of deposits and a discount note to further mitigate interest rate risk.

The District's investments at August 31, 2014 are shown below:

Investment Maturities in Years			
Investment	Fair Value	Less than 1 Year	1 to 2 Years
Agency Bonds & Discount Notes			
FHLB Note	\$ 3,550,688	\$ 3,550,688	\$ -
	<u>3,550,688</u>	<u>3,550,688</u>	<u>-</u>
Investment Pools			
Texpool	4,272,493	4,272,493	
Texas Daily	64,828,460	64,828,460	-
	<u>69,100,953</u>	<u>69,100,953</u>	<u>-</u>
Certificates of Deposit			
BBVA Compass	8,028,410	8,028,410	-
Comerica	31,089,700	2,020,050	29,069,650
	<u>39,118,110</u>	<u>10,048,460</u>	<u>29,069,650</u>
Total Fair Value	<u>\$ 111,769,751</u>	<u>\$ 82,700,101</u>	<u>\$ 29,069,650</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

E. Due to and from Other Governments and Agencies

The District participates in a variety of federal, state, and local programs from which it receives grants to partially or fully finance certain activities. Amounts due to and from federal, state, and local governments as of August 31, 2014 are summarized below and are reported on the government-wide statement of net position.

	Due to Other Governments	Due from Other Governments
<u>General Funds:</u>		
General Fund	\$ -	\$ 6,844,741
Food Service Fund	-	453,444
Total General Funds	-	7,298,185
 <u>Special Revenue Fund</u>		
ESEA Title I Part A-Improving Basic Program	-	5,057,684
 <u>Nonmajor Governmental Funds:</u>		
ESEA Title I Part C Migrant	-	164,649
IDEA - Part B Formula	-	936,760
IDEA - Part B Preschool	-	49,147
IDEA - Part B Discretionary	-	1,175
IDEA - Part B Deaf	-	34,550
IDEA - Part B Preschool Deaf	-	4,083
Career and Technical – Basic Grant	-	16,210
ESEA II, A Training and Recruiting	-	863,308
Title III, A English Lang. Acquisition	-	526,966
Texas Title I Priority Schools	-	2,403,447
OCDETF Grant	-	5,671
Performing Arts Center	-	1,000
Debt Service Fund	-	103,683
Debt Service Fund - PFC	2,492,974	-
Total Nonmajor Governmental Funds	2,492,974	5,110,649
 Total Governmental Funds	\$ 2,492,974	\$ 17,466,518

F. Interfund Balances and Activities

1. Interfund Receivables and Interfund Payables

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts due are scheduled to be repaid within one year. Interfund balances between governmental funds, and proprietary funds are eliminated in the statement of net position and reported as internal balances. The composition of interfund balances at August 31, 2014 consisted of the following:

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

F. Interfund Balances and Activities (Continued)

	Interfund Receivables	Interfund Payables
<u>Governmental Funds:</u>		
General Fund	\$ 10,924,926	\$ 7,823,387
ESEA Title I Part A-Improving Basic Program	-	3,990,361
Nonmajor Governmental Funds	69,502	4,694,045
Total Governmental Funds	10,994,428	16,507,793
<u>Proprietary Fund:</u>		
Health Insurance Internal Service Fund	6,930,195	1,416,664
<u>Fiduciary Fund:</u>		
Agency Funds	-	166
Total – All Funds	\$ 17,924,623	\$ 17,924,623

2. Transfers To/From Other Funds

Transfers between the Special Revenue Funds, Capital Projects Funds, and the General Fund are to account for the District’s local share of grant funds. Transfers to the Debt Service Fund are related to amounts to cover interest and principal on debt. Transfers to and from other funds at August 31, 2014 consisted of the following:

Transfers From	Transfers To	Amount	Purpose
General Fund	Debt Service	\$ 1,709,894	Transfer to cover for interest and principal costs for loans.
General Fund	Athletics Program	1,108,728	Transfer to cover athletic costs for the District.
General Fund	Civic Center	722,207	Transfer to cover civic center costs for the District.
General Fund	E-Rate	455,000	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
General Fund	Capital Projects	20,410,472	Transfer to cover 2014 Series bond before proceeds due to reimbursement agreement.
Debt Service PFC	Debt Service	925	Transfer to close out Public Facilities Corporation.
Capital Projects	General Fund	20,410,472	Transfer to reimburse General fund for expenses incurred before bond proceeds.
Capital Projects	E-Rate	518,357	Transfer to cover local 10% share of grant and items ineligible for E-Rate.
Capital Projects PFC	Debt Service	4,300,812	Transfer of unused proceeds as part of new refunding bond 2013.
		\$ 49,636,867	

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

G. Capital Assets

Capital asset activity for the year ended August 31, 2014 was as follows:

	Beginning Balances	Additions	Dispositions and Adjustments	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated:				
Land	\$ 19,458,937	\$ -	\$ 119,139	\$ 19,339,798
Construction in Progress	10,838,303	39,766,508	2,246,973	48,357,838
Total capital assets not being depreciated	<u>30,297,240</u>	<u>39,766,508</u>	<u>2,366,112</u>	<u>67,697,636</u>
Capital assets being depreciated:				
Buildings and Improvements	413,091,243	2,246,973	9,560,535	405,777,681
Equipment	32,449,746	3,730,919	817,597	35,363,068
Total capital assets being depreciated	<u>445,540,989</u>	<u>5,977,892</u>	<u>10,378,132</u>	<u>441,140,749</u>
Less accumulated depreciation:				
Building and Improvements	121,131,055	12,547,755	7,771,480	125,907,330
Equipment	22,962,840	3,157,896	800,802	25,319,934
Total accumulated depreciation	<u>144,093,895</u>	<u>15,705,651</u>	<u>8,572,282</u>	<u>151,227,264</u>
Total capital assets being depreciated, net	<u>301,447,094</u>	<u>(9,727,759)</u>	<u>1,805,850</u>	<u>289,913,485</u>
Governmental activities capital assets, net	<u>\$ 331,744,334</u>	<u>\$ 30,038,749</u>	<u>\$ 4,171,962</u>	<u>\$ 357,611,121</u>

Depreciation was charged to the following functions as follows:

	Totals
Instruction	\$ 11,753,831
Instruction Resources and Media Services	68,711
Staff Development	73,766
Instructional Leadership	84,999
School Leadership	262,936
Guidance, Counseling & Evaluation Services	17,928
Social Work Services	13,797
Health Services	108,983
Transportation	430,786
Food Service	390,237
Athletics	88,981
General Administration	188,296
Plan Maintenance and Operations	641,464
Security and Monitoring Services	1,289,786
Data Processing Services	287,125
Parental Involvement	4,025
Total Depreciation	<u>\$ 15,705,651</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

H. Unearned Revenues

Unearned revenues at August 31, 2014 consisted of the following:

General Funds:

Food Service Fund	\$235,987
Escrow Taxes	65,058
Total General Funds	301,045

Nonmajor Governmental Funds:

Life Skills Program	209,640
State Textbook Fund	331,804
LEOSE	2,145
Crime Stoppers Others/Local	120
Equitable Sharing Program	70,728
UTNB Health HCOE	4,379
LBV Grant	463
Total Nonmajor Governmental Funds	619,279

Total Governmental Funds	920,324
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Proprietary Fund

Health Insurance Internal Service Fund	1,550,416
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Total – All Funds	\$ 2,470,740
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I. Loans Payable

The District may borrow money for the purpose of paying maintenance expenses and may evidence those loans with negotiable notes. The District pledged proceeds of its maintenance tax to secure maintenance tax notes for the purpose of financing the renovation and equipment of qualified zone academies, within the meaning of section 1397(d) of the Internal Revenue Code of 1986, located within the District in accordance with the provisions of Section 45.108, Texas Education Code, as amended.

A Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 was entered into on October 3, 2005, for the purpose of financing the construction of academics for three middle schools and two high schools. The loan has an interest rate of 0% and an original term of twelve years. The principal payment of \$8,000,000 is due to mature on October 3, 2021. In connection with the Qualified Zone Academy Limited Maintenance Tax Note, within the Interest and Sinking Fund, there shall be established a “Cumulative Sinking Fund Deposit Account”; provided however that the Cumulative Sinking Fund Deposit Account shall at all times be maintained by the District with, and held by, the Registrar.

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

I. Loans Payable (continued)

The following is a summary of loan transaction of the district for the year ending August 31, 2014.

Description	Balance Outstanding 9/1/2013	Issued Current Year	Retired Current Year	Balance Outstanding 8/31/2014	Amounts Due Within One Year
Note - October 3, 2005	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -

No interest was paid during the year on loans. All loans are funded from Maintenance and Operations (M&O) tax.

The following is a schedule of the required payments for these loans:

Year Ending August 31,	Principal	Interest	Total
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020-2024	8,000,000	-	8,000,000
	\$ 8,000,000	\$ -	\$ 8,000,000

The future sinking fund requirements for the Qualified Zone Academy Limited Maintenance Tax Note of \$8,000,000 are as follows:

Year Ending August 31,	Amount
2015	\$ 389,887
2016	389,887
2017	389,887
2018	389,887
2019	389,887
2020-2024	779,774
Total	\$ 2,729,209

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

J. Long-Term Obligations

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. The bonds are supported by a pledge of the District's full faith and credit and require a levy and collection of taxes without limitation as to rate or amount on all property subject to taxation by the District sufficient in amount to pay the principal and interest on such bonds as they become due. The indentures also require that a debt service fund be created and administered by the District solely for paying principal and interest when due.

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.

Bonded indebtedness of the District reflected in the General Long Term Debt and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Total principal amount of Tax Bond indebtedness cannot exceed 10 percent of the taxable assessed valuation of property in the School District.

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2014 are as follows:

Interest paid on bonded indebtedness during the current year was \$10,304,574.09.

**LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

J. Long-Term Obligations (continued)

Description	Rate Payable	Original Issue	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<i>Unlimited Tax Refunding Bonds, Series 2001:</i>							
Capital Appreciation	5.00-5.375%	\$ 2,509,910	\$ 7,956,797	\$ 818,782	\$ -	\$ 8,775,579	\$ -
<i>Lease Revenue Bonds</i>							
Series A	3.00-5.00%	30,105,000	22,515,000	-	22,515,000	-	-
Series B	3.00-5.00%	6,345,000	4,695,000	-	4,695,000	-	-
Series C	3.00-5.00%	23,715,000	17,815,000	-	17,815,000	-	-
Series D	3.00-5.00%	2,140,000	1,605,000	-	1,605,000	-	-
Series E	3.00-5.00%	1,215,000	910,000	-	910,000	-	-
<i>Lease Revenue Bonds</i>							
Series F	3.00-5.00%	4,615,000	3,400,000	-	3,400,000	-	-
<i>Unlimited Tax Refunding Bonds, Series 2005:</i>							
Current Interest	3.00-5.00%	51,120,000	45,370,000	-	4,575,000	40,795,000	4,790,000
Capital Appreciation	5.152%	3,024,784	-	-	-	-	-
<i>Unlimited Tax School Building Bonds, Series 2005:</i>							
Current Interest	5.00%	17,370,000	16,190,000	-	16,190,000	-	-
Capital Appreciation	3.39-5.18%	42,485,846	35,188,273	309,597	31,898,008	3,599,862	2,441,406
<i>Unlimited Tax School Building Bonds, Series 2006:</i>							
Current Interest	4.125-5.00%	56,950,000	45,090,000	-	1,975,000	43,115,000	2,060,000
<i>Unlimited Tax Refunding Bonds, Series 2010:</i>							
Current Interest	4.00-5.00%	18,420,000	18,420,000	-	-	18,420,000	-
<i>Unlimited Tax Refunding Bonds, Series 2011:</i>							
Current Interest	2.00-5.00%	18,415,000	14,490,000	-	1,890,000	12,600,000	1,975,000
<i>Unlimited Tax School Building Bonds, Series 2013:</i>							
Current Interest	4.00-5.00%	43,425,000	-	43,425,000	2,220,000	41,205,000	1,980,000
<i>Unlimited Tax School Building Bonds, Series 2014:</i>							
Current Interest	4.00-5.00%	67,160,000	-	67,160,000	-	67,160,000	-
<i>Unlimited Tax School Refunding Bonds, Series 2014:</i>							
Current Interest	4.00%	11,310,000	-	11,310,000	-	11,310,000	-
Capital Appreciation	9.63-9.68%	22,690,000	-	22,690,000	-	22,690,000	-
TOTALS		<u>\$ 423,015,540</u>	<u>\$ 233,645,070</u>	<u>\$ 145,713,379</u>	<u>\$ 109,688,008</u>	<u>\$ 269,670,440</u>	<u>\$ 13,246,406</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

J. Long-Term Obligations (continued)

The following is a schedule of the required payments for these general obligation bonds:

Year Ending August 31,	Capital Appreciation			Total
	Principal	Bond	Interest	
2015	\$ 13,246,406	\$ 1,158,456	\$ 12,317,143	\$ 25,563,549
2016	13,540,573	2,297,970	14,145,901	27,686,474
2017	13,603,573	2,080,925	14,078,602	27,682,175
2018	13,655,764	1,886,773	14,011,867	27,667,631
2019	17,070,000	-	10,608,050	27,678,050
2020-2024	93,990,000	-	44,356,443	138,346,443
2025-2029	69,190,000	-	23,759,023	92,949,023
2030-2034	27,950,000	-	3,878,300	31,828,300
	<u>\$ 262,246,316</u>	<u>\$ 7,424,124</u>	<u>\$ 137,155,329</u>	<u>\$ 399,401,645</u>

Capital Appreciation Bonds

The total accretion of discount on capital appreciation bonds that is included in the August 31, 2014 ending balance of \$269,670,440 is \$7,424,124.

Defeased Bonds

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the bonds in an irrevocable trust for all future debt service payments on the refunded bonds. Accordingly, the trust accounts for the assets and liabilities for the defeased bonds and are not included in the District's financial statements. At August 31, 2014, approximately \$45,818,379 million of the 2005 series bond issues were outstanding, but considered defeased.

Bonds Matured

Maturity Date	2005 Unlimited Tax School Building
	8/1/2015
8/1/2016	3,436,753
8/1/2017	3,272,253
8/1/2018	3,109,558
8/1/2019	2,953,480
8/1/2020	2,806,314
8/1/2021	2,662,569
8/1/2022	2,525,667
8/1/2023	2,394,939
8/1/2024	2,270,949
8/1/2025	2,154,931
8/1/2026	2,040,966
8/1/2027	3,755,000
8/1/2028	3,945,000
8/1/2029	4,140,000
8/1/2030	4,350,000
Total	<u>\$ 45,818,379</u>

**LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

K. Changes in Long-Term Liabilities

Long-term liability activity for the governmental activities for the year ended August 31, 2014, was as follows:

Description	Balance Outstanding 9/1/2013	Issued/Increase Current Year	Retired/Decrease Current Year	Balance Outstanding 8/31/2014	Amounts Due Within One Year
Loans Payable					
Loans	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
General Obligation Bonds	233,645,070	145,713,379	109,688,008	269,670,440	13,246,406
Bonds Premium Amortization - Net	5,084,220	29,678,827	1,315,057	33,447,990	2,008,884
Deferred Charge for Refunding Bonds	(1,364,573)	(3,663,142)	(119,400)	(4,908,315)	(348,348)
Deferred Gain on Refunding Bonds	-	771,687	32,840	738,847	49,260
Total Bonds and Loans Payable	237,364,717	172,500,751	110,916,505	298,948,962	14,956,202
Other Liabilities					
Compensated Absences	2,234,024	363,900	155,075	2,442,849	155,075
Total Other Liabilities	2,234,024	363,900	155,075	2,442,849	155,075
Total Governmental Activities					
Long-term Liabilities	\$ 247,598,741	\$ 172,864,651	\$ 111,071,580	\$ 309,391,811	\$ 15,111,277

General Operating Fund is used to liquidate the liability for compensated absences.

L. Major Sources of Revenue from Local and Intermediate Sources

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

	General Fund	694-EDA Bond Series	Other Governmental Funds	Total
Property Taxes	\$ 21,498,365	\$ -	\$ 4,833,316	\$ 26,331,681
Penalties & Interest	520,560	-	111,071	631,631
Investment Income	166,529	5,264	202,548	374,341
Rental of Facilities & Insurance	7,342	-	181,703	189,045
Co-curricular	551,280	-	3,082	554,362
Webb County Permanent Fund	726,786	-	-	726,786
Miscellaneous	2,735,087	-	1,269,636	4,004,723
	\$ 26,205,949	\$ 5,264	\$ 6,601,356	\$ 32,812,569

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

M. Accumulated State Personal and Sick Leave Benefits

Buy back of accrued sick leave at retirement – The District buys back accrued unused sick leave from employees when they retire from the District with full benefits under the Teacher Retirement System. Buy back of accrued leave is at the rates established in the District's approved Pay Plan, without local increments. This one-time-only benefit is available to employees who have served at least ten consecutive years in the District; however, the plan applies also to employees who die while employed in the District, regardless of the length of their employment, with payment made to the designated beneficiary.

Rate for professional employees – A professional employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave up to a maximum of 40 days of state leave, of which 5 days are at 100%, 10 days at 75%, and 25 days at 50% of the daily rate of pay; in addition, 40 days of local sick leave are at \$100 per day.

Rate for para-professional and auxiliary employees – A paraprofessional or auxiliary employee who retires meeting the eligibility criteria specified above shall be paid for accumulated leave to a maximum of 80 days of leave, of which the first 10 days are at 100%, the next 15 days are at 75%, and the next 55 days are at 50% of the daily rate of pay.

As of August 31, 2014, the balance for the State Personal and Sick Leave is \$2,442,849. The estimated amount due within a year totals to \$155,075. The General Fund and Special Revenue Funds, if allowed, are expected to pay for these.

N. Risk Financing Activities

The District is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2014, the District purchased commercial insurance to cover these risks. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Workers' Compensation

The District was self-insured for workers' compensation claims in fiscal years 2002, 2003, and 2004. The liabilities reported are based on claims outstanding incurred through August 31, 2014 and are based on cost estimates. The District accounts for claim payments in the General Fund.

A summary of the workers' compensation claims aggregate for prior and current year is presented below:

Year	Beginning of Fiscal Year Liability	Current Year Claims &/or changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2012-2013	\$90,454	-	\$8,277	\$82,177
2013-2014	\$82,177	-	\$4,228	\$77,949

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

N. Risk Financing Activities (continued)

Health Insurance

The claims for the health insurance liability of \$482,503, reported in the Internal Service fund at August 31, 2014 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amounts are as follows:

Beginning of the year liability	\$	-
Current year claims		12,507,305
Changes in estimates		482,503
Claims payments		<u>(12,507,305)</u>
End of year liability	<u>\$</u>	<u>482,503</u> ¹

¹ Claim liabilities are due within one year of the date of net position.

O. Pension Plan

The District contributes to the Teacher Retirement System of Texas (the "System"), a public retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the state of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701-2698 or by calling (800) 887-0123.

State law provides for fiscal year 2014 a state contribution rate of 6.8% and for fiscal year years 2013 and 2012, a state contribution rate of 6.4% and 6.0%, respectively, and a member contribution rate of 6.4%. In certain instances, the District is required to make all or a portion of the state's 6.8% contribution. Contribution requirements are not actuarially determined, but are legally established each biennium 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% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of TRS during the fiscal year, and (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of the particular action, the time required to amortize the System's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State contributions made to the System on behalf of the District's employees for the years ended August 31, 2014, 2013, and 2012 were \$9,384,770, \$8,999,151 and \$9,190,010,

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014

O. Pension Plan (continued)

respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants, reporting entity contributions and from the District for salaries above the statutory minimum for the years ended August 31, 2014, 2013, and 2012 were \$3,465,756, \$3,099,907 and \$3,258,180 respectively, and were equal to the required contributions for each year. The District contributed 6.8% totaling \$103,096 for state contributions during the first 90 days of a new member's employment. The amount contributed to the Teacher Retirement System of Texas on behalf of the District was recognized as revenues and expenditures which totaled to \$7,923,275.

Federal legislation enacted in January 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One provision of the law allows TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible participants. These payments totaled \$391,258, \$368,468, and \$390,748 for fiscal years 2014, 2013, and 2012, respectively. Revenue and expenditures equal to the amount by the federal government were recognized during the 2014 fiscal year. The recording of the revenue and expenditures paid on behalf of the District would have no effect on previously reported fund balance or net position.

P. Health Care Coverage

For the term effective 9/1/13-8/31/14, the District was self-funded with BCBS of Texas as the medical provider. BCBS of Texas, the districts medical provider as well as the local servicing agency, Laurel Insurance Agency, contracted by BCBS of Texas, administered and serviced the group health insurance program. The District maintains both aggregate and individual stop-loss coverage for catastrophic losses exceeding \$150,000 per claim.

The District contributed \$336.17 for all Teacher Retirement System (TRS) qualified employees towards the cost of participation in the Preferred Provider Organization (PPO) medical insurance program.

There are four (4) insurance plan options (Basic, Low, High, and State Comparable) as well as options of the four (4) tier coverage levels (Employee Only, Employee & Spouse, Employee & Children, Employee & Family) within each option. The District also offered continued coverage in accordance with federal law to all employees and dependents that are no longer eligible for coverage, but meet COBRA requirements.

The District's health insurance program has been very efficient and successful in that the District has been able to provide employees different choices of plans and levels of benefits which are in compliance with the TRS Comparability Program. Employee participation in the District's medical insurance is estimated at 2,967 or 82% of the eligible employee base of 3,633, as of May 31, 2014, and is considered moderately high. Upon review by TRS, via the mandatory comparability reporting requirements, it was determined that the District satisfied all of the reporting requirements of the Education Code for the 2012-2013 comparability study. It was determined that our district makes available to the employees group health coverage that is comparable to the basic health coverage; provided to state employees under the Texas Employees Uniform Group Insurance Benefits Act.

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

Q. Commitments and Contingencies

1. 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 collection 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.

2. Litigation

The District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any material adverse effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

R. Construction Commitments

As of August 31, 2014, the District was obligated under the terms of various agreements for the construction of the following projects:

Project Name	Contract Amount	Paid to Date	Commitment Balance Remaining	Retainage Payable Amount
New School Construction/Renovation	\$ 37,606,360	\$ 7,036,606	\$ 30,569,754	\$ 2,203,145
Environmental Services	552,925	294,815	258,110	-
Portable Rentals	782,524	475,764	306,760	-
Electrical Services	943,259	-	943,259	-
Architect Services	1,715,410	1,239,258	476,152	-
Total	\$ 41,600,478	\$ 9,046,443	\$ 32,554,035	\$ 2,203,145

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED AUGUST 31, 2014

S. Shared Service Arrangements

The Laredo Independent School District (L.I.S.D) participates in the Regional Day School Program for the Deaf (RDSPD), a shared service arrangement with two member Districts: United Independent School District (U.I.S.D) & Jim Hogg County Independent School District (J.H.C.I.S.D). The District is acting as the fiscal agent for the parties involved. The purpose of the Laredo Independent School District RDSPD is to serve students who are auditory impaired and between the ages of 0 and 21. Funding for the LISD RDSPD is provided by TEA and by the member Districts. Revenue from the respective member Districts is presented below:

LISD	\$	231,280
UISD		293,381
JHCISD		<u>10,000</u>
		<u>\$ 534,661</u>

As a fiscal agent, LISD RDSPD is responsible for reporting all financial activities of the shared service arrangement. The District accounts for the activity in Special Revenue Fund 435.

T. Prior Period Adjustment

For fiscal year 2014, the School District had a prior period adjustment due to the adoption of GASB Statement No. 65, as described in New Accounting Pronouncements, which requires the restatement of the August 31, 2013, net position in Governmental Activities. The result is a decrease in Net Position at September 1, 2013, of \$2,970,949. This change is in accordance with generally accepted accounting principles.

Net Position, August 31, 2013, as previously reported	\$237,132,011
Reclassification of Bond Issuance Costs	<u>(2,970,949)</u>
Net Position, September 1, 2013, as restated	<u>\$234,161,062</u>

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**REQUIRED SUPPLEMENTARY
INFORMATION**

LAREDO INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 25,034,965	\$ 25,070,965	\$ 26,205,949	\$ 1,134,984
5800 State Program Revenues	159,754,342	159,819,342	162,391,140	2,571,798
5900 Federal Program Revenues	18,705,286	18,705,286	19,552,021	846,735
5020 Total Revenues	203,494,593	203,595,593	208,149,110	4,553,517
EXPENDITURES:				
Current:				
0011 Instruction	108,150,875	108,842,504	108,528,456	314,048
0012 Instructional Resources and Media Services	3,990,027	3,923,734	3,765,553	158,181
0013 Curriculum and Instructional Staff Development	775,900	784,716	632,784	151,932
0021 Instructional Leadership	2,702,912	2,646,066	2,565,151	80,915
0023 School Leadership	12,936,180	12,843,917	12,492,478	351,439
0031 Guidance, Counseling and Evaluation Services	6,291,983	6,260,684	6,259,346	1,338
0032 Social Work Services	1,549,520	1,602,556	1,497,996	104,560
0033 Health Services	1,818,729	1,925,371	1,818,173	107,198
0034 Student (Pupil) Transportation	3,832,382	4,095,994	3,995,141	100,853
0035 Food Services	16,653,607	18,628,790	17,235,408	1,393,382
0036 Extracurricular Activities	4,342,109	4,663,888	4,472,817	191,071
0041 General Administration	6,807,848	6,030,614	5,796,439	234,175
0051 Facilities Maintenance and Operations	23,548,106	22,152,543	21,169,026	983,517
0052 Security and Monitoring Services	3,706,410	5,006,503	4,162,369	844,134
0053 Data Processing Services	4,490,462	4,915,881	4,156,304	759,577
0061 Community Services	278,259	341,449	285,459	55,990
Capital Outlay:				
0081 Facilities Acquisition and Construction	4,355,739	6,838,961	3,163,306	3,675,655
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	100,000	190,000	184,386	5,614
6030 Total Expenditures	206,331,048	211,694,171	202,180,592	9,513,579
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,836,455)	(8,098,578)	5,968,518	14,067,096
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	109,849	109,849	-
7915 Transfers In	5,337,462	25,867,934	22,492,557	(3,375,377)
8911 Transfers Out (Use)	(3,799,084)	(24,829,556)	(24,406,301)	423,255
7080 Total Other Financing Sources (Uses)	1,538,378	1,148,227	(1,803,895)	(2,952,122)
1200 Net Change in Fund Balances	(1,298,077)	(6,950,351)	4,164,623	11,114,974
0100 Fund Balance - September 1 (Beginning)	77,536,526	77,536,526	77,536,526	-
3000 Fund Balance - August 31 (Ending)	\$ 76,238,449	\$ 70,586,175	\$ 81,701,149	\$ 11,114,974

LAREDO INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2014

A. Budgetary Information

The budget was prepared for adoption for all required Governmental Fund Types. The following procedures are followed in establishing the budgetary data:

- 1) Prior to August 20 of the preceding fiscal year, 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 after ten days of the public notice for the meeting has been provided.
- 3) Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, several amendments were necessary.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund, Debt Service, and the General Fund - Food Service. The Special Revenue Funds and Capital Projects Funds adopt project-length budgets which may not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States.

B. Variances with Final Budget

It is noted that during this audited year, the budget appropriations were increased to complete the purchase of the Civic Center in the amount of \$2,000,000 and to fund the purchase of access control systems in the amount of \$1,486,940 for the General Fund. Budget appropriations in the Child Nutrition Program were increased due to fund balance reduction plan in the amount of \$1,033,183 and for the purchase of new cafeteria equipment in the amount of \$1,150,000.

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COMBINING AND OTHER STATEMENTS

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NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for Federal, State, and locally funded grants. These grants, referred to as projects, are awarded to the Laredo Independent School District with the purpose of accomplishing specific educational purposes.

211 ESEA, Title I, Part A - Improving Basic Program

This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

212 ESEA, Title I, Part C - Education of Migratory Children

This fund classification is to be used to account, on a project basis, for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

224 IDEA, Part B - Formula

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities.

225 IDEA, Part B - Preschool

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.

226 IDEA, Part B - Discretionary (Deaf)

This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component and also:

- Targeted support to LEA's
- Regional Day School Programs for the Deaf
- Private residential placements
- Priority projects
- Other emerging needs

227 IDEA, Part B - Formula (Deaf)

This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities.

228 IDEA, Part B - Preschool (Deaf)

This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.

242 Summer Feeding Program, Texas Department of Agriculture (TDA)

This fund classification is to be used to account, on a project basis, for funds received from the Department of Human Services that are awarded for meals provided to the community based on the average number of daily participants. This fund should be used regardless of whether a school district's National School Breakfast and Lunch Program is accounted for in the General Fund (101), a Special Revenue Fund (240) or an Enterprise Fund (701).

244 Title I, Part C – Carl d. Perkins Career and Technical Edu. Grant

This fund classification is to be used to account, on a project basis, for funds granted to provide career and technology education to develop new and/or improve career and technology education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at 1) a limited number of campuses (sites) or 2) a limited number of program areas.

NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

255 ESEA, Title II, Part A

This fund classification is to be used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

263 ESEA, Title III, Part A – LEP

This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

276 Texas Title I Priority Schools

This fund classification is to be used to account, on a project basis, for funds committed to assisting local education agencies (LEAs) in turning around low-performing campuses and improving academic performance of all campuses that are eligible for Title I funding

281 FEMA

This fund classification is to be used to account, on a project basis, for Federal Emergency Management Agency's funds Disaster #1709DR awarded to repair eligible disaster-related damages caused by severe thunderstorms occurred in the district.

289 Classroom Link

This fund classification is to be used to account, on a project basis, for funds granted to provide professional and contracted services, existing supplementary software updates, and training.

394 Life Skill Program

This fund classification is to be used to account, on a project basis, for funds granted to provide pregnant and parenting students the services needed to keep them in school until completion.

397 Advanced Placement Incentives

This fund classification is to be used to recognize and reward those students, teachers, and schools that successfully achieve the educational goals of the state. The subsidies and awards granted are for the purpose of promoting academic enhancement.

404 Student Success Initiative

This fund classification is to be used to account, on a project basis, for funds granted for funds granted for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.

410 State Textbook Fund

This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software, equipment, or textbooks that contribute to student learning, or to pay for training for educational personnel involved in the use of these materials.

411 Technology Allotment

This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software or equipment that contribute to student learning, or to pay for training for educational personnel involved in the use of these materials.

424 LEOSE

This fund classification is to be used to account, on a project basis, for funds awarded to qualified Law Enforcement Agencies for costs related to the continuing education of persons licensed under Chapter 1701, Occupations Code.

NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

429 Texas Crime Stoppers Program

Crime Justice Department (CJD) goals are to support programs that protect people from crime, reduce the number of crimes committed, and promote accountability, efficiency, and effectiveness for the criminal justice system. CJD focuses resources on projects that enhance Texas' capacity to prevent crime, provide service and treatment options, enforce laws, train staff and volunteers, and serve crime victims.

435 Regional Day School for the Deaf

This fund classification is to be used by the fiscal agent of a shared services arrangement to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD). These funds are not to be used to pay salaries of teachers with a teaching assignment other than deaf students in the RDSPD. State deaf funds should not be used to pay the salary of teachers of American Sign Language as a foreign language at the junior high or high school level, as this is a course for regular education credit.

461 Campus Activity

This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.

482 Dr. Hochman Grant

This grant is used to purchase supplemental educational materials and supplies.

483 Equitable Sharing Program

This fund classification is to be used to account, on a project basis, for funds awarded to the Laredo ISD Police Department for law enforcement investigations, training, equipment, travel, awareness, gang education and awareness programs.

484 OCDETF

This fund classification is used to account, on a project basis, for funds granted to the Laredo ISD Department for overtime and/or other costs associated with law enforcement.

485 UTMB: University of Texas Medical Branch

This fund classification is to be used to in support of the Hispanic Center of Excellence Medical Careers Diversity Program.

486 Lamar Bruni Vergara Fund

This fund classification is to be used to support all students for learning opportunities in the health science field.

488 Advertising

This fund classification is to be used to account for rental receipts from the auditorium, ballroom, meeting rooms, Veterans Field and swimming pool, and the disbursements for its operation and maintenance.

490 Performance Arts Center

This fund classification is to be used to account for rental receipts from the auditorium, ballroom, meeting rooms, Veterans Field and swimming pool, and the disbursements for its operation and maintenance.

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	164,649	936,760	49,147	1,175
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	460	2,963	-	-
1000	Total Assets	<u>\$ 165,109</u>	<u>\$ 939,723</u>	<u>\$ 49,147</u>	<u>\$ 1,175</u>
LIABILITIES					
2110	Accounts Payable	\$ 5,000	\$ 23,561	\$ -	\$ -
2160	Accrued Wages Payable	1,030	128,532	-	-
2170	Due to Other Funds	159,079	787,630	49,147	1,175
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	-	-	-
2000	Total Liabilities	<u>165,109</u>	<u>939,723</u>	<u>49,147</u>	<u>1,175</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Capital Improvement Projects	-	-	-	-
Assigned Fund Balance:					
3590	School Projects	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 165,109</u>	<u>\$ 939,723</u>	<u>\$ 49,147</u>	<u>\$ 1,175</u>

227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	276 Texas Title I Priority Schools	281 FEMA Grant
\$ -	\$ -	\$ 112,309	\$ -	\$ -	\$ -	\$ -	\$ 4,526
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
34,550	4,083	-	16,210	863,308	526,966	2,403,447	-
-	-	-	-	-	-	-	-
-	-	4,479	-	-	-	-	-
-	-	-	-	1,086	480	70	-
<u>\$ 34,550</u>	<u>\$ 4,083</u>	<u>\$ 116,788</u>	<u>\$ 16,210</u>	<u>\$ 864,394</u>	<u>\$ 527,446</u>	<u>\$ 2,403,517</u>	<u>\$ 4,526</u>
\$ -	\$ -	\$ 73,787	\$ -	\$ 12,836	\$ 3,949	\$ 16,504	\$ 4,526
-	-	38,647	3,405	169,324	8,225	-	-
34,550	4,083	4,354	12,805	682,234	515,272	2,387,013	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>34,550</u>	<u>4,083</u>	<u>116,788</u>	<u>16,210</u>	<u>864,394</u>	<u>527,446</u>	<u>2,403,517</u>	<u>4,526</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 34,550</u>	<u>\$ 4,083</u>	<u>\$ 116,788</u>	<u>\$ 16,210</u>	<u>\$ 864,394</u>	<u>\$ 527,446</u>	<u>\$ 2,403,517</u>	<u>\$ 4,526</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	289 Classroom Link	394 Life Skills Program	397 Advanced Placement Incentives	410 State Textbook Fund	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 209,640	\$ 51,899	\$ 343,896
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240	Receivables from Other Governments	-	-	-	-
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 209,640</u>	<u>\$ 51,899</u>	<u>\$ 343,896</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	-	-
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenues	-	209,640	-	331,804
2000	Total Liabilities	<u>-</u>	<u>209,640</u>	<u>-</u>	<u>331,804</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	51,899	12,092
3470	Capital Acquisition and Contractual Obligation	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:					
3545	Capital Improvement Projects	-	-	-	-
Assigned Fund Balance:					
3590	School Projects	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>51,899</u>	<u>12,092</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 209,640</u>	<u>\$ 51,899</u>	<u>\$ 343,896</u>

424 LEOSE	429 Crime Stoppers Others/Local	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Grant	483 Equitable Sharing Program	484 OCDETF Grant	485 UTNB Health HCOE
\$ 2,145	\$ 120	\$ 486,387	\$ 410,963	\$ 11,493	\$ 56,649	\$ -	\$ 4,379
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,671	-
-	-	-	15	-	15,008	-	-
-	-	-	1,089	-	647	-	-
<u>\$ 2,145</u>	<u>\$ 120</u>	<u>\$ 486,387</u>	<u>\$ 412,067</u>	<u>\$ 11,493</u>	<u>\$ 72,304</u>	<u>\$ 5,671</u>	<u>\$ 4,379</u>
\$ -	\$ -	\$ -	\$ 591	\$ -	\$ -	\$ -	\$ -
-	-	30,151	-	-	-	1,216	-
-	-	761	29	-	1,576	4,455	-
-	-	-	-	-	-	-	-
2,145	120	-	-	-	70,728	-	4,379
<u>2,145</u>	<u>120</u>	<u>30,912</u>	<u>620</u>	<u>-</u>	<u>72,304</u>	<u>5,671</u>	<u>4,379</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	455,475	-	11,493	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	411,447	-	-	-	-
-	-	-	-	-	-	-	-
-	-	455,475	411,447	11,493	-	-	-
<u>\$ 2,145</u>	<u>\$ 120</u>	<u>\$ 486,387</u>	<u>\$ 412,067</u>	<u>\$ 11,493</u>	<u>\$ 72,304</u>	<u>\$ 5,671</u>	<u>\$ 4,379</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	486 LBV Grant	488 Advertising	490 Performing Arts Center	Total Nonmajor Special Revenue Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 473	\$ 29,175	\$ 242,104	\$ 1,966,158
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Receivables from Other Governments	-	-	1,000	5,006,966
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	-	-	-	19,502
1290 Other Receivables	-	-	10,625	17,420
1000 Total Assets	<u>\$ 473</u>	<u>\$ 29,175</u>	<u>\$ 253,729</u>	<u>\$ 7,010,046</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ 244,718	\$ 385,472
2160 Accrued Wages Payable	-	-	6,492	387,022
2170 Due to Other Funds	10	-	2,519	4,646,692
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenues	463	-	-	619,279
2000 Total Liabilities	<u>473</u>	<u>-</u>	<u>253,729</u>	<u>6,038,465</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	530,959
3470 Capital Acquisition and Contractual Obligation	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:				
3545 Capital Improvement Projects	-	-	-	411,447
Assigned Fund Balance:				
3590 School Projects	-	29,175	-	29,175
3000 Total Fund Balances	<u>-</u>	<u>29,175</u>	<u>-</u>	<u>971,581</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 473</u>	<u>\$ 29,175</u>	<u>\$ 253,729</u>	<u>\$ 7,010,046</u>

511 Debt Service Fund	512 Debt Service Fund - PFC	Total Nonmajor Debt Service Funds	616 Capital Projects	625 QZAB 2000 Series	626 QZAB 2001 Series	627 Public Facility Corporation	630 QZAB 2005 Series
\$ 390,715	\$ 2,499,806	\$ 2,890,521	\$ 13,894,804	\$ 288,529	\$ 225,655	\$ -	\$ 190,116
3,550,688	-	3,550,688	-	-	-	-	-
558,868	-	558,868	-	-	-	-	-
(406,950)	-	(406,950)	-	-	-	-	-
103,683	-	103,683	-	-	-	-	-
46,560	-	46,560	-	-	-	-	-
9,479	-	9,479	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 4,253,043</u>	<u>\$ 2,499,806</u>	<u>\$ 6,752,849</u>	<u>\$ 13,894,804</u>	<u>\$ 288,529</u>	<u>\$ 225,655</u>	<u>\$ -</u>	<u>\$ 190,116</u>
\$ -	\$ -	\$ -	\$ 864,514	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	6,832	6,832	-	-	-	-	-
-	2,492,974	2,492,974	-	-	-	-	-
-	-	-	-	-	-	-	-
-	<u>2,499,806</u>	<u>2,499,806</u>	<u>864,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
151,918	-	151,918	-	-	-	-	-
<u>151,918</u>	<u>-</u>	<u>151,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	13,030,290	288,529	225,655	-	190,116
4,101,125	-	4,101,125	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,101,125</u>	<u>-</u>	<u>4,101,125</u>	<u>13,030,290</u>	<u>288,529</u>	<u>225,655</u>	<u>-</u>	<u>190,116</u>
<u>\$ 4,253,043</u>	<u>\$ 2,499,806</u>	<u>\$ 6,752,849</u>	<u>\$ 13,894,804</u>	<u>\$ 288,529</u>	<u>\$ 225,655</u>	<u>\$ -</u>	<u>\$ 190,116</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	695 EDA 2005 Series	697 IFA 2001 Series	698 IFA 2006 Series	699 IFA 1999 Series
ASSETS				
1110 Cash and Cash Equivalents	\$ 7,670,545	\$ 68,321	\$ 6,979,280	\$ 68,658
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes (Credit)	-	-	-	-
1240 Receivables from Other Governments	-	-	-	-
1250 Accrued Interest	-	-	-	-
1260 Due from Other Funds	-	-	40,521	-
1290 Other Receivables	-	-	-	-
1000 Total Assets	<u>\$ 7,670,545</u>	<u>\$ 68,321</u>	<u>\$ 7,019,801</u>	<u>\$ 68,658</u>
LIABILITIES				
2110 Accounts Payable	\$ 928,341	\$ 62,983	\$ 2,353,751	\$ 33,475
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	5,338	-	35,183
2180 Due to Other Governments	-	-	-	-
2300 Unearned Revenues	-	-	-	-
2000 Total Liabilities	<u>928,341</u>	<u>68,321</u>	<u>2,353,751</u>	<u>68,658</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3470 Capital Acquisition and Contractual Obligation	6,742,204	-	4,666,050	-
3480 Retirement of Long-Term Debt	-	-	-	-
Committed Fund Balance:				
3545 Capital Improvement Projects	-	-	-	-
Assigned Fund Balance:				
3590 School Projects	-	-	-	-
3000 Total Fund Balances	<u>6,742,204</u>	<u>-</u>	<u>4,666,050</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 7,670,545</u>	<u>\$ 68,321</u>	<u>\$ 7,019,801</u>	<u>\$ 68,658</u>

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 29,385,908	\$ 34,242,587
-	3,550,688
-	558,868
-	(406,950)
-	5,110,649
-	46,560
40,521	69,502
-	17,420
<u>\$ 29,426,429</u>	<u>\$ 43,189,324</u>
\$ 4,243,064	\$ 4,628,536
-	387,022
40,521	4,694,045
-	2,492,974
-	619,279
<u>4,283,585</u>	<u>12,821,856</u>
-	151,918
<u>-</u>	<u>151,918</u>
-	530,959
25,142,844	25,142,844
-	4,101,125
-	411,447
-	29,175
<u>25,142,844</u>	<u>30,215,550</u>
<u>\$ 29,426,429</u>	<u>\$ 43,189,324</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	212 ESEA Title I Part C Migrant	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	493,683	7,248,727	48,162	17,429
5020 Total Revenues	<u>493,683</u>	<u>7,248,727</u>	<u>48,162</u>	<u>17,429</u>
EXPENDITURES:				
Current:				
0011 Instruction	162,209	5,367,024	43,228	11,429
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	12,983	202,444	-	-
0021 Instructional Leadership	94,213	327,132	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	60,646	1,194,036	4,934	-
0032 Social Work Services	-	891	-	-
0033 Health Services	322	125,497	-	-
0034 Student (Pupil) Transportation	7,615	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	588	21,232	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	35,529	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	119,578	10,471	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	6,000
6030 Total Expenditures	<u>493,683</u>	<u>7,248,727</u>	<u>48,162</u>	<u>17,429</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

227 IDEA - Part B Deaf	228 IDEA - Part B Preschool Deaf	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	276 Texas Title I Priority Schools	281 FEMA Grant
\$ -	\$ -	\$ 3,082	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
33,858	8,019	760,223	416,616	2,754,199	1,732,288	3,630,346	7,298
<u>33,858</u>	<u>8,019</u>	<u>763,305</u>	<u>416,616</u>	<u>2,754,199</u>	<u>1,732,288</u>	<u>3,630,346</u>	<u>7,298</u>
27,769	8,019	-	266,065	2,081,808	1,338,083	2,770,345	-
-	-	-	-	-	28,780	70,906	-
4,210	-	-	91,059	509,092	82,218	594,795	-
1,879	-	-	3,936	160,849	54,595	-	-
-	-	-	-	350	1,101	81,381	-
-	-	-	-	2,100	-	24,148	-
-	-	-	-	-	-	2,273	-
-	-	-	-	-	-	10,754	-
-	-	-	-	-	-	-	-
-	-	755,661	-	-	-	11,561	-
-	-	-	2,509	-	-	-	-
-	-	-	-	-	-	-	-
-	-	7,644	-	-	8,055	42,031	7,298
-	-	-	-	-	-	13,599	-
-	-	-	53,047	-	-	-	-
-	-	-	-	-	219,456	8,553	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>33,858</u>	<u>8,019</u>	<u>763,305</u>	<u>416,616</u>	<u>2,754,199</u>	<u>1,732,288</u>	<u>3,630,346</u>	<u>7,298</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	289 Classroom Link	394 Life Skills Program	397 Advanced Placement Incentives	410 State Textbook Fund
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 7,002
5800 State Program Revenues	-	-	-	293,365
5900 Federal Program Revenues	114,771	-	-	-
5020 Total Revenues	<u>114,771</u>	<u>-</u>	<u>-</u>	<u>300,367</u>
EXPENDITURES:				
Current:				
0011 Instruction	114,771	-	1,749	262,297
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	38,070
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>114,771</u>	<u>-</u>	<u>1,749</u>	<u>300,367</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(1,749)	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	(1,749)	-
0100 Fund Balance - September 1 (Beginning)	-	-	53,648	12,092
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,899</u>	<u>\$ 12,092</u>

424 LEOSE	429 Crime Stoppers Others/Local	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	482 Dr. Hochman Grant	483 Equitable Sharing Program	484 OCDETF Grant	485 UTNB Health HCOE
\$ -	\$ -	\$ 303,381	\$ 907,092	\$ 5,000	\$ 30	\$ -	\$ 4,853
600	-	231,280	-	-	-	-	-
-	-	-	-	-	35,823	17,716	-
<u>600</u>	<u>-</u>	<u>534,661</u>	<u>907,092</u>	<u>5,000</u>	<u>35,853</u>	<u>17,716</u>	<u>4,853</u>
-	-	599,749	87,449	3,812	-	-	4,853
-	-	-	27,764	-	-	-	-
-	-	-	1,525	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	25,184	-	-	-	-
-	-	64,224	75	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	569	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	354,915	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	3,283	-	-	-	-
600	-	-	1,694	-	35,853	17,716	-
-	-	-	-	-	-	-	-
-	-	-	320,640	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	6,558	-	-	-	-
-	-	-	-	-	-	-	-
<u>600</u>	<u>-</u>	<u>663,973</u>	<u>829,656</u>	<u>3,812</u>	<u>35,853</u>	<u>17,716</u>	<u>4,853</u>
-	-	(129,312)	77,436	1,188	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(129,312)	77,436	1,188	-	-	-
-	-	584,787	334,011	10,305	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,475</u>	<u>\$ 411,447</u>	<u>\$ 11,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	486 LBV Grant	488 Advertising	490 Performing Arts Center	Total Nonmajor Special Revenue Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 9,949	\$ 32,000	\$ 182,910	\$ 1,455,299
5800 State Program Revenues	-	-	-	525,245
5900 Federal Program Revenues	-	-	-	17,319,158
5020 Total Revenues	<u>9,949</u>	<u>32,000</u>	<u>182,910</u>	<u>19,299,702</u>
EXPENDITURES:				
Current:				
0011 Instruction	9,937	-	-	13,160,596
0012 Instructional Resources and Media Services	-	-	-	127,450
0013 Curriculum and Instructional Staff Development	-	-	-	1,536,396
0021 Instructional Leadership	-	-	-	642,604
0023 School Leadership	12	-	-	108,028
0031 Guidance, Counseling and Evaluation Services	-	-	-	1,350,163
0032 Social Work Services	-	-	-	3,164
0033 Health Services	-	-	-	137,142
0034 Student (Pupil) Transportation	-	-	-	7,615
0035 Food Services	-	-	-	767,222
0036 Extracurricular Activities	-	-	-	379,244
0041 General Administration	-	-	649,173	649,173
0051 Facilities Maintenance and Operations	-	2,825	186,862	293,527
0052 Security and Monitoring Services	-	-	5,308	74,770
0053 Data Processing Services	-	-	22,888	75,935
0061 Community Services	-	-	40,886	719,584
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	6,558
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	6,000
6030 Total Expenditures	<u>9,949</u>	<u>2,825</u>	<u>905,117</u>	<u>20,045,171</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	29,175	(722,207)	(745,469)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	722,207	722,207
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>722,207</u>	<u>722,207</u>
1200 Net Change in Fund Balance	-	29,175	-	(23,262)
0100 Fund Balance - September 1 (Beginning)	-	-	-	994,843
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 29,175</u>	<u>\$ -</u>	<u>\$ 971,581</u>

511 Debt Service Fund	512 Debt Service Fund - PFC	Total Nonmajor Debt Service Funds	616 Capital Projects	625 QZAB 2000 Series	626 QZAB 2001 Series	627 Public Facility Corporation	630 QZAB 2005 Series
\$ 5,076,908	\$ -	\$ 5,076,908	\$ 12,598	\$ 84	\$ 95	\$ 549	\$ 83
14,572,358	908,725	15,481,083	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>19,649,266</u>	<u>908,725</u>	<u>20,557,991</u>	<u>12,598</u>	<u>84</u>	<u>95</u>	<u>549</u>	<u>83</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
13,234,622	-	13,234,622	-	-	-	-	-
9,035,619	1,268,954	10,304,573	-	-	-	-	-
1,053,937	2,951	1,056,888	-	-	-	-	-
-	-	-	5,154,964	974	573	83,256	1,376
-	-	-	-	-	-	-	-
<u>23,324,178</u>	<u>1,271,905</u>	<u>24,596,083</u>	<u>5,154,964</u>	<u>974</u>	<u>573</u>	<u>83,256</u>	<u>1,376</u>
<u>(3,674,912)</u>	<u>(363,180)</u>	<u>(4,038,092)</u>	<u>(5,142,366)</u>	<u>(890)</u>	<u>(478)</u>	<u>(82,707)</u>	<u>(1,293)</u>
77,425,000	-	77,425,000	-	-	-	-	-
6,011,631	-	6,011,631	-	-	-	-	-
18,263,952	-	18,263,952	-	-	-	-	-
-	(925)	(925)	-	-	-	(4,300,812)	-
<u>(98,931,152)</u>	<u>-</u>	<u>(98,931,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,769,431</u>	<u>(925)</u>	<u>2,768,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,300,812)</u>	<u>-</u>
(905,481)	(364,105)	(1,269,586)	(5,142,366)	(890)	(478)	(4,383,519)	(1,293)
<u>5,006,606</u>	<u>364,105</u>	<u>5,370,711</u>	<u>18,172,656</u>	<u>289,419</u>	<u>226,133</u>	<u>4,383,519</u>	<u>191,409</u>
<u>\$ 4,101,125</u>	<u>\$ -</u>	<u>\$ 4,101,125</u>	<u>\$ 13,030,290</u>	<u>\$ 288,529</u>	<u>\$ 225,655</u>	<u>\$ -</u>	<u>\$ 190,116</u>

LAREDO INDEPEDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	695 EDA 2005 Series	697 IFA 2001 Series	698 IFA 2006 Series	699 IFA 1999 Series
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 22,698	\$ 28	\$ 32,986	\$ 28
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>22,698</u>	<u>28</u>	<u>32,986</u>	<u>28</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	-
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long Term Debt	-	-	-	-
0072 Interest on Long Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	9,318,128	1,505	21,402,601	981
Intergovernmental:				
0093 Payments to Fiscal Agent/Member Districts of SSA	-	-	-	-
6030 Total Expenditures	<u>9,318,128</u>	<u>1,505</u>	<u>21,402,601</u>	<u>981</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,295,430)</u>	<u>(1,477)</u>	<u>(21,369,615)</u>	<u>(953)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued (Regular Bonds)	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	(518,357)	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(518,357)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	(9,813,787)	(1,477)	(21,369,615)	(953)
0100 Fund Balance - September 1 (Beginning)	<u>16,555,991</u>	<u>1,477</u>	<u>26,035,665</u>	<u>953</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 6,742,204</u>	<u>\$ -</u>	<u>\$ 4,666,050</u>	<u>\$ -</u>

Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
\$ 69,149	\$ 6,601,356
-	16,006,328
-	17,319,158
69,149	39,926,842
-	13,160,596
-	127,450
-	1,536,396
-	642,604
-	108,028
-	1,350,163
-	3,164
-	137,142
-	7,615
-	767,222
-	379,244
-	649,173
-	293,527
-	74,770
-	75,935
-	719,584
-	13,234,622
-	10,304,573
-	1,056,888
35,964,358	35,970,916
-	6,000
35,964,358	80,605,612
(35,895,209)	(40,678,770)
-	77,425,000
-	6,733,838
-	18,263,952
(4,819,169)	(4,820,094)
-	(98,931,152)
(4,819,169)	(1,328,456)
(40,714,378)	(42,007,226)
65,857,222	72,222,776
\$ 25,142,844	\$ 30,215,550

LAREDO INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014

	BALANCE SEPTEMBER 1 2013	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2014
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 328,439	\$ 1,340,545	\$ 1,360,574	\$ 308,410
Liabilities:				
Due to Student Groups	\$ 328,439	\$ 1,340,545	\$ 1,360,574	\$ 308,410
BACK TO SCHOOL ASSISTANCE PROGRAM				
Assets:				
Cash and Temporary Investments	\$ 2,308	\$ 12,357	\$ 10,678	\$ 3,987
Liabilities:				
Due to Student Groups	\$ 2,308	\$ 12,357	\$ 10,678	\$ 3,987
DONATIONS				
Assets:				
Cash and Temporary Investments	\$ 33,168	\$ 13,782	\$ 17,033	\$ 29,917
Liabilities:				
Accounts Payable	\$ -	\$ 64	\$ -	\$ 64
Due to Other Funds	-	166	-	166
Due to Student Groups	33,168	13,552	17,033	29,687
Total Liabilities	\$ 33,168	\$ 13,782	\$ 17,033	\$ 29,917
SCHOLARSHIPS				
Assets:				
Cash and Temporary Investments	\$ 128,220	\$ 48,750	\$ 45,452	\$ 131,518
Liabilities:				
Accounts Payable	\$ 6,400	\$ 12,500	\$ 6,400	\$ 12,500
Due to Student Groups	121,820	48,750	51,552	119,018
Total Liabilities	\$ 128,220	\$ 61,250	\$ 57,952	\$ 131,518
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 492,135	\$ 1,415,434	\$ 1,433,737	\$ 473,832
Liabilities:				
Accounts Payable	\$ 6,400	\$ 12,564	\$ 6,400	\$ 12,564
Due to Other Funds	-	166	-	166
Due to Student Groups	485,735	1,415,204	1,439,837	461,102
Total Liabilities	\$ 492,135	\$ 1,427,934	\$ 1,446,237	\$ 473,832

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T.E.A. REQUIRED SCHEDULES

LAREDO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2014

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2005 and prior years	Various	Various	\$ Various
2006	1.382910	0.171200	17,999,970,416
2007	1.266310	0.229200	1,850,327,688
2008	1.040000	0.234000	2,038,157,312
2009	1.040000	0.234000	2,142,642,269
2010	1.040000	0.234000	2,135,852,058
2011	1.040000	0.234000	2,125,507,784
2012	1.040000	0.234000	2,127,187,046
2013	1.040000	0.234000	2,108,797,859
2014 (School year under audit)	1.040000	0.234000	2,092,889,779
1000 TOTALS			

Column 10 + Column 20 - Column 31 - Column 32 + Column 40 = Column 50

Column 3 - Assessed /Appraised Value for School Tax Purposes: This is the net appraised value, after deductions of all exemptions, and tax freeze amounts and reductions provided by law and those granted by the district, based on Maintenance Requirements.

Column 20 - Current Year's Tax Levy: This amount is calculated by multiplying tax rate(s) times the applicable Assessed/Appraised Value(s) in column 3.

Column 31 & 32 - Total Collections: These are total collections net of adjustments described in column 40, according to each year of tax levy, which do NOT include penalty and interest.

Column 40 - Entire Year's Adjustments: Total adjustments include corrections for errors in taxes assessed, taxes lost due to tax freeze, and discounts allowed for early payment of taxes.

Column 50 - Ending Balances 8/31/14: This total agrees with Exhibit A-1, Balance Sheet, memorandum totals for current year, for Asset Code 1220 - Property Taxes Delinquent.

(10) Beginning Balance 9/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2014
\$ 907,188	\$ -	\$ 30,126	\$ 3,719	\$ (118,999)	\$ 754,344
176,568	-	5,087	630	-	170,851
248,312	-	5,513	998	(64,725)	177,076
238,665	-	11,754	2,645	(54,960)	169,306
285,171	-	19,312	4,345	(50,170)	211,344
245,907	-	34,070	7,666	11,250	215,421
256,946	-	46,595	10,484	17,530	217,397
435,795	-	114,308	25,719	15,266	311,034
909,965	-	426,535	95,970	(7,935)	379,525
-	26,663,416	20,805,066	4,681,140	(342,895)	834,315
<u>\$ 3,704,517</u>	<u>\$ 26,663,416</u>	<u>\$ 21,498,366</u>	<u>\$ 4,833,316</u>	<u>\$ (595,638)</u>	<u>\$ 3,440,613</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 387,900	\$ 387,900	\$ 377,731	\$ (10,169)
5800 State Program Revenues	99,000	99,000	97,022	(1,978)
5900 Federal Program Revenues	16,507,286	16,507,286	16,936,477	429,191
5020 Total Revenues	16,994,186	16,994,186	17,411,230	417,044
EXPENDITURES:				
Current:				
0035 Food Services	16,653,607	18,628,790	17,235,408	1,393,382
0051 Facilities Maintenance and Operations	340,579	340,579	291,842	48,737
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	300,000	129,508	170,492
6030 Total Expenditures	16,994,186	19,269,369	17,656,758	1,612,611
1200 Net Change in Fund Balances	-	(2,275,183)	(245,528)	2,029,655
0100 Fund Balance - September 1 (Beginning)	5,013,299	5,013,299	5,013,299	-
3000 Fund Balance - August 31 (Ending)	\$ 5,013,299	\$ 2,738,116	\$ 4,767,771	\$ 2,029,655

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 5,078,926	\$ 5,078,926	\$ 5,076,908	\$ (2,018)
5800	State Program Revenues	13,657,454	15,878,310	14,572,358	(1,305,952)
5020	Total Revenues	18,736,380	20,957,236	19,649,266	(1,307,970)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	11,014,622	13,234,622	13,234,622	-
0072	Interest on Long-Term Debt	7,714,758	9,035,620	9,035,619	1
0073	Other Fees	7,000	1,810,488	1,053,937	756,551
6030	Total Expenditures	18,736,380	24,080,730	23,324,178	756,552
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,123,494)	(3,674,912)	(551,418)
OTHER FINANCING SOURCES (USES):					
7901	Refunding Bonds Issued	-	144,585,000	77,425,000	(67,160,000)
7915	Transfers In	389,888	6,010,706	6,011,631	925
7916	Premium or Discount on Issuance of Bonds	-	29,678,829	18,263,953	(11,414,876)
8949	Other (Uses)	-	(176,761,153)	(98,931,152)	77,830,001
7080	Total Other Financing Sources (Uses)	389,888	3,513,382	2,769,432	(743,950)
1200	Net Changes in Fund Balances	389,888	389,888	(905,480)	(1,295,368)
0100	Fund Balance - September 1 (Beginning)	5,006,606	5,006,606	5,006,606	-
3000	Fund Balance - August 31 (Ending)	\$ 5,396,494	\$ 5,396,494	\$ 4,101,126	\$ (1,295,368)

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PFC DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 4,500	\$ 4,500	\$ -	\$ (4,500)
5800	State Program Revenues	3,403,401	1,284,454	908,725	(375,729)
5020	Total Revenues	3,407,901	1,288,954	908,725	(380,229)
EXPENDITURES:					
Debt Service:					
0071	Principal on Long-Term Debt	2,170,000	-	-	-
0072	Interest on Long-Term Debt	2,537,908	1,268,954	1,268,954	-
0073	Other Fees	20,000	20,000	2,951	17,049
6030	Total Expenditures	4,727,908	1,288,954	1,271,905	17,049
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,320,007)	-	(363,180)	(397,278)
OTHER FINANCING SOURCES (USES):					
7915	Transfer In	1,320,007	-	-	-
8911	Transfer Out	-	-	(925)	(925)
7080	Total Other Financing Sources (Uses)	1,320,007	-	(925)	(925)
1200	Net Changes in Fund Balances	-	-	(364,105)	(364,105)
0100	Fund Balance - September 1 (Beginning)	364,105	364,105	364,105	-
3000	Fund Balance - August 31 (Ending)	\$ 364,105	\$ 364,105	\$ -	\$ (364,105)

CAPITAL ASSETS

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LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDING AUGUST 31, 2014

Function	Land	Buildings	Furniture & Equipment	Construction in Progress	Total
Prior Year Data	\$ 19,458,937	\$ 413,091,243	\$ 32,449,746	\$ 10,838,303	\$ 475,838,229
Instruction	-	-	1,016,398	-	1,016,398
Instructional Resources & Media Services	-	-	(3,473)	-	(3,473)
Curriculum & Instructional Staff Development	-	-	-	-	-
Instructional Administration	-	-	-	-	-
School Administration	-	-	5,520	-	5,520
Guidance and Counseling Services	-	-	-	-	-
Social Work Services	-	-	-	-	-
Health Services	-	-	-	-	-
Student (Pupil) Transportation	-	-	(164,584)	-	(164,584)
Food Services	-	-	1,470,999	-	1,470,999
Cocurricular/Extracurricular Activities	-	-	19,379	-	19,379
General Administration	-	-	-	-	-
Plant Maintenance and Operations	-	-	42,169	-	42,169
Security and Monitoring Services	-	-	(4,230)	-	(4,230)
Data Processing Services	-	-	64,593	-	64,593
Community Services	-	-	-	-	-
Facilities Acquisition and Construction	(119,139)	(7,313,562)	466,551	37,519,535	30,553,385
Total Expenditures	<u>\$ 19,339,798</u>	<u>\$ 405,777,681</u>	<u>\$ 35,363,068</u>	<u>\$ 48,357,838</u>	<u>\$ 508,838,385</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY
AUGUST 31, 2014

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
High Schools:				
Martin	\$ 81,744,361	\$ 6,000,639	\$ 73,828,164	\$ 1,915,558
Nixon	33,663,980	3,250,112	28,223,811	2,190,057
Cigarroa	34,521,502	872,258	31,561,028	2,088,216
VMT Communications & Arts	2,476,214	145,245	2,155,796	175,173
Francisco Lara Academy	2,707,498	-	2,651,006	56,492
Early College High School @ TAMIU	9,206,544	249,109	8,478,732	478,703
Middle Schools:				
Christen	29,194,567	117,596	28,336,059	740,912
Lamar	16,165,096	186,887	15,052,259	925,950
Cigarroa	11,988,094	-	11,420,724	567,370
Memorial	15,389,217	447,337	14,182,370	759,510
Elementary Schools:				
Bruni	8,095,672	6,139	7,760,994	328,539
Jose Gallegos	10,073,698	694,545	9,046,048	333,105
Daiches	9,241,079	28,111	8,936,353	276,615
Farias	12,018,323	1,750,761	9,903,528	364,034
Heights	8,032,941	400,313	7,095,902	536,726
Tarver	6,876,216	75,100	6,588,594	212,522
Leyendecker	11,535,030	133,989	10,966,078	434,963
Macdonell	7,823,323	1,348,363	6,160,479	314,481
Milton	7,127,012	164,517	6,735,768	226,727
Alma Pierce	10,090,308	47,542	9,417,650	625,116
Ryan	10,482,399	238,047	9,888,899	355,453
Santa Maria	7,378,722	20,950	7,057,599	300,173
Santo Nino	6,649,078	132,267	6,135,898	380,913
D. D. Hachar	11,460,804	484,686	10,604,451	371,667
J. C. Martin	13,055,547	240,525	12,333,997	481,025
H. B. Zachry	7,693,295	101,298	7,250,651	341,346
J. Kawas	7,879,547	238,434	7,301,984	339,129
Dovalina	6,760,025	35,000	6,205,001	520,024
H. Ligarde	7,265,011	129,588	6,703,412	432,011
T. Sanchez/Ochoa	6,846,938	120,000	6,383,760	343,178
Other Departments:				
Construction Department	-	-	-	-
Pregnancy Ed., & Parenting Program	58,876	-	58,876	-
Superintendent's Office	89,127	5,545	83,582	-
Board Room	42,455	34,455	-	8,000
Tax Office	21,038	-	21,038	-
Risk Management	25,702	-	-	25,702
Financial Management	1,633,584	10,000	1,512,578	111,006
Human Resources	36,367	-	-	36,367
Office of Public Information	201,347	-	201,347	-
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	-	-	-	-
Internal Auditor	10,187	-	-	10,187
Hearings Officer	-	-	-	-
Assets Management	1,505,402	149,990	396,899	958,513
Records & Assets	620,844	127,770	348,562	144,512
Performing Arts Center	2,053,512	-	2,000,000	53,512
State Bilingual	-	-	-	-
Office of Compliance	-	-	-	-
Fine Arts	17,800	-	10,350	7,450
Special Programs/Planning	-	-	-	-
Early Childhood Department	5,000	-	-	5,000
Secondary Department	5,000	-	-	5,000
Instructional Department	24,206	-	-	24,206
Career & Technology	28,928	-	-	28,928
Testing and Assessment Department	5,000	-	-	5,000
District Wide	13,344,784	1,153,262	10,275,962	1,915,560

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF GENERAL FIXED ASSETS BY LOCATION AND ACTIVITY
AUGUST 31, 2014

LOCATION AND ACTIVITY	TOTALS	LAND	BUILDINGS	FURNITURE & EQUIPMENT
				(Continued)
Crimestoppers	9,500	-	-	9,500
Instructional Technology	1,134,423	-	1,037,114	97,309
Health Services	1,687	-	1,687	-
Pupil Transportation	10,717,939	78,925	4,140,664	6,498,350
Athletic	542,981	-	243,017	299,964
Special Education	76,202	-	-	76,202
Printing/Creative Services	351,804	-	-	351,804
Instructional Television	540,891	-	406	540,485
Information Technology	4,001,929	-	608,802	3,393,127
Division of Operations	-	-	-	-
LISD Police Department	617,716	-	-	617,716
Child Nutrition Program	9,309,275	120,493	6,469,802	2,718,980
Total Assets by Location	<u>460,480,547</u>	<u>19,339,798</u>	<u>405,777,681</u>	<u>35,363,068</u>
Construction in Progress	48,357,838	-	-	-
Total General Fixed Assets	<u>\$ 508,838,385</u>	<u>\$ 19,339,798</u>	<u>\$ 405,777,681</u>	<u>\$ 35,363,068</u>

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY
AUGUST 31, 2014

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
High Schools:				
Martin	\$ 81,611,402	\$ 132,959	\$ -	\$ 81,744,361
Nixon	39,759,016	427,263	6,522,299	33,663,980
Cigarroa	34,475,345	46,157	-	34,521,502
VMT Communications & Arts	2,377,242	98,972	-	2,476,214
Francisco Lara Academy	2,825,535	-	118,037	2,707,498
Early College High School @ TAMIU	9,315,233	-	108,689	9,206,544
Middle Schools:				
Christen	29,252,759	-	58,192	29,194,567
Lamar	16,129,158	35,938	-	16,165,096
Cigarroa	12,017,043	30,978	59,927	11,988,094
Memorial	15,442,920	-	53,703	15,389,217
Elementary Schools:				
Bruni	8,056,411	39,261	-	8,095,672
Jose Gallegos	10,060,239	13,459	-	10,073,698
Daiches	9,199,585	41,494	-	9,241,079
Farias	11,959,386	126,388	67,451	12,018,323
Heights	7,944,308	88,633	-	8,032,941
Tarver	6,865,969	10,247	-	6,876,216
Leyendecker	11,473,783	61,247	-	11,535,030
Macdonell	7,786,987	36,336	-	7,823,323
Milton	7,324,714	-	197,702	7,127,012
Alma Pierce	9,941,317	151,028	2,037	10,090,308
Ryan	10,398,630	83,769	-	10,482,399
Santa Maria	7,287,774	101,259	10,311	7,378,722
Santo Nino	6,640,073	9,005	-	6,649,078
D. D. Hachar	11,437,503	23,301	-	11,460,804
J. C. Martin	12,941,424	114,123	-	13,055,547
H. B. Zachry	8,912,281	-	1,218,986	7,693,295
J. Kawas	7,931,248	-	51,701	7,879,547
Dovalina	6,576,757	183,268	-	6,760,025
H. Ligarde	7,088,099	176,912	-	7,265,011
T. Sanchez/Ochoa	6,723,574	123,364	-	6,846,938
Other Departments:				
Construction Dept.	121,159	-	121,159	-
Pregnancy Ed., & Parenting Program	-	58,876	-	58,876
Superintendent's Office	-	89,127	-	89,127
Board Room	23,455	19,000	-	42,455
Tax Office	21,038	-	-	21,038
Risk Management	-	25,702	-	25,702
Financial Management	1,626,283	7,301	-	1,633,584
Human Resources	40,242	-	3,875	36,367
Office of Public Information	221,466	-	20,119	201,347
Safety & Occupational Health Dept.	5,000	-	-	5,000
Student Services	-	-	-	-
Internal Auditor	5,093	5,094	-	10,187
Hearings Officer	-	-	-	-
Assets Management	2,150,253	-	644,851	1,505,402
Records & Assets	626,431	-	5,587	620,844
Performing Arts Center	-	2,053,512	-	2,053,512
State Bilingual	6,168	-	6,168	-
Office of Compliance	-	-	-	-
Fine Arts	24,010	-	6,210	17,800
Special Programs/Planning	22,745	-	22,745	-
Early Childhood Department	-	5,000	-	5,000
Secondary Department	-	5,000	-	5,000
Instructional Department	130,813	-	106,607	24,206
Career & Technology	28,928	-	-	28,928
Testing and Assessment Department	(5,742)	10,742	-	5,000
District Wide	13,333,847	10,937	-	13,344,784

LAREDO INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY LOCATION AND ACTIVITY
AUGUST 31, 2014

Location and Activity	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
				(Continued)
Crimestoppers	9,500	-	-	9,500
Instructional Technology	1,129,190	5,233	-	1,134,423
Health Services	1,687	-	-	1,687
Pupil Transportation	10,549,426	168,513	-	10,717,939
Athletic	542,981	-	-	542,981
Special Education	117,235	-	41,033	76,202
Printing/Creative Services	367,005	-	15,201	351,804
Instructional Television	541,579	27,959	28,647	540,891
Information Technology	3,575,290	426,639	-	4,001,929
Division of Operations	-	-	-	-
LISD Police Department	623,461	-	5,745	617,716
Child Nutrition Program	9,405,668	903,896	1,000,289	9,309,275
Total Assets by Location	464,999,926	5,977,892	10,497,271	460,480,547
Construction in Progress	10,838,303	\$ 39,766,508	2,246,973	48,357,838
Total General Fixed Assets	<u>\$ 475,838,229</u>	<u>\$ 45,744,400</u>	<u>\$ 12,744,244</u>	<u>\$ 508,838,385</u>

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STATISTICAL SECTION



Statistical Section (Unaudited)

This part of the Laredo Independent School District Statistical's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supp

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Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide informat*

Schedule 1
Laredo Independent School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net Investment in Capital Assets	\$ 55,002,128	\$ 66,799,496	\$ 88,131,399	\$ 87,359,760	\$ 11,006,905	\$ 99,028,291	\$ 129,424,249	\$ 115,519,722	\$ 152,236,839	\$ 50,662,158
Restricted								-		
Federal and State Programs	3,252,423	4,697,799	6,526,044	2,985,517	2,803,798	6,023,568	6,848,569	5,996,416	5,027,681	4,561,680
Debt Service	9,427,615	11,669,155	14,711,181	15,672,278	18,103,437	20,245,918	22,139,631	14,453,416	5,370,711	4,101,125
Capital Projects	-	-	-	11,250,991	107,820,884	1,303,248	806,912	11,202,938	526,698	102,808,020
Campus Activities	-	-	-	-	186,869	196,270	-	-	-	-
Other Purposes	-	-	-	-	416,474	11,104,927	10,570,736	-	-	-
Unrestricted	25,089,348	21,596,578	17,481,717	27,790,751	24,926,533	50,537,828	46,602,044	76,310,038	73,970,082	77,388,446
Total primary government net position	<u>\$ 92,771,514</u>	<u>\$ 104,763,028</u>	<u>\$ 126,850,341</u>	<u>\$ 145,059,297</u>	<u>\$ 165,264,900</u>	<u>\$ 188,440,050</u>	<u>\$ 216,392,141</u>	<u>\$ 223,482,530</u>	<u>\$ 237,132,011</u>	<u>\$ 239,521,429</u>

Schedule 2
Laredo Independent School District
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
11 Instruction	\$ 122,230,466	\$ 120,826,637	\$ 129,599,244	\$ 134,358,549	\$ 141,320,598	\$ 146,735,324	\$ 134,847,028	\$ 140,108,277	\$ 137,739,434	\$ 142,552,448
12 Instructional Resources & Media Svcs.	4,785,344	4,739,042	5,063,766	4,989,927	6,751,828	5,382,316	4,920,120	4,465,110	3,959,506	4,176,228
13 Curriculum & Instructional Staff Devpt.	4,116,945	4,158,695	4,422,899	3,667,984	3,578,264	3,191,229	2,388,482	2,733,097	3,453,301	4,487,817
21 Instructional Leadership	4,057,212	5,049,862	4,645,809	4,883,535	5,009,620	4,858,256	4,594,040	3,853,769	3,349,037	3,498,834
23 School Leadership	10,234,352	10,352,434	10,985,322	11,506,693	11,421,441	11,941,453	12,315,890	13,014,688	12,245,906	12,764,478
31 Guidance, Counseling, and Evaluation Svcs.	7,669,776	7,859,900	8,023,575	7,927,242	7,966,627	8,295,054	8,006,556	7,496,736	7,492,742	8,119,158
32 Social Work Services	1,732,213	1,881,254	1,909,811	1,873,976	1,645,934	1,560,438	1,463,034	1,222,820	1,238,760	1,529,866
33 Health Services	2,710,696	2,837,440	2,937,961	3,028,304	3,208,410	3,291,693	3,222,582	3,140,289	2,917,063	3,251,157
34 Student (Pupil) Transportation	3,242,862	3,599,991	3,715,848	3,779,327	3,367,034	3,741,933	5,058,546	5,173,676	4,234,494	4,173,383
35 Food Services	10,567,413	12,512,316	14,169,981	12,521,327	13,192,002	14,853,696	16,435,137	16,726,252	17,009,230	18,234,193
36 Cocurricular/Extracurricular Activities	4,179,704	4,175,160	3,733,030	3,401,939	3,671,452	3,994,642	4,001,848	4,120,248	4,431,509	4,893,908
41 General Administration	6,060,603	6,479,272	6,192,926	6,876,464	7,814,329	7,351,514	5,877,835	5,805,488	5,586,204	6,573,738
51 Plant Maintenance & Operations	18,032,667	19,953,661	20,750,136	20,569,466	21,573,534	21,345,976	21,067,890	22,447,885	20,231,257	21,627,117
52 Security & Monitoring Services	2,590,090	3,407,992	3,625,540	3,031,417	3,107,258	2,968,302	8,753,039	4,205,124	3,087,696	5,366,645
53 Data Processing Services	1,599,846	2,958,108	3,305,837	2,968,845	3,634,101	3,353,815	3,538,788	7,844,613	4,004,593	4,454,289
61 Community Services	405,919	382,002	945,323	1,307,808	1,344,733	1,490,872	1,856,922	1,516,879	1,593,443	1,926,382
72 Debt Service - Interest on Long-Term Debt	13,408,938	10,888,015	13,274,418	15,747,078	14,434,609	12,893,768	13,009,498	12,386,876	11,794,066	9,811,292
73 Bond Issuance Costs and Fees	-	-	222,245	222,245	263,236	254,559	279,195	300,252	285,502	1,801,763
81 Facilities Acquisition	11,208,722	3,769,838	5,235,162	81,952	-	-	-	-	-	-
93 Payments to Fiscal Agents/Mem.	6,000	11,000	8,903	8,391	6,637	-	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	200,600	131,621	12,390	163,153	85,320	85,320	72,443	58,618	162,740	184,386
Total primary government expenses	229,040,368	225,974,240	242,557,881	242,915,622	253,396,967	257,590,160	251,714,873	256,626,697	244,822,483	259,433,082
Program Revenues										
Governmental activities:										
Charges for services										
Instruction	1,043,355	2,779,468	815	-	4,350	294,749	-	-	-	642,644
Instructional Resources & Media Svcs.	-	-	-	-	-	-	-	-	-	-
Curriculum & Instructional Staff Devpt.	108,159	-	-	-	-	-	-	-	-	-
Instructional Leadership	-	-	-	-	-	-	-	-	-	-
School Leadership	-	-	-	-	-	-	-	-	-	-
Guidance, Counseling, and Evaluation Svcs.	20,329	9,132	-	-	-	-	-	-	-	-
Social Work Services	889	14,450	-	-	-	-	-	-	-	-
Health Services	86,840	77,961	-	-	-	-	-	-	-	-
Student (Pupil) Transportation	-	-	-	-	-	-	25,388	24,898	41,081	-
Food Services	275,521	367,977	121,443	281,112	312,052	330,569	323,896	345,903	339,974	340,262
Extracurricular Activities	-	-	171,645	201,995	210,088	154,023	145,658	240,733	221,142	214,101
General Administration	-	-	-	-	-	-	2,539	-	22,121	-
Plant Maintenance and Operations	-	-	-	-	-	1,073	-	7,414	7,625	-
Security & Monitoring Services	70	-	-	-	-	-	-	-	-	-
Data Processing Services	-	-	-	-	-	-	3,253	-	-	-
Community Services	-	1,075	-	10,372	-	-	220,876	224,081	252,807	192,117
Facilities Acquisition	-	2,340,977	-	-	-	-	-	-	-	-
Payments to Juvenile Justice Alternative Ed.	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	69,202,608	70,088,672	60,095,888	49,795,966	52,900,270	75,483,285	77,827,937	65,735,610	60,252,450	59,480,070
Total primary government program revenues	70,737,771	75,679,712	60,389,791	50,289,445	53,426,760	76,263,699	78,549,547	66,578,639	61,137,200	60,869,194
Net (Expense)/Revenue										
Total primary government net expense	\$ 158,302,597	\$ 150,294,528	\$ 182,168,090	\$ 192,626,177	\$ 199,970,207	\$ 181,326,461	\$ 173,165,326	\$ 190,048,058	\$ 183,685,283	\$ 198,563,888

Schedule 3
Laredo Independent School District
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue										
Total primary government net expense	\$ 158,302,597	\$ 150,294,528	\$ 182,168,090	\$ 192,626,177	\$ 199,970,207	\$ 181,326,461	\$ 173,165,326	\$ 190,048,058	\$ 183,685,283	\$ 198,563,888
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	21,699,472	24,106,298	25,493,615	21,700,103	17,815,685	21,204,563	21,057,468	21,005,060	21,171,067	20,829,646
Property taxes levied for debt service	2,486,421	2,948,716	4,391,830	4,857,268	4,205,999	4,772,952	4,738,142	4,726,261	4,763,468	4,689,267
Unrestricted State Aid Formula Grants	118,829,241	115,296,468	155,643,283	176,570,738	-	169,891,579	166,315,755	165,355,519	160,288,363	171,032,991
Unrestricted grants and contributions	389,804	1,638,247	559,150	658,657	188,393,928	1,531,997	5,278,634	2,301,647	6,240,658	1,434,479
Investment earnings	5,147,041	8,262,586	12,207,337	9,893,383	5,936,051	3,706,251	1,456,958	783,823	607,821	374,341
Miscellaneous	10,176,331	10,033,727	3,106,862	5,089,737	4,731,278	3,394,271	2,270,460	2,966,137	4,263,387	5,453,682
Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	7,731,745	-	-	-	-	-	-	109,849
Total primary government	<u>158,728,310</u>	<u>162,286,042</u>	<u>209,133,822</u>	<u>218,769,886</u>	<u>221,082,941</u>	<u>204,501,613</u>	<u>201,117,417</u>	<u>197,138,447</u>	<u>197,334,764</u>	<u>203,924,255</u>
Change in Net Position										
Total primary government	<u>\$ 425,713</u>	<u>\$ 11,991,514</u>	<u>\$ 26,965,732</u>	<u>\$ 26,143,709</u>	<u>\$ 21,112,734</u>	<u>\$ 23,175,152</u>	<u>\$ 27,952,091</u>	<u>\$ 7,090,389</u>	<u>\$ 13,649,481</u>	<u>\$ 5,360,367</u>

Schedule 4
Laredo Independent School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

FISCAL YEAR	2005	2006	2007	2008	2009	2010	2011¹	2012	2013	2014
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178,052	\$ 1,035,264	\$ 3,047,831	\$ 1,126,204
Restricted	-	-	-	-	-	-	14,881,931	14,929,976	2,873,497	5,291,807
Committed	-	-	-	-	-	-	-	3,851,761.00	3,955,409	12,012,274
Assigned	-	-	-	-	-	-	10,430,944	10,498,376	5,006,798	617,873
Unassigned	-	-	-	-	-	-	59,272,362	62,570,104	62,652,991	62,652,991
Reserved	9,024,994	12,527,471	15,458,084	14,158,322	16,513,895	15,665,794	-	-	-	-
Unreserved	19,759,984	11,695,750	15,426,003	32,504,685	45,310,703	55,213,049	-	-	-	-
Total general fund	\$ 28,784,978	\$ 24,223,221	\$ 30,884,087	\$ 46,663,007	\$ 61,824,598	\$ 70,878,843	\$ 85,763,289	\$ 92,885,481	\$ 77,536,526	\$ 81,701,149
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Special Revenue Funds	-	-	-	-	-	-	2,982,829	2,269,378	660,832	530,959
Debt Service Funds	-	-	-	-	-	-	22,139,631	14,453,416	5,370,711	4,101,125
Capital Projects Funds	-	-	-	-	-	-	71,105,330	62,570,106	65,857,222	101,546,934
Committed										
Special revenue funds	-	-	-	-	-	-	1,831,277	305,522	334,011	411,447
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	29,175
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	162,144,593	29,362,125	24,795,478	47,946,686	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,252,423	4,697,799	6,526,044	2,985,517	3,205,029	3,366,692	-	-	-	-
Capital projects funds	147,046,196	114,929,536	-	105,931,575	96,330,178	67,346,619	-	-	-	-
Debt Service funds	9,427,615	11,669,155	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 159,726,234	\$ 131,296,490	\$ 168,670,637	\$ 138,279,217	\$ 124,330,685	\$ 118,659,997	\$ 98,059,067	\$ 79,598,422	\$ 72,222,776	\$ 106,619,640
	\$ 94,019,953	\$ 188,511,212	\$ 155,519,711	\$ 199,554,724	\$ 199,554,724	\$ 184,942,224				

Notes:
¹ Fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned. See Note A to the Basic Financial Statements.

Schedule 5
Laredo Independent School District
Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

FISCAL YEAR	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Federal sources:										
Federal Grants	\$ 29,906,211	\$ 32,960,541	\$ 34,948,185	\$ 29,766,786	\$ 34,134,993	\$ 41,198,981	\$ 43,871,485	\$ 41,978,269	\$ 39,913,339	\$ 36,613,595
Food services	11,187,260	10,979,704	11,750,545	12,266,676	13,241,239	14,174,829	15,779,620	15,742,194	16,475,778	16,936,477
Total federal sources	<u>41,093,471</u>	<u>43,940,245</u>	<u>46,698,730</u>	<u>42,033,462</u>	<u>47,376,232</u>	<u>55,373,810</u>	<u>59,651,105</u>	<u>57,720,463</u>	<u>56,389,117</u>	<u>53,550,072</u>
State sources:										
Per Capita and Foundation	119,915,636	121,242,425	140,171,354	153,808,970	158,289,910	152,285,241	150,492,906	147,080,044	145,385,212	154,191,699
Instructional Facilities Allotment	14,673,848	12,006,055	15,000,401	14,385,675	14,212,374	14,149,005	13,968,333	7,029,771	15,499,728	12,036,704
Teacher Retirement System on Behalf	6,356,609	8,532,673	6,995,207	7,785,412	8,164,503	8,507,328	8,599,937	7,973,904	7,744,130	7,923,275
Other State Programs	6,662,788	3,390,917	6,821,882	8,996,843	11,296,094	13,230,018	13,873,112	11,803,890	483,567	4,245,190
Other Governmental Agencies	53,027	592,200	17,563	15,000	13,769	8,523	36,543	14,278	10,000	600
Total state sources	<u>147,661,908</u>	<u>145,764,270</u>	<u>169,006,407</u>	<u>184,991,900</u>	<u>191,976,650</u>	<u>188,180,115</u>	<u>186,970,831</u>	<u>173,901,887</u>	<u>169,122,637</u>	<u>178,397,468</u>
Local sources:										
Property Taxes	23,948,120	26,759,747	28,217,513	25,781,018	26,517,619	26,842,672	26,861,291	26,398,584	26,771,494	26,331,681
Food service sales	275,421	342,424	359,816	334,192	312,052	330,569	323,896	345,903	337,567	337,180
Investment Income	1,468,715	8,939,430	12,653,464	8,773,586	5,969,438	3,299,340	1,396,011	785,814	608,346	374,341
Penalties, Interest, and Other Fees	5,898,531	730,655	793,048	762,789	767,477	849,947	793,562	680,304	681,600	631,631
Co-Curricular	185,958	210,761	528,836	201,995	208,305	154,024	140,579	2,744,310	558,709	554,362
Sale of WADA	7,043,169	6,640,127	-	-	-	-	-	-	-	-
Other revenues	2,181,473	4,555,304	3,133,762	5,391,457	4,886,980	5,472,925	3,574,980	1,104,934	4,065,606	4,583,374
Total local sources	<u>41,001,387</u>	<u>48,178,448</u>	<u>45,686,439</u>	<u>41,245,037</u>	<u>38,661,871</u>	<u>36,949,477</u>	<u>33,090,319</u>	<u>32,059,849</u>	<u>33,023,322</u>	<u>32,812,569</u>
Total revenues	<u>\$ 229,756,766</u>	<u>\$ 237,882,963</u>	<u>\$ 261,391,576</u>	<u>\$ 268,270,399</u>	<u>\$ 278,014,753</u>	<u>\$ 280,503,402</u>	<u>\$ 279,712,255</u>	<u>\$ 263,682,199</u>	<u>\$ 258,535,076</u>	<u>\$ 264,760,109</u>

Schedule 6
Laredo Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
11 Instruction	\$ 121,436,722	\$ 120,677,728	\$ 127,566,003	\$ 124,574,273	\$ 132,562,305	\$ 136,926,181	\$ 130,994,791	\$ 133,835,305	\$ 126,032,501	\$ 132,597,447
12 Instructional Resources & Media Svcs.	4,722,348	4,783,647	5,117,287	5,015,429	5,645,227	5,008,109	4,852,523	4,250,190	3,941,030	4,174,448
13 Curriculum & Instructional Staff Devpt.	4,112,502	4,156,453	4,407,778	3,666,935	3,575,361	3,190,961	2,315,992	2,732,512	3,432,377	4,424,265
21 Instructional Leadership	3,995,905	5,038,242	4,593,480	4,808,484	4,841,743	4,830,156	4,526,994	3,818,325	3,301,490	3,451,369
23 School Leadership	10,199,530	10,334,223	11,496,485	11,506,313	11,393,756	11,860,625	12,310,481	12,703,954	11,930,327	12,691,010
31 Guidance, Counseling, and Evaluation Svcs.	7,655,899	7,848,384	7,973,115	7,928,395	7,929,295	8,287,553	8,033,912	7,453,131	7,484,627	8,182,237
32 Social Work Services	1,725,654	1,878,004	1,898,201	1,873,824	1,635,270	1,547,337	1,459,941	1,216,784	1,235,284	1,541,127
33 Health Services	2,703,162	2,833,087	2,914,709	3,029,224	3,152,483	3,275,482	3,222,011	3,129,927	2,905,793	3,185,523
34 Student (Pupil) Transportation	3,557,405	4,006,844	4,421,695	3,780,477	3,337,594	3,379,725	4,286,949	3,857,490	3,795,583	4,002,756
35 Food Services	11,112,037	14,060,478	14,019,024	13,050,876	13,273,870	14,721,207	16,322,280	17,015,626	16,684,983	18,002,630
36 Cocurricular/Extracurricular Activities	4,121,958	4,201,927	3,865,637	3,407,484	3,669,811	3,978,069	3,988,524	4,117,102	4,407,657	4,852,089
41 General Administration	6,013,068	6,462,377	6,414,077	6,151,232	7,128,076	6,911,475	5,817,817	5,827,965	5,538,290	6,445,612
51 Plant Maintenance & Operations	17,890,819	20,191,873	20,833,944	20,672,806	21,452,133	21,033,887	20,785,265	22,049,652	20,007,352	21,487,072
52 Security & Monitoring Services	2,560,883	3,649,274	3,658,629	3,084,521	3,090,286	2,941,578	6,062,334	3,587,576	3,069,286	4,326,797
53 Data Processing Services	3,550,847	3,089,698	3,246,059	2,947,023	3,397,514	3,347,252	3,520,834	4,170,043	3,862,338	4,270,254
61 Community Services	405,884	381,774	940,663	1,307,924	1,343,308	1,490,764	1,820,034	1,506,155	1,576,705	1,947,785
71 Principal	10,940,000	8,378,013	10,731,378	17,221,396	18,464,315	14,144,518	14,799,652	19,474,301	20,885,585	13,234,622
Interest	8,851,746	12,204,644	13,939,432	13,141,804	12,662,695	12,245,352	11,101,550	12,176,157	10,661,786	10,304,574
Other Debt Service Costs	7,129,465	94,524	700,532	107,750	20,350	287,969	289,311	18,950	17,950	1,801,762
81 Facilities acquisition/construction Other capital outlay	36,178,910	50,483,909	33,927,132	34,907,736	18,227,796	17,657,752	29,190,358	12,014,889	30,319,993	40,527,381
93 Payments to Fiscal Agents / Members.	6,000	11,000	8,903	8,391	6,637	-	6,000	6,000	6,000	6,000
95 Payments to Juvenile Justice Alternative Ed.	200,600	131,393	12,390	163,153	85,320	85,320	72,443	58,618	162,740	184,386
Total expenditures	<u>\$ 269,071,342</u>	<u>\$ 284,897,496</u>	<u>\$ 282,686,553</u>	<u>\$ 282,355,450</u>	<u>\$ 276,895,145</u>	<u>\$ 277,151,272</u>	<u>\$ 285,779,996</u>	<u>\$ 275,020,652</u>	<u>\$ 281,259,677</u>	<u>\$ 301,641,146</u>
Debt service as a percentage of noncapital expenditures ¹	8.50%	8.78%	9.94%	12.29%	12.09%	10.20%	10.27%	12.12%	12.64%	9.06%

Notes:

¹Percentage was calculated as follows: (Debt Service Principal + Interest Payments) / (Total expenditures - Capital)
(13,234,622 + 10,304,574) / (301,641,146 - 41,724,191)

Schedule 7
Laredo Independent School District
Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

FISCAL YEAR	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Excess of revenues over (under) expenditures	\$ (39,314,576)	\$ (47,014,533)	\$ (21,294,977)	\$ (14,085,051)	\$ 1,119,608	\$ 3,352,130	\$ (6,067,741)	\$ (11,338,453)	\$ (22,724,601)	\$ (36,881,037)
Other Financing Sources (Uses)										
Issuance of Loans	-	14,000,000	-	-	-	-	-	-	-	-
Issuance of Bonds	182,135,630	-	56,950,000	-	-	18,420,000	18,415,000	-	-	144,585,000
Lease Proceeds	-	-	-	-	154,728	-	-	-	-	-
Premium Issuance of Bond	5,815,205	-	668,061	-	-	1,382,794	926,503	-	-	29,678,827
Premium Issuance of Loans	-	23,032	-	-	-	-	-	-	-	-
Redemption of Refunded Bonds	(54,145,000)	-	-	-	-	-	-	-	-	-
Sale of Real and Personal Property	-	-	-	-	-	-	72,215	-	-	109,849
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(19,771,368)	(19,062,461)	-	-	(98,931,152)
Transfers in	9,745,939	8,137,271	8,171,244	5,438,945	8,369,938	8,510,698	7,020,726	8,266,550	23,776,245	49,636,867
Transfers out	(9,745,939)	(8,137,271)	(8,171,244)	(5,438,945)	(8,369,938)	(8,510,698)	(7,020,726)	(8,266,550)	(23,776,245)	(49,636,867)
Special Item	-	-	7,731,745	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>133,805,835</u>	<u>14,023,032</u>	<u>65,349,806</u>	<u>-</u>	<u>154,728</u>	<u>31,426</u>	<u>351,257</u>	<u>-</u>	<u>-</u>	<u>75,442,524</u>
Net change in fund balances	<u>\$ 94,491,259</u>	<u>\$ (32,991,501)</u>	<u>\$ 44,054,829</u>	<u>\$ (14,085,051)</u>	<u>\$ 1,274,336</u>	<u>\$ 3,383,556</u>	<u>\$ (5,716,484)</u>	<u>\$ (11,338,453)</u>	<u>\$ (22,724,601)</u>	<u>\$ 38,561,487</u>

Schedule 8
 Laredo Independent School District
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Actual Value		Less: Exemptions	Total Taxable Value ²	Total Direct Rate ¹
	Residential Property	Personal Property			
2005	1,967,477,564	271,781,800	558,089,592	1,681,169,772	1.474
2006	2,087,865,861	277,897,380	565,792,825	1,799,970,416	1.554
2007	2,145,905,693	287,225,760	582,803,765	1,850,327,688	1.495
2008	2,347,904,503	312,600,408	622,347,599	2,038,157,312	1.274
2009	2,472,601,899	321,706,417	651,666,047	2,142,642,269	1.274
2010	2,631,967,318	301,780,345	797,895,605	2,135,852,058	1.274
2011	2,665,396,497	275,391,447	815,280,160	2,125,507,784	1.274
2012	2,684,572,761	269,333,873	826,719,588	2,127,187,046	1.274
2013	2,690,386,667	252,163,085	833,751,893	2,108,797,859	1.274
2014	2,664,848,981	253,860,472	825,819,674	2,092,889,779	1.274

Source: LISD Tax Office

Notes:

¹Per \$100 of assessed value.

²The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.

Schedule 9
Laredo Independent School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

Fiscal Year	District Direct Rates			Overlapping Rates ¹		
	Maintenance & Operations	Debt Service	Total	Laredo Community College	City of Laredo	Webb County Road & Bridge
2005	1.323	0.151	1.474	0.236	0.637	0.438
2006	1.383	0.171	1.554	0.234	0.637	0.438
2007	1.266	0.229	1.495	0.222	0.637	0.401
2008	1.040	0.234	1.274	0.256	0.256	0.187
2009	1.040	0.234	1.274	0.247	0.247	0.179
2010	1.040	0.234	1.274	0.244	0.244	0.180
2011	1.040	0.234	1.274	0.243	0.243	0.172
2012	1.040	0.234	1.274	0.240	0.240	0.163
2013	1.040	0.234	1.274	0.230	0.230	0.147
2014	1.040	0.234	1.274	0.220	0.220	0.130

Source: LISD Tax Office.

Notes:

¹Includes levies for operating and debt service costs.

Schedule 10
Laredo Independent School District
Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited

Taxpayer	2014			2005		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Laredo Texas Hospital Co LP	\$ 88,604,567	1	2.93%	\$ 89,406,950	1	3.77%
AEP Texas Central Company	18,803,230	2	0.62%	30,945,550	2	1.30%
Webb Hospital Holdings LLC	18,188,230	3	0.60%	19,927,140	4	0.84%
HE Butt Grocery Co	16,750,640	4	0.55%	13,699,330	6	0.58%
International Bank of Commerce	16,363,120	5	0.54%	14,955,230	5	0.63%
MPT of Laredo LLC	12,069,460	6	0.40%	-	-	-
The Laredo National Bank	11,677,870	7	0.39%	13,275,640	7	0.56%
Time Warner Cable Texas LLC	9,185,190	8	0.30%	-	-	-
Southwestern Bell Telephone LP	7,305,020	9	0.24%	19,999,860	3	0.84%
BRE/LQ TX Properties LP	7,214,680	10	0.24%	-	-	-
BIA Acquisition LTD	-	-	-	9,503,470	10	0.40%
La Posada Hotel	-	-	-	10,185,400	9	0.43%
Texas & Kansas City Cable	-	-	-	10,477,790	8	0.44%
Total Appraised Value	\$ 3,019,249,181		6.83%	\$ 2,371,620,625		9.80%

Source: LISD Tax Office

Schedule 11
 Laredo Independent School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections and Adjustments in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Outstanding Tax Levy	Percentage of Levy
2005	24,424,100	23,477,269	96.12	783,257	24,260,526	163,574	99.33%
2006	26,852,020	25,695,670	95.69	985,500	26,681,170	170,850	99.36%
2007	28,349,279	27,043,378	95.39	1,128,824	28,172,202	177,077	99.38%
2008	25,996,124	24,782,861	95.44	1,043,956	25,826,817	169,307	99.35%
2009	27,297,263	25,864,604	94.75	1,221,315	27,085,919	211,344	99.23%
2010	27,210,755	25,084,155	92.18	1,911,179	26,995,334	215,421	99.21%
2011	27,078,969	26,174,857	96.66	686,716	26,861,573	217,396	99.20%
2012	27,100,363	26,076,453	96.22	712,876	26,789,329	311,034	98.85%
2013	26,866,085	25,956,120	96.61	530,441	26,486,561	379,524	98.59%
2014	26,663,416	25,829,100	96.87	-	25,829,100	834,316	96.87%

Source: LISD Tax Office

Schedule 12
 Laredo Independent School District
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Loans</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income¹</u>	<u>Per Capita¹</u>	<u>Per Capita Personal Income Schedule # 16</u>
2005	254,032,558	20,480,000	274,512,558	6.16%	1,242	20,160
2006	247,637,999	32,675,000	280,312,999	5.90%	1,240	21,012
2007	296,751,137	31,360,000	328,111,137	6.46%	5,945	91,994
2008	287,630,128	29,640,000	317,270,128	5.70%	1,345	23,598
2009	278,289,348	27,855,000	306,144,348	4.69%	1,093	23,294
2010	267,149,396	25,975,000	293,124,396	4.92%	1,151	23,400
2011	256,072,731	24,000,000	280,072,731	4.37%	1,092	24,985
2012	245,038,625	16,000,000	261,038,625	3.86%	1,009	26,120
2013	233,645,070	8,000,000	241,645,070	3.40%	921	27,102
2014	298,948,962	8,000,000	306,948,962	N/A	N/A	-

Notes:

N/A = not available

¹See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Schedule 13
 Laredo Independent School District
 Direct and Overlapping Governmental Activities Debt
 As of August 31, 2014
 Unaudited

<u>Governmental Unit</u>	<u>Estimated Gross Debt</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Laredo	\$ 214,512,324	22.25%	\$ 47,728,992
County of Webb	76,662,058	13.36%	10,242,051
Laredo Community College	229,557,629	22.25%	<u>51,076,572</u>
Subtotal, overlapping debt			109,047,615
District direct debt	306,948,962	100.00%	<u>306,948,962</u>
Total direct and overlapping debt			<u>\$ 415,996,577</u>

Sources: Taxable value data used to estimate applicable percentages provided by the Webb County Property Appraiser.
 Debt outstanding data provided by each governmental unit.

Notes:

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

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Schedule 14
Laredo Independent School District
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2014

Net Assessed value of 2013 taxable property		\$	2,092,889,779
Plus: Exemptions			825,819,674
Total Assessed Value			<u>2,918,709,453</u>
Debt limit (10% of total assessed value)			291,870,945
Amount of debt applicable to said maximum debt limit:			
Total (net) general bonded debt	\$	298,948,962	
(Percentage of debt to total assessed value)			10.24%
Less: Debt Service Fund Balance as of 8/31/14		4,101,126	
Total amount of debt applicable to debt limit			<u>294,847,836</u>
Legal debt margin			<u>\$ (2,976,891)</u>

<u>Fiscal Year</u>	<u>Debt limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total Net Debt Applicable to the Limit As a Percentage of Debt Limit</u>
2005	180,836,742	245,496,793	(64,660,051)	135.76%
2006	194,474,196	224,767,220	(30,293,024)	115.58%
2007	185,032,769	245,415,822	(60,383,053)	132.63%
2008	203,815,731	232,617,536	(28,801,805)	114.13%
2009	279,430,832	218,178,789	61,252,043	78.08%
2010	293,374,766	203,672,415	89,702,351	69.42%
2011	294,078,794	164,778,123	129,300,671	56.03%
2012	295,390,663	162,871,919	132,518,744	55.14%
2013	294,254,975	161,162,719	133,092,256	54.77%
2014	291,870,945	294,847,836	(2,976,891)	101.02%

Notes:

Currently, outstanding tax supported debt is supported with funds received by either the Existing Debt Allotment Program or the Instructional Facilities Allotment Program from the Texas Education Agency. Both the Existing Debt Allotment Program funds and the Instructional Facilities Allotment Program are subject to biennial appropriation by the Texas Legislature. The District's Series 2001, 2005, 2006, 2013, and 2005, 2010, 2011, 2014 Refunding Bonds are secured by the Permanent School Fund Guarantee.

Schedule 15
Laredo Independent School District
Ratio of General Obligation Bonded Debt to Taxable Assessed Value
General Obligation Bonded Debt Per Capita, and General Obligation Bonded Debt per Student
Last Ten Fiscal Years
Unaudited

Fiscal Year	Assessed Value ¹	General Obligation Bonded Debt	Less: Amount Available in Debt Service Fund	Net Bonded Debt	Ratio Of Net Bonded Debt To Assessed Value	Population	Net Bonded Debt Per Capita	Student Enrollment ²	Net Bonded Debt per Student
2005	1,681,169,772	254,032,558	9,427,617	244,604,941	14.55%	224,874	1,088	24,745	9,885
2006	1,799,970,416	247,637,999	11,669,158	235,968,841	13.11%	227,544	1,037	24,876	9,486
2007	1,850,327,688	296,751,137	14,711,181	282,039,956	15.24%	217,506	1,297	24,795	11,375
2008	2,038,157,312	287,630,128	15,672,278	271,957,850	13.34%	221,000	1,231	25,075	10,846
2009	2,142,642,269	278,289,348	18,103,438	260,185,910	12.14%	255,926	1,017	24,903	10,448
2010	2,135,852,058	267,149,396	20,245,916	246,903,480	11.56%	263,286	938	24,682	10,003
2011	2,125,507,784	256,072,731	22,139,632	233,933,099	11.01%	246,917	947	24,680	9,479
2012	2,127,187,046	245,038,625	14,453,416	230,585,209	10.84%	270,381	853	24,761	9,312
2013	2,108,797,859	233,645,070	5,370,711	228,274,359	10.82%	276,656	825	24,797	9,206
2014	2,092,889,779	298,948,962	4,101,126	294,847,836	14.09%	275,686	1,070	24,915	11,834

Notes:

¹The taxable value shown here will not match the values reported by the Comptroller of Public Accounts.

²This is the total number of public school students who were reported in membership, at any grade, from early childhood education through grade 12. Membership is a slightly different number from enrollment because it does not include those students who are served in the district for less than two hours per day. (Source: PEIMS)

Schedule 16
Laredo Independent School District
Demographic and Economic Statistics
Last Ten Calendar Years
Unaudited

Calendar Year	Population	Personal Income¹	Per Capita Personal Income	Unemployment Rate¹
2005	224,874 ¹	4,454,781,000	20,160	5.70
2006	217,559 ²	4,748,324,000	21,012	5.20
2007	219,617 ²	5,077,310,000	23,119	4.50
2008	220,232 ²	5,567,524,000	23,598	5.20
2009	226,419 ²	5,624,141,000	23,294	7.90
2010	237,244 ²	5,961,227,000	23,400	8.00
2011	246,917 ³	6,408,612,000	24,985	7.95
2012	270,381 ⁴	6,769,544,000	26,120	7.07
2013	276,656 ⁴	7,114,194,000	27,102	6.47
2014	275,686 ⁴	N/A	N/A	5.48

Sources:

- ¹Texas Workforce Commission
- ²U.S. Census Bureau
- ³Texas State Data Center
- ⁴Texas Department of State Health Services

Notes:

Population and Unemployment Rate for 2014 represent projected figures.
N/A = not available

Schedule 17
Laredo Independent School District
Principal Employers
Current Year and Ten Years Ago
Unaudited

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees¹</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
United Independent School District	6,140	1	25.00%	4,500	1	23.26%
Laredo Independent School District	4,163	2	16.95%	3,587	2	18.54%
City of Laredo	2,398	3	9.76%	2,084	3	10.77%
Laredo Sector Border Patrol	2,200	4	8.96%	1,628	5	8.41%
US CBP-Customs Field Officers	1,950	5	7.94%	-	-	-
H.E.B. Grocery	1,752	6	7.13%	1,285	7	6.64%
McDonald's Restaurant	1,633	7	6.65%	1,333	6	6.89%
Webb County	1,600	8	6.51%	1,270	8	6.56%
Laredo Medical Center	1,500	9	6.11%	1,700	4	8.79%
Texas A&M International University	1,225	10	4.99%	1,027	9	5.31%
Wal-Mart				934	10	4.83%
Annual Labor Force	<u>24,561</u>		<u>100.00%</u>	<u>19,348</u>		<u>100.00%</u>

Source: Laredo Development Foundation

¹Total headcount which is the sum and actual number of all staff, with no distinction between full-time and part-time status, substitutes and temporary staff.

Schedule 18
Laredo Independent School District
Full-time Equivalent District Employees by Type
Last Ten Fiscal Years
Unaudited

	Full-time Equivalent Employees ¹ as of August 31										Percentage Change 2005-2014
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Teachers											
Pre-K & Kindergarten	188	205	222	230	228	221	223	198	215	206	
Elementary	640	638	631	631	629	678	671	625	629	557	
Secondary	553	565	599	624	622	637	603	576	543	630	
Special Education	177	170	156	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
All Level	<u>12</u>	<u>21</u>	<u>17</u>	<u>98</u>	<u>110</u>	<u>67</u>	<u>87</u>	<u>95</u>	<u>67</u>	<u>62</u>	
Total Teachers	<u>1,570</u>	<u>1,599</u>	<u>1,625</u>	<u>1,583</u>	<u>1,589</u>	<u>1,603</u>	<u>1,584</u>	<u>1,494</u>	<u>1,454</u>	<u>1,455</u>	-7.32%
Support Staff											
Supervisors	5	5	15	-	-	-	-	-	-	-	
Counselors	62	62	66	63	61	63	65	65	64	67	
Educ Diagnosticians	18	20	19	19	18	17	17	14	15	15	
Librarians	28	27	30	30	30	30	30	27	27	27	
Nurses/Physicians	38	40	38	39	42	43	45	38	33	35	
Therapists	20	18	21	21	20	24	20	21	22	22	
Other Support Staff	<u>179</u>	<u>215</u>	<u>216</u>	<u>200</u>	<u>202</u>	<u>210</u>	<u>205</u>	<u>172</u>	<u>167</u>	<u>172</u>	
Total Support Staff	<u>350</u>	<u>386</u>	<u>405</u>	<u>372</u>	<u>373</u>	<u>387</u>	<u>382</u>	<u>337</u>	<u>328</u>	<u>338</u>	-3.40%
Administrators											
Admin/Instr Officers	13	24	19	35	37	36	37	31	29	35	
Principals	27	28	29	29	27	29	28	27	29	29	
Assistant Principals	55	53	59	59	54	54	58	54	51	53	
Superintendents	1	1	1	1	1	1	1	1	1	1	
Asst Superintendents	<u>4</u>	<u>3</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Administrators	<u>99</u>	<u>108</u>	<u>108</u>	<u>125</u>	<u>120</u>	<u>121</u>	<u>124</u>	<u>113</u>	<u>110</u>	<u>118</u>	18.80%
Educational Aides	482	479	477	492	484	526	478	355	370	413	-14.65%
Auxiliary Staff	<u>1,235</u>	<u>1,311</u>	<u>1,318</u>	<u>1,286</u>	<u>1,274</u>	<u>1,240</u>	<u>1,260</u>	<u>1,268</u>	<u>1,273</u>	<u>1,221</u>	-1.13%
Total	<u>3,736</u>	<u>3,884</u>	<u>3,933</u>	<u>3,858</u>	<u>3,840</u>	<u>3,877</u>	<u>3,828</u>	<u>3,567</u>	<u>3,535</u>	<u>3,545</u>	-5.12%

Source: Texas Education Agency, Fall PEIMS Submission

Notes:

¹Full-time equivalent is the measurement of staff with full time work. An employee with a full-time equivalent must render a specific amount of hours for a full-time status.

Schedule 19
Laredo Independent School District
Operating Statistics
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u>	<u>Enrollment¹</u>	<u>Operating Expenditures²</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
2005	24,745	205,971,221	8,324	4.22%	1,570	15.8	96.20%
2006	24,876	213,736,406	8,592	3.22%	1,599	15.6	96.80%
2007	24,795	223,388,079	9,009	4.86%	1,625	15.3	96.50%
2008	25,075	216,976,764	8,653	-3.95%	1,583	15.8	96.00%
2009	24,903	227,519,989	9,136	5.58%	1,589	15.7	96.50%
2010	24,682	232,815,681	9,433	3.24%	1,603	15.4	97.20%
2011	24,680	230,399,125	9,335	-1.03%	1,584	15.6	97.10%
2012	24,761	231,336,355	9,343	0.08%	1,494	16.6	97.20%
2013	24,797	219,374,363	8,847	-5.31%	1,454	17.1	97.50%
2014	24,915	235,772,807	9,463	6.97%	1,455	17.1	97.70%

Source: Texas Education Agency TAPR Reports and District's CAFRs

Notes:

- ¹ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).
- ² Operating Expenditures are total governmental fund expenditures less debt service and capital projects (functions 71 and 81).

Schedule 20
Laredo Independent School District
Teacher Base Salaries
Last Ten Fiscal Years
Unaudited

Fiscal Year	0 Years Experience Salary¹	40+ Years Experience Salary¹	District Average Salary²	County Average Salary²	Statewide Average Salary²
2005	36,000	55,666	43,071	41,800	41,009
2006	37,000	56,666	43,361	42,371	41,743
2007	39,500	59,166	46,236	45,164	44,897
2008	41,000	60,074	47,416	46,505	46,178
2009	41,000	62,399	49,021	47,938	47,158
2010	42,500	63,552	50,287	49,063	48,263
2011	42,500	63,627	50,163	49,378	48,639
2012	42,500	63,742	49,911	49,020	48,375
2013	42,700	64,042	49,967	48,950	48,821
2014	42,700	64,042	49,972	50,523	49,692

Sources:

¹District records

²Texas Education Agency Fall PEIMS Submission

Notes:

Amounts do not include additional stipends based on experience or academic credentials, nor fringe benefits such as pension, health insurance, disability, and so on.

Schedule 21
 Laredo Independent School District
 Measures of Capacity
 August 31, 2014

Campus Name ¹	Original Building ¹	Facility Replacement ¹	Facility Additions and Renovations ¹	Square Footage	Classrooms	Minimum Capacity	Enrollment 2013-2014	Percentage of Capacity in Use
HIGH SCHOOLS (9th - 12th)								
Dr. Leonides G. Cigarroa	1983		2004, 2005, 2006, 2011, & 2013	277,154	87	2,175	1,387	64%
Raymond & Tirza Martin	1937		2003, 2007, 2008, 2009, 2010, & 2011	364,735	93	2,325	1,915	82%
Joseph W. Nixon	1964		2003, 2005, 2006, 2007, & 2011	425,608	83	2,075	1,913	92%
Early College at Texas A&M International University	2007	2012		42,500	20	500	416	83%
Francisco S. Lara Academy (Alternative School)	1997		1997	28,883	17	255	101	40%
TOTAL HIGH SCHOOLS:				1,138,880	300	7,330	5,732	78%
MIDDLE SCHOOLS (6th - 8 th)								
Louis J. Christen	1930	2006	2008	194,507	53	1,325	1,402	106%
Dr. Joaquin G. Cigarroa	1983	2006	2010	216,000	54	1,350	1,405	104%
Mirabeau B. Lamar	1957	2003	2004, 2005	184,900	48	1,200	1,383	115%
Memorial	1937-39	2005	2008	133,081	28	700	761	109%
TOTAL MIDDLE SCHOOLS:				728,488	183	4,575	4,951	108%
ELEMENTARY SCHOOLS (PK- 5th)								
Antonio M. Bruni	1927	2004		81,549	29	638	670	105%
Don Jose Gallego	1946	2007		92,305	35	770	745	97%
Leon Daiches	1920	2006		92,905	33	726	596	82%
Anita T. Dovalina	1983		2002, 2010	69,511	30	660	551	83%
Francisco Farias	1958	2002	2010, 2011	108,465	47	1,034	843	82%
Demetrio D. Hachar	1974	2008		88,814	30	660	578	88%
Heights	1923	2007		68,500	19	418	556	133%
Jesus A. kawas	1983		2003	71,259	34	748	599	80%
John Z. Leyendecker	1953		2008	97,752	38	836	550	66%
Honore Ligarde	1988		2003	80,252	39	858	817	95%
Christopher M. Macdonell	1930	2004		77,965	29	638	762	119%
Joseph C. Martin	1972	2009		94,728	32	704	652	93%
Clarence L. Milton	1960		2003	88,070	39	858	916	107%
Alma A. Pierce	1963	2004	2010	93,233	43	946	932	99%
Michael S. Ryan	1954		2006	94,404	43	946	966	102%
Tomas Sanchez/Hermelinda Ochoa	1953	2002		88,766	33	726	749	103%
Santa Maria	1972	2003		81,669	29	638	705	111%
Santo Niño	1960		2003	95,510	43	946	761	80%
Katherine F. Tarver	1960		2005	81,982	29	638	633	99%
Henry B. Zachry	1998		2003	70,233	34	748	661	88%
TOTAL ELEMENTARY SCHOOLS:				1,717,872	688	15,136	14,242	94%
SPECIAL CAMPUSES (9th-12th)								
Dr. Dennis D. Cantu Health Science Magnet School	1999			26,960				
Sabas Perez School for Engineering and Technology	1983			(included in Cigarroa High)				
VMT School of Communications & Fine Arts	1922		1993	52,021				
Jose A. Valdez	1957		2010	15,138				
TOTAL SPECIAL CAMPUSES⁵:				94,119				
Total Square Footage ² :	3,679,359							
Total Minimum Capacity ³ :	27,041							
Total Enrollment ⁴ :	24,925							
Total Capacity Utilization ⁵ :	92%							
Source: District records (latest new replacements, additions and modifications)								
Notes:								
² Square Footage comprises the total enclosed space of each campus based on construction plans.								
³ Minimum Capacity is a calculation based on TAC requirements (No. Classrooms based on construction plans). Note: Room size requirements are based on rooms that will house 22 students at the elementary level and 25 students at the middle or high school level (19 TAC Chapter 61, Subchapter CC) (Lara Academy = 15/1).								
⁴ Actual Enrollment is based on PEIMS data.								
⁵ Capacity Utilization is the quotient of Total Enrollment by Total Capacity, less enrollment at Special Campuses.								
⁶ Enrollment included with home campus.								
Statistical schedule provided from the Laredo Independent School District Construction Department.								

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SINGLE AUDIT SECTION





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

Board of Trustees
Laredo Independent School District
Laredo, 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 Laredo Independent School District (the "District") as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 8, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of Laredo 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 District'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 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, C.P.

Brownsville, Texas
January 8, 2015



PATILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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

Board of Trustees
Laredo Independent School District
Laredo, Texas

Report on Compliance for Each Major Federal Program

We have audited Laredo 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, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 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, 2014.

Report on Internal Control Over Compliance

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

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

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

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

Patullo, Brown & Hill, LLP

Brownsville, Texas
January 8, 2015

LAREDO INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2014

I. Summary of the Auditors' Results:

The type of auditors' report on financial statements:	Unmodified
Internal control over financial reporting:	
Significant Deficiency(ies) identified	None reported
Material weakness(es) identified:	No
Type of auditors' report on compliance with major programs:	Unmodified
Any audit findings which are required to be reported in accordance with OMB Circular A-133, Sec. 510(a):	No

Identification of major programs :

CFDA Numbers :	Name of Federal Program or Cluster
84.027A & 84.173A	IDEA-B Cluster
84.377A	Texas Title I Priority Schools
84.367A	Title II, Training & Recruiting

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,553,727
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Low risk auditee:	Yes
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II. Finds Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None

III. Findings and Questioned Costs for Federal Awards.

None

LAREDO INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2014

None

LAREDO INDEPEDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL A WARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
R. O. T. C.	12.999	N/A	\$ 166,173
Total Direct Programs			\$ 166,173
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 166,173
U.S. DEPARTMENT OF HOMELAND SECURITY			
<u>Direct Programs</u>			
FEMA - Disaster Grant Public Assistance	97.036	FEMA-1709-DR-TX	\$ 7,298
Total Direct Programs			\$ 7,298
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			\$ 7,298
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101240901	\$ 16,794,399
*ESEA, Title I, SIG Martin	84.010A	14610112240901001	5,747
*ESEA, Title I, SIG Nixon	84.010A	14610112240901002	13,555
*ESEA, Title I, SIG Farias	84.010A	14610112240901105	2,668
*ESEA, Title I, SIG Macdonell	84.010A	14610112240901109	1,500
*ESEA, Title I, SIG Santa Maria	84.010A	14610112240901115	4,345
*ESEA, Title I, SIG Kawas	84.010A	14610112240901122	8,870
*ESEA, Title I, SIG Dovalina	84.010A	14610112240901123	3,200
*ESEA, Title I, SIG Sanchez Ochoa	84.010A	14610112240901125	135,277
Total CFDA Number 84.010A			16,969,561
ESEA, Title I, Part C - Migratory Children	84.011A	14615001240901	502,535
*IDEA - Part B, Formula	84.027A	146600012409016600	7,380,046
*IDEA - Part B, Discretionary	84.027A	146600012409016673	17,429
*IDEA - Part B, Deaf	84.027A	146600012409016601	34,550
Total CFDA Number 84.027A			7,432,025
*IDEA - Part B, Preschool	84.173A	146610012409016610	49,147
*IDEA - Part B, Preschool Deaf	87.173A	146610012409016611	8,183
Career and Technical - Basic Grant	84.048A	14420006240901	423,023
Title III, Part A - English Language Acquisition	84.365A	14671001240901	1,761,482
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501240901	2,810,495
Title I, TTL Priority School - CHS	84.377A	136107047110017	1,660,006
Title I, TTL Priority School - LMS	84.377A	106107067110002	2,023,377
Total CFDA Number 84.377A			3,683,383
Summer School LEP	84.369A	69551302	114,771
Total Passed Through State Department of Education			\$ 33,754,605
TOTAL DEPARTMENT OF EDUCATION			\$ 33,754,605
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through Texas Dept of Human Services</u>			
Medicaid Administrative Claiming Program - MAC	93.778	N/A	\$ 112,593
Total Passed Through Texas Dept of Human Services			\$ 112,593
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 112,593

LAREDO INDEPEDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL A WARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
<u>Direct Programs</u>			
Forfeiture U.S. Treasury	16.999	N/A	\$ 35,823
Organized Crime Drug Enforcement Task Force	16.999	N/A	17,716
Total CFDA Number 16.999			<u>53,539</u>
Total Direct Programs			<u>\$ 53,539</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>\$ 53,539</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	N/A	\$ 4,581,970
*National School Lunch Program - Cash Assistance	10.555	N/A	10,984,580
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	1,107,051
Total CFDA Number 10.555			<u>12,091,631</u>
*Summer Feeding Program - Cash Assistance	10.559	N/A	760,222
Fresh Fruit & Vegetable Program	10.582	N/A	262,876
Total Passed Through the State Department of Agriculture			<u>\$ 17,696,699</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 17,696,699</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 51,790,907</u>

*Clustered Programs

LAREDO INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED AUGUST 31, 2014

1. The District utilizes the fund types specified in the Texas Education Agency's Financial Accountability System Resource Guide (FASRG).

General Fund - is accounted for, among other things, resources related to the United States Department of Defense ROTC program.

Special Revenue Funds - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital outlays, including capital facilities and other capital assets.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund, the Special Revenue Funds, or the Capital Projects Funds, components of the Governmental Fund type. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual (i.e., both measurable and available), and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for certain compensated absences, which are recognized when the obligations are expected to be liquidated with expendable, available financial resources.

Federal grant funds are generally considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H period of availability of Federal Funds, Part 3, *OMB Circular A-133 Compliance Supplement*.
4. Federal revenues in the General Fund consist of amounts attributed to the National School Lunch Program, the ROTC Program and the Medicaid Administrative Program. Expenditures are not specifically attributable to these revenue sources and are shown as amounts equal to federal revenues. The revenue for indirect costs is recognized in the General Fund. Additionally, the SHARS Program is accounted for in the General Fund. SHARS revenue is not considered federal financial assistance and is therefore not included in the schedule.

Total Expenditures of Federal Awards, Exhibit K-1	\$51,790,907
SHARS Program Reimbursement	<u>1,759,165</u>
Federal Program Revenues, Exhibit C-3	<u>\$53,550,072</u>

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