



ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2014

**This Page Intentionally Left Blank**

JUDSON INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT</u>
INTRODUCTORY SECTION		
Certificate of Board	i	
FINANCIAL SECTION		
Independent Auditor's Report	1	
Management's Discussion and Analysis (Required Supplementary Information)	3	
<u>Basic Financial Statements</u>		
Government-Wide Financial Statements		
Statement of Net Position	4	A-1
Statement of Activities	5	B-1
Fund Financial Statements		
Balance Sheet – Governmental Funds	6	C-1
Reconciliation of Governmental Funds – Balance Sheet to Statement of Net Assets	7	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	8	C-2
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities	9	C-3
Statement of Fiduciary Net Position – Fiduciary Funds	10	E-1
Notes to Basic Financial Statements	11	
REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule General Fund	37	G-1
OTHER SUPPLEMENTARY INFORMATION SECTION		
<u>Required Texas Education Agency Schedules</u>		
Schedule of Delinquent Taxes Receivable	39	J-1
Other Budgetary Comparison Schedules:		
National School Breakfast and Lunch Program	41	J-4
Debt Service Fund	42	J-5
<u>Compliance Section</u>		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43	

JUDSON INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE</u>	<u>EXHIBIT</u>
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	45	
Schedule of Findings and Questioned Costs	48	
Summary Schedule of Prior Audit Findings	51	
Schedule of Expenditures of Federal Awards	52	K-1
Notes to the Schedule of Expenditures of Federal Awards	54	
Combining Balance Sheet – All Special Revenue Funds	56	O-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Funds	61	O-2
<b>OTHER SCHEDULES PRESENTED BY THE DISTRICT</b>		
Statement of School Tax Assessor-Collector Account (Unaudited)	66	S-1
Athletic Fund Statement of Revenues and Expenditures (Unaudited)	67	S-2
Child Nutrition and Summer Feeding Program Balance Sheet (Unaudited)	68	S-3
Child Nutrition and Summer Feeding Program Statement of Revenues and Expenditures (Unaudited)	69	S-4
Child Nutrition and Summer Feeding Program Statement of Changes in Fund Balance (Unaudited)	70	S-5
Student/Campus Activity Funds Combined Balance Sheet (Unaudited)	71	S-6
Student/Campus Activity Funds Combined Statement of Revenues, Expenditures, and Changes in Balance (Unaudited)	72	S-7

**INTRODUCTORY SECTION**

**This Page Intentionally Left Blank**

CERTIFICATE OF BOARD

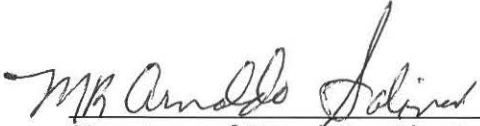
Judson Independent School District  
Name of School District

Bexar  
County

015-916  
Co.- Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named School District were reviewed and approved for the year ended June 30, 2014, at a meeting of the board of trustees of such School District on the 20th day of November, 2014.

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

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

**This Page Intentionally Left Blank**



## **FINANCIAL SECTION**

**This Page Intentionally Left Blank**



## Independent Auditor's Report

Board of Trustees  
Judson Independent School District  
Live Oak, Texas

### Report on the Financial Statements

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

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Judson Independent School District as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

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

*Other Information*

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

Such information is the responsibility of management and was derived from and relates 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 other supplementary information 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 other schedules presented by the District, as listed in the table of contents, 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 November 20, 2014, on our consideration of Judson 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 the District's internal control over financial reporting and compliance.

ABIP, PC

Certified Public Accountants

San Antonio, Texas

November 20, 2014

**Judson Independent School District  
Management's Discussion and Analysis  
Year Ended June 30, 2014**

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

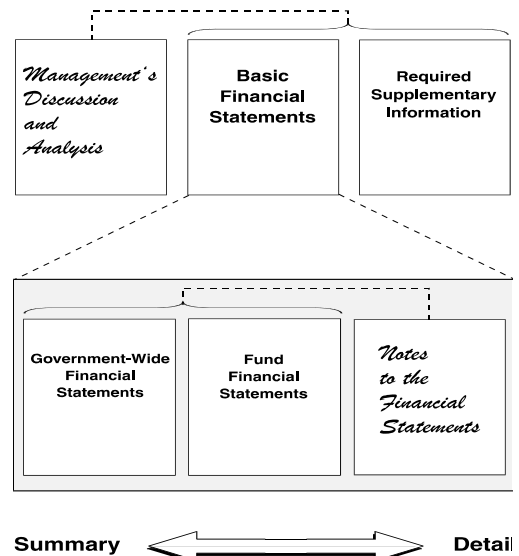
**FINANCIAL HIGHLIGHTS**

- The District's total combined net position was \$78,942,096 at June 30, 2014.
- During the year, the District's expenses were \$222,076,773, and the amount generated in taxes and other revenues for governmental activities were \$223,060,634.
- The total cost of the District's programs increased by \$15.3 million. The increase was primarily the result of salary increases for all of the District's employees and additional positions required to address increased student enrollment. Additionally, expenditures related to issuance cost of new and refunded debt as well as increased debt service payments significantly contributed to this increase.
- The general fund reported a total fund balance this year of \$52,476,838 at June 30, 2014. Of this fund balance, \$3,000,000 has been committed by the Board of Trustees for the acquisition of future school sites and an additional \$6,160,063 is reserved for other purposes.

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

**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 tell how *general government* services were financed in the *short term* as well as what remains for future spending.

- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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 relate to one another.

## **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 position 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 position 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 nonfinancial 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. 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 Board of Trustees 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Fiduciary funds*—The District 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.

The District formed the Judson Independent School District Public Facility Corporation (“Judson ISD PFC”), which was incorporated on June 7, 2013, as a non-profit corporation formed under the Texas Public Facility Corporation Act. Judson ISD PFC was formed for the purpose of assisting the School District in financing, refinancing, providing, or otherwise assisting in the acquisition of school district facilities. Judson ISD PFC is reported as a blended component unit in the financial statements of the School District; therefore, its activities are blended with the activities of the School District. Refer to Note 1 in the Notes to the Basic Financial Statements for more detail on Judson ISD PFC.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position:** The District's combined net position was \$79 million at June 30, 2014. (See Table A-1).

**Table A-1**  
Judson Independent School District's Net Position  
(In millions)

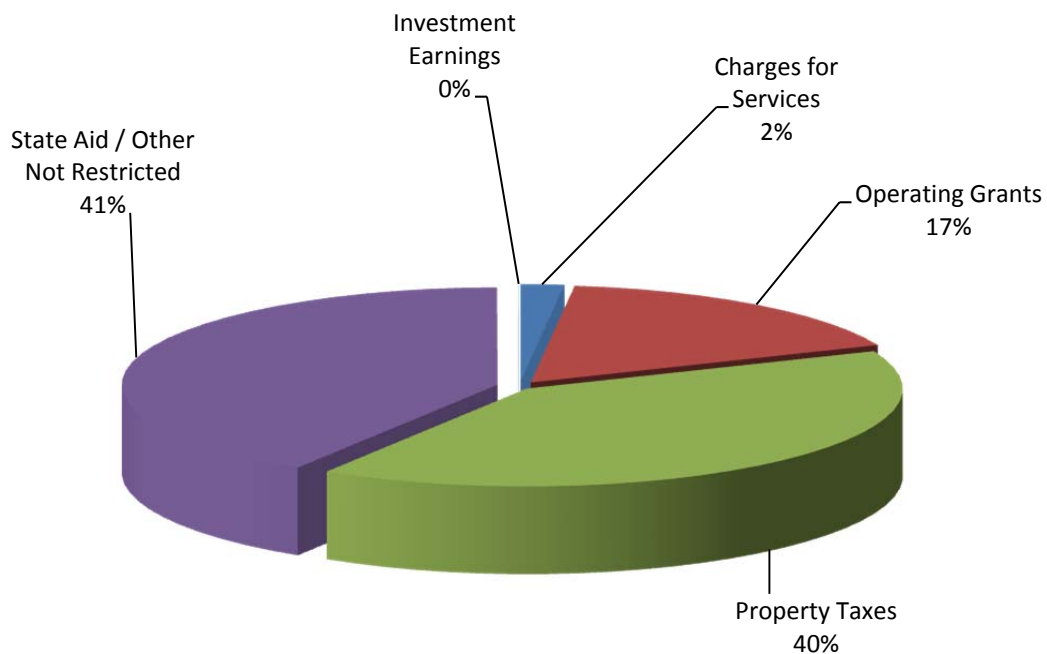
	GOVERNMENTAL ACTIVITIES		TOTAL PERCENTAGE CHANGE
	2014	2013	2014-2013
Current assets:			
Cash and cash equivalents	\$ 139.2	\$ 76.9	81.0%
Property Taxes, receivable	3.4	3.3	3.0%
Due from other governments	26.0	19.2	35.4%
Other receivables	-	0.1	-
Inventories – supplies and materials	0.6	0.7	(14.3%)
Deferred Expenditures	0.2	0.3	(33.3%)
Capitalized Bond issuance costs	-	1.2	(100.0%)
Total current assets:	<u>169.4</u>	<u>101.7</u>	66.6%
Noncurrent assets:			
Capital Assets	594.4	563.8	5.4%
Less accumulated depreciation	<u>(183.4)</u>	<u>(167.0)</u>	9.8%
Total noncurrent assets	<u>411.0</u>	<u>396.8</u>	3.6%
Total Assets	<u>580.4</u>	<u>498.5</u>	16.4%
Deferred Outflows of Resources:			
Unamortized Loss on Refunded Bonds	<u>2.2</u>	<u>4.0</u>	(45.0%)
Total Deferred Outflows of Resources	<u>2.2</u>	<u>4.0</u>	(45.0%)
Current liabilities:			
Accounts payable and interest payable	13.5	10.1	33.7%
Payroll Deductions/Withholdings	8.1	8.5	(4.7%)
Accrued Wages	18.6	17.7	5.1%
Deferred revenue	-	1.2	(100.0%)
Due to Other Governments	-	-	-
Bond Premium – deferred	<u>16.0</u>	<u>10.8</u>	48.1%
Total current liabilities	<u>56.2</u>	<u>48.3</u>	16.4%
Long-term liabilities:			
Bonds and Lease payable	<u>447.4</u>	<u>375.0</u>	19.3%
Total Liabilities	<u>503.6</u>	<u>423.3</u>	19.0%
Net Position:			
Invested in capital assets	12.2	13.0	(6.2%)
Restricted for:			
State and Federal	11.5	11.5	0.0%
Debt	17.0	16.4	3.7%
Unrestricted	<u>38.3</u>	<u>38.3</u>	0.0%
Total Net Position	<u>\$ 79.0</u>	<u>\$ 79.2</u>	(0.3%)



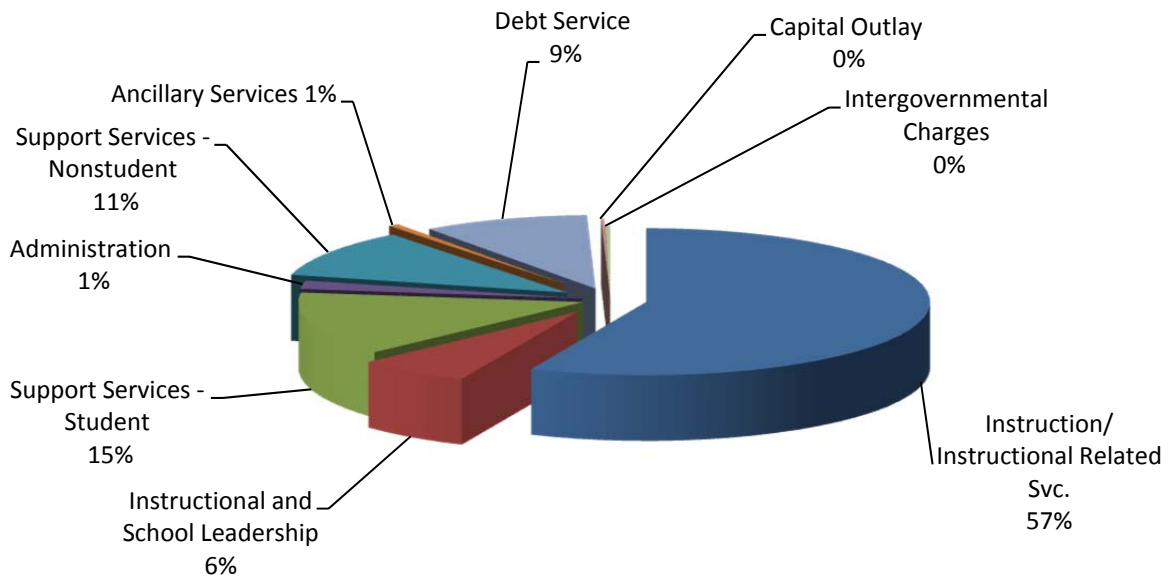
Approximately \$17 million of the District's restricted net position represent revenue from local taxes. These revenues are restricted for expenditures related to debt service payments. Approximately another \$11.5 million of the District's restricted net position represent funds provided by state or federal grants. These funds are restricted for expenditures of specific programs for which the grants are targeting. The \$38.3 million of unrestricted net position represents resources available to fund the programs of the District next year.

**Changes in net position:** The District's total revenues were \$223.1 million. A significant portion, 40 percent, of the District's revenue comes from taxes. (See Figure A-2). 41 percent comes from state aid and other non restricted contributions, 17 percent comes from restricted operating grants and contributions, while only 2 percent relates to charges for services. The total cost of all programs and services was \$222.1 million; 78 percent of these costs are for instructional, instructional leadership and student services. (See Figure A-3).

**Figure A-2 District  
Sources of Revenue for Fiscal Year 2014**



**Figure A-3 District Expenses for Fiscal Year 2014**



#### Governmental Activities

- Changes in Governmental Activities Net Position are presented in Table A-2. The District's Governmental Activities revenues were \$223.1 million; an increase of 7% as compared to the prior year. The District's two main sources of revenue are from local property taxes and State funding. The expenses for governmental activities totaled \$222.1 million which represents an increase of 7% or \$15.3 million from the prior fiscal year.
- Property tax rates were unchanged from the previous year. The tax rate was \$1.425 per \$100 of taxable assessed valuation. The taxable assessed values were \$6.4 billion during the current fiscal year and \$6.2 billion in the previous fiscal year. The change in taxable assessed values resulted in the combined tax levy increasing to \$91.2 million from \$87.7 million in the previous fiscal year.
- On November 7, 2006, the voters of the District approved an election to sell bonds in the amount of \$236.3 million. The approved bonds were proposition specific. The first proposition was for \$59.6 million and the proceeds are to be used for the construction of three elementary schools. Two of these elementary schools are to be new while the third is to replace the current Converse Elementary School. The second proposition was for \$100 million and the proceeds are to be used for the construction of a new high school that will replace the current Judson High School. The new high school will be built on the existing site of the Judson High School, but because of its footprint the warehouse and maintenance facilities will need to be relocated to a different site. The third proposition was for \$64.7 million and the proceeds are to be used for renovations to current facilities as well as deployment of updated technology

throughout the district. The fourth proposition was for \$12 million and the proceeds are to be used for the construction of a new early college high school on the site of the Northeast Lake View College, the newest college of the Alamo Community College District. During the 2006-2007 fiscal year, the District sold \$165 million in bonds to commence the above projects. The proceeds from these bonds were allocated to the approved propositions as follows: \$30 million to be used toward the construction of the elementary schools, \$100 million for the construction of the new high school and relocation of the warehouse and maintenance facilities, \$22.9 million to renovate current District facilities and begin the initial phase of deploying technology equipment throughout the district, and \$12 million to be used toward the construction of the early college high school.

- During the 2013-2014 fiscal year, plans were approved to spend the surplus/unspent balance of funds from the November 7, 2006 bond election. The approximately \$353,000 will be used to partially fund the replacement of the track at Wagner High School. This project should be completed during the 2014-2015 fiscal year.
- On May 11, 2013, the voters of the District approved an election to sell bonds in the amount of \$83 million. The bonds were approved as a single proposition with the proceeds being used for the construction of a new elementary and high school. The high school project is planned to be completed in two phases. The first phase will be constructed with the funds allocated for the high school from this election. The first phase will consist of constructing a core facility to accommodate 2,400 students, with classrooms being built for only 1,600 students. A future election will be held to ask for authorization from voters to sell bonds to complete the additional classrooms. The two phase approach was developed because the District wanted to present a proposition to the voters that, if authorized, would result in no increase to the tax rate to repay the new debt.
- During the 2013-2014 fiscal year, the \$83 million of authorized bonds from the May 11, 2013 election were sold. At the end of FY14 the new elementary school is nearing completion and is scheduled to open for the 2014-2015 school year. Construction on the new high school has begun and the school is scheduled to open for the 2016-2017 school year.

**TABLE A-2**  
**Changes in Judson Independent School District's Net Position**  
*(In millions)*

	Governmental Activities		Total Percentage Change
	<u>2014</u>	<u>2013</u>	<u>2014-2013</u>
Program Revenues:			
Charges for Services	\$ 4.2	\$ 4.3	(2%)
Operating Grants and Contributions	37.6	34.0	11%
General Revenues:			
Property Taxes	89.5	87.8	2%
State Aid / Other Contributions Not Restricted	90.9	81.5	12%
Investment Earnings	0.1	0.1	-
Other	0.8	1.0	(20%)
Total Revenues	<u>223.1</u>	<u>208.7</u>	7%
Expenses			
Instruction	118.3	112.2	5%
Instructional Resources and Media Services	2.3	2.2	5%
Curriculum Dev. and Instructional Staff Dev.	5.2	3.7	41%
Instructional Leadership	3.9	3.2	22%
School Leadership	10.4	9.8	6%
Guidance, Counseling and Evaluation Services	6.3	6.1	3%
Social Work Services	1.3	1.0	30%
Health Services	1.9	1.8	6%
Student (Pupil) Transportation	6.5	6.1	7%
Food Services	11.8	11.5	3%
Curricular/Extracurricular Activities	3.3	3.4	(3%)
General Administration	4.0	4.0	0%
Plant Maintenance & Oper.	18.2	17.7	3%
Security & Monitoring Svcs.	1.8	1.7	6%
Data Processing Services	3.5	2.7	30%
Community Services	1.3	1.2	8%
Interst on Long-Term Debt	19.8	17.8	11%
Bond Issuance Costs Fees	1.2	-	-
Facilities Acquisition and Construction	0.4	-	-
Payments Related to Shared Services Arrangements	0.2	0.2	0%
Payments to Juvenile Justice Alternative Ed. Program	-	-	-
Other Intergovernmental Charges	0.5	0.5	0%
Total Expenses	<u>222.1</u>	<u>206.8</u>	7%
Increase (Decrease) in Net Position	<u>\$ 1</u>	<u>\$ 1.9</u>	(47%)

Table A-3 presents the cost of each of the District’s largest functions as well as each function’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects the expenditures less the amount funded by state revenues as well as other grants/contributions.

- The cost of all *governmental* activities this year was \$222.1 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$89.5 million.
- Some of the cost was paid by those who directly benefited from the programs \$4.2 million, or
- By grants and contributions \$37.6 million.

**TABLE A-3**  
Net Cost of Selected District Functions  
(In Millions)

	TOTAL COST OF SERVICES			NET COST OF SERVICES		
	2014	2013	% OF CHANGE	2014	2013	% OF CHANGE
Instruction	\$ 118.3	\$ 112.2	5.4%	\$ 101.5	\$ 96.9	4.7%
School Leadership	10.4	9.8	6.1%	9.6	9.2	4.3%
Plant Maintenance & Operations	18.2	17.7	2.8%	16.5	16.4	0.6%
Debt Service - Interest and Fiscal Charges	19.8	17.8	11.2%	14.6	13.0	12.3%
Food Services	11.8	11.5	2.6%	0.8	1.0	(20.0%)

## FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

Revenues from governmental fund types totaled \$223.2 million, an increase of 7.1% or \$14.7 million, over the preceding year. The increase was primarily the result of additional state funding of approximately \$10 million, resulting from a significant growth in student enrollment. Additionally, approximately \$2 million is an increase in property tax revenue which is the result of growth in the taxable values of the properties within the school district. Lastly, the Schools Health and Related Services (SHARS) program contributed an additional \$2 million, which is a result of increased services being submitted for reimbursement to the program.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its budget to provide for changes in operations.

- Actual revenues for the general fund exceeded the final budget by approximately \$2.7 million. This variance was primarily the result of an increase in property tax revenue, approximately \$1 million, and approximately another \$1 million in increased indirect costs revenues charged to the special revenue funds, specifically the Child Nutrition Program.

- Actual expenditures for the general fund were \$7.1 million below final budget amounts. The most significant difference, \$2.5 million, occurred in Support Services - Student (Pupil). This positive variance was primarily a result of budgeting for the purchase of 12 school buses which were not received by the end of the fiscal year and forecasting fuel at higher prices than actually incurred. Another significant difference, \$2 million, occurred in Instruction and Instructional Related Services. This positive variance was the result of budgeting for full employment of staff throughout the full year, not adjusting for vacant positions, and reclassifying the cost for eligible staff to other funding sources that became available throughout the fiscal year. Another difference, \$1.5 million, occurred in Support Services - Nonstudent Based. The difference was primarily the result of budgeting for small renovation projects and the purchase of a time management system that were not completed by the end of the fiscal year. Another difference, \$1 million, occurred in Capital Outlay. This difference was primarily the result of budgeting for professional design services related to construction projects as well as budgeting for several small construction
- Actual fund balance for the general fund increased by \$6.2 million from the preceding fiscal year. Total fund balance for the general fund was \$52.5 million at June 30, 2014 and it was \$46.3 million at June 30, 2013.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2014, the District had invested \$594.4 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4). This amount represents a net increase (including additions and deductions) of \$30.6 million or an increase 31.1%, in net additions and deductions, as compared to the previous year.

**TABLE A-4**  
District's Capital Assets  
(In Millions)

	GOVERNMENTAL ACTIVITIES		TOTAL PERCENTAGE CHANGE
	2014	2013	2014-2013
Land	\$ 20.0	\$ 20.0	0.0%
Construction in Progress	30.6	1.8	-
Building and Improvements	505.6	505.3	0.1%
Furniture/Equipment/Vehicles	35.5	34	4.4%
Capital Lease -Equipment	2.7	2.7	0.0%
Totals	594.4	563.8	5.4%
Total Accumulated Depreciation	183.4	167.0	9.8%
<b>NET CAPITAL ASSETS</b>	<b>\$ 411.0</b>	<b>\$ 396.8</b>	<b>3.6%</b>

The District's fiscal year 2015 capital budget projects spending another \$58 million for capital assets, principally for the construction of a new high school and completing the construction of a new elementary school. Several other smaller renovation projects are also planned. The District will use bond proceeds and other general fund monies for these construction projects. Other items that are included in the capital projects budget are equipment and vehicles. More detailed information about the District's capital assets is presented in the notes to the financial statements.

**Bond Ratings**

The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Moody's Investor Services "Aa2" and Fitch "AA-".

**Long Term Debt**

At year-end, the District had \$447.4 million in bonds, tax notes, and accrued compensated absences outstanding as shown in Table A-5. This represents an increase of \$72.3 million from the \$375.1 outstanding in the prior year. More detailed information about the District's debt is presented in the notes to the financial statements.

**TABLE A-5**  
District's Long-Term Debt  
(In millions)

	GOVERNMENTAL ACTIVITIES		TOTAL PERCENTAGE CHANGE
	2014	2013	2014-2013
Tax Notes	\$ 1.5	\$ 2.7	(44.4%)
Accrued Compensated Absences	1.0	1.0	0.0%
Bonds Payable	<u>444.9</u>	<u>371.4</u>	19.8%
<b>TOTALS</b>	<u><b>\$ 447.4</b></u>	<u><b>\$ 375.1</b></u>	19.3%

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

- Appraised taxable value used for the 2015 budget preparation increased to \$6.7 billion from \$6.3 billion in the previous fiscal year. This represents an increase of \$0.4 billion or 6.3%. The tax rate remained unchanged at \$ 1.425 per \$100 dollar of taxable property value.
- As compared to the original expenditure budget adopted for the 2013 - 2014 fiscal year, the budget for the 2014 - 2015 fiscal year increased by \$15.2 million from \$203.8 million to \$219 million. This increase was the result of several factors.
- The most significant change, \$12.9 million, was in the payroll and benefits budgets. Of this increase approximately, \$8.7 million, was a result of employee salary increases and other adjustments to the compensation plan. Salary increases and other adjustments ranged from a low of 3% to a high of 9%.

These increases are based on salary midpoints established for each group of employees and not from their actual salary. Also approximately, \$1.8 million, was for additional staff attributable to the opening of a new elementary school. Another approximately, \$900 thousand was approved to increase the district's contribution towards employee health coverage by \$25 dollars per month; this results in a monthly district contribution of \$300 per employee. The legislature also established a new TRS contribution for each member to be paid by the employing school district. This TRS contribution amount for this fiscal year is forecast to be approximately \$1.4 million. This new requirement is offset by additional state funding for the year of implementation.

- The Operating budget for the General Fund increased by \$1.2 million dollars. This increase is attributable to small capital projects, new instructional programs, the replacement of computer hardware and instructional materials to meet state mandates. The Interest & Sinking Fund also contributed \$1.7 million towards the increase. This increase was a net result of refunding bonds and issuing new debt. Therefore, the total increase in budgeted funds equated to 7.5 percent.
- The final amended budget for the 2013 - 2014 fiscal year was \$214.8 million. The significant amendments to the 2013 - 2014 budget include: funds to replace several boiler and chiller systems, funds for new teaching positions and support staff added to accommodate student growth, funds allocated to purchase replacement school buses, and funds to procure for professionals to develop designs for future capital projects.
- The District's 2014 - 2015 projected refined average daily attendance for budget purposes was 21,325, which was an increase of 175 students from the projections used to prepare the budget for the 2013 - 2014. The final average daily attendance for the 2013-2014 fiscal year was 21,393. The District does not expect the enrollment to decline for the 2014 - 2015 fiscal year.

These indicators were taken into account when adopting the budget for fiscal year 2015. Total projected revenue available for appropriation in the budget was \$216.1 million, an increase of 6.6 percent over the original 2014 budget of \$202.7 million. Total Revenue from property taxes increased by 6.4 percent from \$88.7 million in 2013-2014 to \$94.4 million in 2014-2015. State revenue estimates indicate an increase of \$5.3 million in the general operating fund, which is the result of anticipated increased enrollment and a change in the funding formulas authorized by the legislature for the 2013- 2015 biennium.

If these estimates are realized, the District's budgetary general fund balance is expected to decrease by \$1.9 million. This will result in an unassigned fund balance of \$41.4 million, based on the ending fund balance at June 30, 2014. The district believes that this remains a safe level of fund balance for the general operating fund.

On May 11, 2013, the voters of the District authorized \$83 million in bonds to be sold for the purpose of building a new elementary school and a new high school. The bonds have been sold and are dated July 11, 2013. The new elementary school is planned to be completed for the beginning of the 2014-2015 school year. The new high school is planned to be completed for the beginning of the 2016-2017 school year.



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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, address requests to the Office of the Chief Financial Officer, Judson Independent School District, 8012 Shin Oak, Live Oak, Texas 78233.

**This Page Intentionally Left Blank**

## **BASIC FINANCIAL STATEMENTS**

JUDSON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2014

EXHIBIT A-1

<u>DATA</u> <u>CONTROL</u> <u>CODES</u>		<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
	<u>ASSETS</u>	
1110	Cash and Cash Equivalents	\$ 9,043,892
1120	Current Investments	130,103,739
1225	Property Taxes Receivable (Net)	3,402,176
1240	Due from Other Governments	25,957,112
1290	Other Receivables (Net)	37,620
1300	Inventories	605,826
1410	Deferred Expenses	243,393
	Capitalized Assets	
1510	Land	\$ 20,029,488
1520	Buildings and Improvements (Net)	354,646,130
1530	Furniture and Equipment (Net)	5,781,845
1580	Construction in Progress	<u>30,554,368</u>
	Total Capitalized Assets (Net)	<u>411,011,831</u>
1000	TOTAL ASSETS	<u>\$ 580,405,589</u>
	<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
1701	Unamortized Loss on Refunded Bonds	<u>2,167,556</u>
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,167,556</u>
	<u>LIABILITIES</u>	
2110	Accounts Payable	\$ 5,413,091
2140	Interest Payable	8,091,933
2165	Accrued Liabilities	26,710,572
2180	Due to Other Governments	13,217
2300	Deferred Revenue	43,725
2400	Unamortized Premium on Issuance of Bonds	15,985,533
	<u>NONCURRENT LIABILITIES</u>	
2501	Due Within One Year	\$ 12,433,643
2502	Due in More than One Year	<u>434,939,335</u>
	Total Noncurrent Liabilities	<u>447,372,978</u>
2000	TOTAL LIABILITIES	<u>503,631,049</u>
	<u>NET POSITION</u>	
3200	Net Investment in Capital Assets	12,223,246
3820	Restricted for State and Federal Programs	11,490,849
3850	Restricted for Debt Service	16,951,957
3900	Unrestricted	<u>38,276,044</u>
3000	TOTAL NET POSITION	<u>\$ 78,942,096</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

JUDSON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

EXHIBIT B-1

DATA CONTROL CODES	FUNCTIONS/PROGRAMS	1  EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
			3  CHARGES FOR SERVICES	4  OPERATING GRANTS AND CONTRIBUTIONS	
			GOVERNMENTAL ACTIVITIES		
	Governmental Activities				
11	Instruction	\$ 118,291,728	\$ 1,427,643	\$ 15,310,930	\$ (101,553,155)
12	Instructional Resources and Media Services	2,282,403	-	154,131	(2,128,272)
13	Curriculum and Staff Development	5,181,813	-	2,107,779	(3,074,034)
21	Instructional Leadership	3,909,765	-	1,132,957	(2,776,808)
23	School Leadership	10,362,501	-	749,896	(9,612,605)
31	Guidance, Counseling, and Evaluation Services	6,281,106	-	658,937	(5,622,169)
32	Social Work Services	1,256,498	-	98,234	(1,158,264)
33	Health Services	1,915,546	-	192,043	(1,723,503)
34	Student Transportation	6,498,130	-	438,541	(6,059,589)
35	Food Service	11,832,564	2,193,345	8,818,748	(820,471)
36	Extracurricular Activities	3,347,178	343,422	256,923	(2,746,833)
41	General Administration	4,032,297	-	272,402	(3,759,895)
51	Plant Maintenance and Operations	18,164,989	211,378	1,434,493	(16,519,118)
52	Security and Monitoring Services	1,827,672	-	129,019	(1,698,653)
53	Data Processing Services	3,465,879	-	254,243	(3,211,636)
61	Community Services	1,333,502	-	168,884	(1,164,618)
72	Interest on Long-Term Debt	19,781,287	-	5,214,369	(14,566,918)
73	Bond Issuance Costs and Fees	1,245,950	-	-	(1,245,950)
81	Capital Outlay	407,770	-	20,017	(387,753)
93	Payments Related to Shared Service Arrangements	174,264	-	174,264	-
95	Payments to Juvenile Justice Alternative Education Program	815	-	60	(755)
99	Other Intergovernmental Charges	483,116	-	35,514	(447,602)
TG	Total Governmental Activities	<u>222,076,773</u>	<u>4,175,788</u>	<u>37,622,384</u>	<u>(180,278,601)</u>
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 222,076,773</u>	<u>\$ 4,175,788</u>	<u>\$ 37,622,384</u>	<u>(180,278,601)</u>
	General Revenues				
MT	Property Taxes, Levied for General Purposes				65,367,445
DT	Property Taxes, Levied for Debt Service				24,156,688
IE	Investment Earnings				71,183
GC	Grants and Contributions not Restricted to Specific Programs				90,850,603
MI	Miscellaneous				816,543
TR	Total General Revenues				<u>181,262,462</u>
CN	Change in Net Position				983,861
NB	NET POSITION - BEGINNING				79,163,531
PA	PRIOR PERIOD ADJUSTMENT				(1,205,296)
NE	NET POSITION - ENDING				<u>\$ 78,942,096</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

**JUDSON INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2014**

**EXHIBIT C-1**

DATA CONTROL CODES		10 GENERAL FUND	50 DEBT SERVICE FUND	60 CAPITAL PROJECTS FUND	485 JUDSON ISD PUBLIC FACILITY CORPORATION	OTHER GOVERNMENTAL FUNDS	98 TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
1110	Cash and Cash Equivalents	\$ 2,851,867	\$ 1,220	\$ -	\$ 6,046,373	144,432	\$ 9,043,892
1120	Current Investments	45,467,360	16,702,956	61,050,342	-	6,883,081	130,103,739
1225	Taxes Receivable, Net	2,550,716	851,460	-	-	-	3,402,176
1240	Due from Other Governments	23,768,916	219,583	-	-	1,968,613	25,957,112
1260	Due from Other Funds	6,459,221	-	2,250	269	146,698	6,608,438
1290	Other Receivables	37,495	-	-	-	125	37,620
1300	Inventories	507,682	-	-	-	98,144	605,826
1410	Prepaid Items	241,896	-	-	-	1,497	243,393
1000	TOTAL ASSETS	<u>\$ 81,885,153</u>	<u>\$ 17,775,219</u>	<u>\$ 61,052,592</u>	<u>\$ 6,046,642</u>	<u>\$ 9,242,590</u>	<u>\$ 176,002,196</u>
<u>LIABILITIES</u>							
2110	Accounts Payable	\$ 1,477,516	\$ 61,435	\$ 3,198,161	\$ 296,841	\$ 379,138	5,413,091
2140	Interest Payable	-	23,053	-	-	-	23,053
2150	Payroll Deductions and Withholdings	7,984,631	-	-	-	107,941	8,092,572
2160	Accrued Wages Payable	17,559,577	-	-	-	1,058,423	18,618,000
2170	Due to Other Funds	140,305	-	266,191	4,642,160	1,559,782	6,608,438
2180	Due to Other Governments	-	-	-	-	13,217	13,217
2300	Unearned Revenue	-	-	-	-	43,725	43,725
2000	Total Liabilities	<u>27,162,029</u>	<u>84,488</u>	<u>3,464,352</u>	<u>4,939,001</u>	<u>3,162,226</u>	<u>38,812,096</u>
<u>Deferred Inflows of Resources</u>							
2600	Unearned Revenue - Property Taxes	<u>2,246,286</u>	<u>738,774</u>	-	-	-	<u>2,985,060</u>
<u>FUND BALANCES</u>							
3410	Non-Spendable - Inventories	507,682	-	-	-	98,144	605,826
3430	Non-Spendable - Prepaid Items	241,896	-	-	-	1,497	243,393
3450	Restricted - Grant Funds	-	-	-	-	5,980,723	5,980,723
3470	Restricted - Capital Acquisitions and Contractual Obligations	-	-	57,854,161	1,107,641	-	58,961,802
3480	Restricted - Debt Service	-	16,951,957	-	-	-	16,951,957
3490	Restricted - Other	5,410,485	-	-	-	-	5,410,485
3545	Committed - Other	3,000,000	-	-	-	-	3,000,000
3600	Unassigned	43,316,775	-	(265,921)	-	-	43,050,854
3000	Total Fund Balances	<u>52,476,838</u>	<u>16,951,957</u>	<u>57,588,240</u>	<u>1,107,641</u>	<u>6,080,364</u>	<u>134,205,040</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 81,885,153</u>	<u>\$ 17,775,219</u>	<u>\$ 61,052,592</u>	<u>\$ 6,046,642</u>	<u>\$ 9,242,590</u>	<u>\$ 176,002,196</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

JUDSON INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED JUNE 30, 2014

EXHIBIT C-1R

Total Fund Balances - Governmental Funds Balance Sheet	\$ 134,205,040
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets expensed in the governmental activities are not reported in the funds.	594,374,360
Accumulated depreciation used in governmental activities is not reported in the funds.	(183,362,529)
Property tax receivable unavailable to pay for current period expenditures is deferred in the funds.	2,985,060
Payables for bond principal which are not due in the current period are not reported in the funds.	(439,804,206)
Payables for loan proceeds which are not due in the current period are not reported in the funds.	(1,455,000)
Payables for accrued bond interest which are not due in the current period are not reported in the funds.	(8,068,880)
Bond premiums used in governmental activities are not reported in the funds.	(15,985,533)
Capital appreciation bond accreted interest not due in the current year is not reported in the funds.	(5,145,559)
Bond refunding losses are amortized over the life of the bonds.	2,167,556
Payables for compensated absences which are not due in the current period are not reported in the funds.	<u>(968,213)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF NET POSITION	<u>\$ 78,942,096</u>

**JUDSON INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

**EXHIBIT C-2**

DATA CONTROL CODES		10 GENERAL FUND	50 DEBT SERVICE FUND	60 CAPITAL PROJECTS FUND	485 JUDSON ISD PUBLIC FACILITY CORPORATION	OTHER GOVERNMENTAL FUNDS	98 TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>							
5700	Local and Intermediate Sources	\$ 68,505,753	\$ 24,220,765	\$ 22,362	\$ 107,258	\$ 2,195,779	\$ 95,051,917
5800	State Program Revenues	97,650,154	5,121,547	-	-	678,097	103,449,798
5900	Federal Program Revenues	4,999,489	-	-	-	19,723,595	24,723,084
5020	Total Revenues	<u>171,155,396</u>	<u>29,342,312</u>	<u>22,362</u>	<u>107,258</u>	<u>22,597,471</u>	<u>223,224,799</u>
<b>EXPENDITURES</b>							
<b>Current</b>							
0011	Instruction	100,769,768	-	-	-	7,903,730	108,673,498
0012	Instructional Resources and Media Service	2,095,251	-	-	-	130	2,095,381
0013	Curriculum and Staff Development	2,855,843	-	-	-	1,901,367	4,757,210
0021	Instructional Leadership	2,651,340	-	-	-	938,055	3,589,395
0023	School Leadership	9,458,816	-	-	-	54,571	9,513,387
0031	Guidance, Counseling, and Evaluation Services	5,512,734	-	-	-	253,692	5,766,426
0032	Social Work Services	1,139,036	-	-	-	14,503	1,153,539
0033	Health Services	1,690,836	-	-	-	67,748	1,758,584
0034	Student Transportation	5,965,666	-	-	-	-	5,965,666
0035	Food Service	-	-	-	-	11,169,479	11,169,479
0036	Cocurricular/Extracurricular Activities	3,048,505	-	-	-	32,825	3,081,330
0041	General Administration	3,701,591	-	-	-	295	3,701,886
0051	Plant Maintenance and Operations	17,336,325	-	36,063	-	204,912	17,577,300
0052	Security and Monitoring Services	1,755,106	-	-	-	-	1,755,106
0053	Data Processing Services	3,460,833	-	-	-	-	3,460,833
0061	Community Services	1,139,084	-	-	-	85,150	1,224,234
0071	Principal on Long-Term Debt	1,210,000	9,509,860	-	-	-	10,719,860
0072	Interest on Long-Term Debt	52,375	18,968,810	-	106,962	-	19,128,147
0073	Bond Issuance Costs and Fees	323	305,941	785,763	153,923	-	1,245,950
0081	Capital Outlay	272,295	-	24,157,933	4,938,732	-	29,368,960
0093	Payments Related to Shared Service Arrangements	-	-	-	-	174,264	174,264
0095	Payments to Juvenile Justice Alternative Education Programs	815	-	-	-	-	815
0099	Other Intergovernmental Charges	483,116	-	-	-	-	483,116
6030	Total Expenditures	<u>164,599,658</u>	<u>28,784,611</u>	<u>24,979,759</u>	<u>5,199,617</u>	<u>22,800,721</u>	<u>246,364,366</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,555,738</u>	<u>557,701</u>	<u>(24,957,397)</u>	<u>(5,092,359)</u>	<u>(203,250)</u>	<u>(23,139,567)</u>
<b>Other Financing Sources and (Uses)</b>							
7901	Refunding Bonds Issued	-	17,355,000	78,245,000	6,200,000	-	101,800,000
7911	Capital Related Debt Issued	-	-	-	-	-	-
7912	Sale of Real or Personal Property	35,260	-	-	-	7,053	42,313
7915	Transfers In	-	-	-	-	-	-
7916	Premium or Discount on Issuance of Bonds	-	1,863,378	5,540,763	-	-	7,404,141
8940	Other Uses	(387,531)	(19,250,678)	-	-	-	(19,638,209)
7080	Total Other Financing Sources and (Uses)	<u>(352,271)</u>	<u>(32,300)</u>	<u>83,785,763</u>	<u>6,200,000</u>	<u>7,053</u>	<u>89,608,245</u>
1200	Net Change in Fund Balances	6,203,467	525,401	58,828,366	1,107,641	(196,197)	66,468,678
0100	Fund Balances - Beginning	<u>46,273,371</u>	<u>16,426,556</u>	<u>(1,240,126)</u>	<u>-</u>	<u>6,276,561</u>	<u>67,736,362</u>
3000	FUND BALANCES - ENDING	<u>\$ 52,476,838</u>	<u>\$ 16,951,957</u>	<u>\$ 57,588,240</u>	<u>\$ 1,107,641</u>	<u>\$ 6,080,364</u>	<u>\$ 134,205,040</u>



JUDSON INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

EXHIBIT C-3

Net Change in Fund Balances - Total Governmental Funds		\$ 66,468,678
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are not reported as expenses in the statement of activities.		30,732,589
The depreciation of capital assets used in governmental activities is not reported in the funds.		(16,533,825)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		324,515
Repayment of bond principal is an expenditure in the funds but is not an expense in the statement of activities.		9,509,860
Repayment of tax notes is an expenditure in the funds but is not an expense in the statement of activities.		1,210,000
Issuance of refunding bonds is other sources in the funds but is not a revenue in the statement of activities activities.		
This amount is the net effect of these differences.		
Bond Issuance	(101,800,000)	
Payment to Escrow Agent	19,107,217	
Bond Premium	<u>(7,404,141)</u>	(90,096,924)
Net change in principal of capital appreciation bonds is an expense in the statement of activities but not in the funds.		38,511
Bond premiums are amortized in the statement of activities and not in the funds.		(2,237,328)
Amortization of bond premium is an expense in the statement of activities and not in the funds.		2,244,163
Compensated absences are reported as amounts expensed in the statement of activities but not in the funds.		22,107
Change in accrued interest payable for bonds.		<u>(698,485)</u>
 CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES		 <u>\$ 983,861</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014

EXHIBIT E-1

<u>DATA CONTROL CODES</u>		<u>AGENCY FUNDS</u>
	<u>ASSETS</u>	
1110	Cash and Cash Equivalents	<u>\$ 1,217,562</u>
1000	TOTAL ASSETS	<u>\$ 1,217,562</u>
	<u>LIABILITIES</u>	
2190	Due to Student Groups	<u>\$ 1,217,562</u>
2000	TOTAL LIABILITIES	<u>\$ 1,217,562</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Judson 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. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board of School Trustees, a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Board of Trustees, 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.

Blended Component Unit

Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the District's management has determined that the Judson Independent School District Public Facilities Corporation ("Judson ISD PFC") should be blended with the activities of the District because its sole purpose is to assist the District in financing or otherwise assisting in the acquisition of public facilities because the District's management has operational responsibility for Judson ISD PFC.

The PFC was incorporated on June 7, 2013, as a non-profit corporation under the Texas Public Facility Corporation Act. Judson ISD PFC was formed for the purpose of assisting the District in financing, refinancing, providing, or otherwise assisting in the acquisition of public facilities. Judson ISD PFC is governed by a seven-member Board of Director that is the same seven-member Board of Trustees of the District. Judson ISD PFC does not have the authority to levy taxes. Although Judson ISD PFC is legally separate from the District, Judson ISD PFC is reported as if it were part of the District because its sole purpose is to assist the District in the acquisition of public facilities. That is, Judson ISD PFC is reported as a blended component unit in the basic financial statements of the District. Financial information for Judson ISD PFC may be obtained from the District's business office.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. 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, including all taxes, are presented as general revenues.

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

The District reports the following major governmental funds:

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

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* accounts for bond proceeds and expenditures for the construction of school facilities as approved by the District's voters.

The *Judson Independent School District Public Facility Corporation* (Judson ISD PFC) accounts for a nonprofit public facility corporation to act on behalf of the District and assist the District in financing, refinancing and providing public facilities for the District.

In addition, the District reports the following fund types:

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation, Basis of Accounting (Continued)

Basis of Presentation (Continued)

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

Measurement Focus, Basis of Accounting

Government-wide and fiduciary fund 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. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements: 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 sixty (60) days after year end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the state are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of 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.

C. Budgetary Information

The board adopts an appropriated budget on a basis consistent with GAAP for the general fund, debt service fund, and food service fund (which is included in special revenue funds).

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Budgetary Information (Continued)

At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three (3) funds.

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

Prior to June 19, the District prepares a budget based on the modified zero-based budgeting concept for departmental budgets, and the programmatic budgeting concept for campuses, for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.

After one (1) or more budget workshops with the board, a meeting is called for the purpose of adopting the proposed budget. At least ten (10) days but not more than thirty (30) days public notice of the meeting is required.

Prior to June 30, the board of trustees legally adopts the budget for the general fund, debt service fund, and food service fund.

After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires board approval prior to the fact. These amendments are presented to the board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.

Expenditure budgets are controlled at the functional and object level by the appropriate budget manager (principal or department director). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year end.

	<u>ORIGINAL BUDGET</u>	<u>NET CHANGE DURING YEAR</u>	<u>AMENDED BUDGET</u>
General Fund	\$ 162,080,740	\$ 9,584,193	\$ 171,664,933
Special Revenue Funds - Food Service	12,908,400	1,457,029	14,365,429
Debt Service	28,835,000	19,199,748	48,034,748

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statement Amounts

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 sixty day period after the close of the fiscal year.

Allowances for uncollectible tax receivables within the general fund are \$221,801 and \$74,040 for the debt service fund and are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Deposit Accounting Policy

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one (1) year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statement Amounts (Continued)

Inventories and Prepaid Items

Inventories of supplies on the balance sheet are stated at weighted average cost, while inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Inventory items are recorded as expenditures when 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 Texas Department of Human Services and recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are received, expenditures are charged, and revenue is recognized for an equal amount. Inventories also include plant maintenance and operation supplies as well as instructional supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Encumbrance Accounting

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30, 2014, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are:

General Fund	\$ 2,103,804
National School Breakfast and Lunch Program	1,186,669
Other Special Revenue Funds	517,724
Judson ISD Public Facility Corporation	594,126
Capital Projects Fund	<u>54,807,926</u>
TOTAL	<u>\$ 59,210,249</u>

Capital Assets

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



JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statement Amounts (Continued)

Capital Assets (Continued)

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

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES (YEARS)</u>
Buildings and Improvements	35
Portable Buildings	25
Buses and Heavy Equipment	7
Office and Computer Equipment	5
Vehicles and Other	5-10

Receivable and Payable Balances

The District believes that 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.

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

Compensated Absences

On retirement, termination of employment, or death of employees, the District pays any accrued sick leave in a lump-sum payment to such employee or his/her beneficiary or estate – See Note 9: Accumulated Unpaid Sick Leave Benefit.

Deferred Inflows/Outflows 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 (expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Financial Statement Amounts (Continued)

Deferred Inflows/Outflows of Resources (Continued)

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

Interfund Activity

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Data Control Codes

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

Cash and Cash Equivalents

Cash in bank, money market accounts, external investment pools, and securities with maturities of less than three (3) months from the date of purchase are reported as cash and cash equivalents in the financial statements.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance

The District has implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the Trustees to the superintendent or chief financial officer.

In the general fund, the District strives to maintain an unassigned fund balance to be used for local and regional emergencies without borrowing.

F. GASB Implementation

During the year, the District adopted GASB Statement GASB Statement No. 65, Items Previously Reported as Assets and Liabilities (GASB 65).

GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 2: COMPLIANCE AND ACCOUNTABILITY

A. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>VIOLATION</u>	<u>ACTION TAKEN</u>
None Reported	Not Applicable

B. Deficit Unassigned Fund Balance of Individual Funds

Following are funds having deficit unassigned fund balances at year end, if any, along with remarks which address such deficits:

<u>FUND NAME</u>	<u>DEFICIT AMOUNT</u>	<u>REMARKS</u>
Capital Project Fund	\$(265,921)	General Fund will transfer interfund payable

NOTE 3: DEPOSITS AND INVESTMENTS

A. Cash Deposits

At June 30, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$9,043,892 and the bank balance was \$11,392,095. Of the bank balance, \$250,000 was covered by federal depository insurance, and the remainder was covered by collateral held in the pledging bank's trust department in the District's name. At June 30, 2014, the market value of pledged collateral was \$13,244,400.

B. 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.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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, and the State of Texas, (2) certificates of deposit, (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.

C. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the District's investment policy and the Act and the actual rating as of June 30, 2014 for each investment:

<u>DESCRIPTION</u>	<u>MINIMUM LEGAL RATING</u>	<u>INVESTMENT RATING</u>	<u>RATING ORGANIZATION</u>	<u>CARRYING VALUE</u>	<u>PERCENTAGE INVESTED</u>
TexPool Investment Fund	AAA	AAAm	Standard & Poors	\$ 106,244,791	82%
Lone Star Pool Investment Fund	AAA	AAA	Standard & Poors	<u>23,858,948</u>	<u>18</u>
TOTAL INVESTMENTS				<u>\$ 130,103,739</u>	<u>100%</u>

D. Public Funds Investment Pools

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

The District's investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is reported at share value.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 4: CAPITAL ASSETS

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

	BEGINNING BALANCE July 1, 2013	ADDITIONS	DELETIONS	TRANSFERS	ENDING BALANCE June 30, 2014
<u>Governmental Activities</u>					
Capital Assets Not Being Depreciated:					
Land	\$ 20,000,497	\$ 28,991	\$ -	\$ -	\$ 20,029,488
Construction in Progress	1,757,930	28,796,438	-	-	30,554,368
Total Capital Assets not being Depreciated	<u>21,758,427</u>	<u>28,825,429</u>	<u>-</u>	<u>-</u>	<u>50,583,856</u>
Capital Assets being Depreciated:					
Buildings and Improvements	505,339,734	248,191	-	-	505,587,925
Furniture, Equipment, and Vehicles	33,956,333	1,658,969	(121,791)	-	35,493,511
Capital Lease	2,709,068	-	-	-	2,709,068
Total Capital Assets, being Depreciated	<u>542,005,135</u>	<u>1,907,160</u>	<u>(121,791)</u>	<u>-</u>	<u>543,790,504</u>
Less Accumulated Depreciation for					
Buildings and Improvements	(136,886,191)	(14,055,604)	-	-	(150,941,795)
Furniture, Equipment, and Vehicles	(27,355,236)	(2,478,221)	121,791	-	(29,711,666)
Capital Lease	(2,709,068)	-	-	-	(2,709,068)
Total Accumulated Depreciation	<u>(166,950,495)</u>	<u>(16,533,825)</u>	<u>121,791</u>	<u>-</u>	<u>(183,362,529)</u>
Total Capital Assets being Depreciated, Net	<u>375,054,640</u>	<u>(14,626,665)</u>	<u>-</u>	<u>-</u>	<u>360,427,975</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 396,813,067</u>	<u>\$ 14,198,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,011,831</u>

Depreciation was charged to functions as follows: (Depreciation was distributed as a percentage of aggregate expenditures.)

	<u>AMOUNT</u>
Instruction	\$ 9,779,877
Instruction Resources and Media Services	188,700
Curriculum and Staff Development	428,411
Instructional Leadership	323,243
School Leadership	856,729
Guidance, Counseling, and Evaluation Services	519,296
Social Work Services	103,882
Health Services	158,370
Student Transportation	537,239
Food Services	978,268
Extracurricular Activities	276,731
General Administration	333,374
Plant Maintenance and Operations	1,501,807
Security and Monitoring Services	151,104
Data Processing Services	286,545
Community Services	<u>110,248</u>
TOTAL DEPRECIATION EXPENSE	<u>\$ 16,533,825</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS

The District has entered into a continuing disclosure undertaking to provide annual reports and material event notices to the Municipal Securities Rule Making Board through the electronic municipal market access website. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

A. Long-Term Obligation Activity – Bonds

Bonded indebtedness of the District is reflected as governmental activities in the statement of net assets. Effective interest rates range from 2.00% to 5.63%.

A summary of changes in long-term debt for the year ended June 30, 2014 is as follows:

DESCRIPTION	INTEREST RATE PAYABLE	AMOUNT ORIGINAL ISSUE	AMOUNT OUTSTANDING JULY 1, 2013	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2014
<b>School Building Bonds:</b>						
School Building Bonds Series 2005A	4.00% to 5.00%	\$ 9,549,944	\$ 1,476,705	\$ -	\$ 1,476,705	\$ -
School Building Bonds Series 2005B	4.00% to 5.00%	22,270,374	19,133,156	-	19,133,156	-
School Building Bonds Series 2007	4.00% to 5.63%	240,779,223	234,069,223	-	3,745,000	230,324,223
School Building Bonds Series 2008	2.65% to 5.00%	71,319,971	67,305,001	-	1,000,000	66,305,001
School Building Bonds Series 2010	3.00% to 5.00%	24,404,982	17,374,982	-	1,830,000	15,544,982
School Building Bonds Series 2012	2.00% to 3.50%	9,370,000	9,150,000	-	225,000	8,925,000
Refunding Bonds Series 2013	2.00% to 4.00%	17,700,000	17,700,000	-	610,000	17,090,000
Refunding Bonds Series 2013 A	4.00% to 5.00%	11,760,000	-	11,760,000	-	11,760,000
School Building Bonds Series 2013	2.00% to 5.00%	78,245,000	-	78,245,000	185,000	78,060,000
Refunding Bonds Series 2014	2.00% to 3.00%	5,595,000	-	5,595,000	-	5,595,000
			<u>366,209,067</u>	<u>95,600,000</u>	<u>28,204,861</u>	<u>433,604,206</u>
<b>Public Facilities Corp. Lease Revenue Bonds:</b>						
Lease Revenue Bonds Series 2013	3.59% to 3.72%	\$ 6,200,000	-	6,200,000	-	6,200,000
<b>Totals</b>			<u>366,209,067</u>	<u>101,800,000</u>	<u>28,204,861</u>	<u>439,804,206</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A. Long-Term Obligation Activity – Bonds (Continued)

DESCRIPTION	AMOUNT ORIGINAL ISSUE	AMOUNT OUTSTANDING JULY 1, 2013	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2014
Capital Appreciation Bonds					
C.A.B.'s - Accreted Interest					
Series 2005A (1), (2)	\$ 9,549,944	\$ 826,657	\$ 71,639	\$ 898,296	\$ -
C.A.B.'s - Accreted Interest					
Series 2005B (1), (2)	3,575,374	181,832	15,012	196,844	-
C.A.B.'s - Accreted Interest					
Series 2007 (1), (3)	5,689,223	3,596,253	756,851	-	4,353,104
C.A.B.'s - Accreted Interest					
Series 2010 (1), (5)	2,169,982	<u>579,328</u>	<u>213,127</u>	-	<u>792,455</u>
Total C.A.B.'s		<u>5,184,070</u>	<u>1,056,629</u>	<u>1,095,140</u>	<u>5,145,559</u>
TOTAL ALL BONDS		<u>\$ 371,393,137</u>	<u>\$ 102,856,629</u>	<u>\$ 29,300,001</u>	<u>\$ 444,949,765</u>

- (1) Additions are made up of interest accreted on capital appreciation bonds for the year ended June 30, 2014. The capital appreciation bonds were originally recorded at their face value and have only been reduced as principal payments were made. Since these bonds mature at different dates the bonds are now included in bonds payable at their accreted value, for principal amounts due as of June 30, 2014.
- (2) During the fiscal year ended June 30, 2005, the District issued bonds that were delivered on January 19, 2005. The District issued and received \$22,270,374 in bond proceeds and refinanced \$9,549,944 of Unlimited Tax School Building Bonds Series 1997. The bond issue consisted of \$18,695,000 current interest bonds and \$13,125,318 capital appreciation bonds. The purpose of the bonds is for the construction, renovation, and equipping of District facilities and to pay the costs associated with the issuance of the bonds. As a result, the refunded portions of the bonds are considered defeased. The purpose of the refunding was to restructure the overall debt service of the District to allow for additional debt to be issued and maintain a level debt service tax rate. The refunding resulted in a present value savings of \$267,646.



JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A. Long-Term Obligation Activity – Bonds (Continued)

- (3) During the fiscal year ended June 30, 2007, the District issued bonds that were delivered on May 10, 2007. The District issued and received \$240,779,223 in bond proceeds including refunding \$9,400,000 of Unlimited Tax School Building Bonds Series 1999, \$28,950,000 of Unlimited Tax School Building Bonds Series 2002, and \$41,445,000 of Unlimited Tax School Building Bonds Series 2003. The bond issue consisted of \$95,330,000 current interest bonds and \$5,689,223 capital appreciation bonds. The purpose of the bonds are for the construction, renovation, and equipping of District facilities and to pay the costs associated with the issuance of the bonds. As a result, the refunded portions of the bonds are considered defeased. The purpose of the refunding was to restructure the overall debt service of the District to allow for additional debt to be issued and maintain a level debt service tax rate. The refunding resulted in a present value savings of \$3,249,804.
- (4) During the fiscal year ended June 30, 2008, the District issued bonds that were delivered on April 30, 2008. The District issued and received \$71,319,971 in bonds proceeds. The bond issue consisted of \$70,815,000 current interest bonds and \$504,971 capital appreciation bonds. The capital appreciation bonds have subsequently matured. The bonds are for the construction and equipping of District Schools and purchasing the necessary sites and to pay the costs associated with the issuance of the bonds.
- (5) During the fiscal year ended June 30, 2010, the District issued Judson Independent School District Unlimited Tax Refunding Bonds, Series 2010 for \$24,404,982 to refund a portion of the Unlimited Tax School Building Bonds, Series 1999, Series 2002, and Series 2003 in the amount of \$4,800,000, \$4,980,000, and \$14,625,000, respectively, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The bond issue consisted of \$2,169,982 of capital appreciation bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the advanced refunding, the District reduced its total debt service requirements by \$2,276,150 and resulted in an economic gain of \$1,419,768. Bonds outstanding that are considered defeased as a result of the refunding total \$0 at June 30, 2014.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A. Long-Term Obligation Activity – Bonds (Continued)

- (6) During the fiscal year ended June 30, 2012, the District issued Judson Independent School District Unlimited Tax Refunding Bonds, Series 2012 for \$9,370,000 to refund the Unlimited Tax School Building Series 2002 and to refund a portion of the Unlimited Tax School Building and Refunding Bonds Series 2003 in the amount of \$3,170,000 and \$6,355,000, respectively, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the advanced refunding, the District reduced its total debt service requirements by \$2,218,728 and resulted in an economic gain of \$1,824,235. Bonds outstanding that are considered defeased as a result of the refunding total \$0 at June 30, 2014.
- (7) During the fiscal year ended June 30, 2013, the District issued Judson Independent School District Unlimited Tax Refunding Bonds, Series 2013 for \$17,700,000 to refund the Unlimited Tax School Building Bonds, Series 2004 in the amount of \$18,875,000 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the advanced refunding, the District reduced its total debt service requirements by \$4,347,913 which resulted in an economic gain of \$3,601,024. Bonds outstanding that are considered defeased as a result of the current year refunding total \$0 at June 30, 2014.
- (8) During the fiscal year ended June 30, 2014, the District issued Judson Independent School District Unlimited Tax Refunding Bonds, Series 2013A for \$11,760,000 to refund the Unlimited Tax School Building Series 2005B in the amount of \$12,925,000 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the advanced refunding, the District reduced its total debt service requirements by \$1,331,788 and resulted in an economic gain of \$1,190,980. Bonds outstanding that are considered defeased as a result of the refunding total \$0 at June 30, 2014.
- (9) During the fiscal year ended June 30, 2014, the District issued bonds that were delivered on August 20, 2013. The District issued and received \$78,245,000 in bonds proceeds and \$5,540,763 in bond premiums. The bonds are for the construction and equipping of District Schools, purchasing the necessary sites and to pay the costs associated with the issuance of the bonds.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A. Long-Term Obligation Activity – Bonds (Continued)

- (10) During the fiscal year ended June 30, 2014, the District issued Judson Independent School District Unlimited Tax Refunding Bonds, Series 2013 for \$5,595,000 to refund the Unlimited Tax School Building Series 2005B in the amount of \$5,770,000 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As a result of the advanced refunding, the District reduced its total debt service requirements by \$1,262,325 and resulted in an economic gain of \$964,148. Bonds outstanding that are considered defeased as a result of the refunding total \$0 at June 30, 2014.
- (11) On July 23, 2013 the Judson Independent School District Public Facility Corporation issued \$6,200,000 Public Facility Corporation School Facility Lease Revenue Bonds, Series 2013 to finance the costs of the construction, expansion, and equipping of school facilities for the benefit of the District. The District, pursuant to a lease agreement, will make lease payments to the Corporation payable from (1) any lawfully available funds appropriated by the Texas legislature, which under current law is limited to the basic allotment portion of tier one funds and chapter 46 funds (instructional facility allotment only), and (2) any unintended surplus maintenance tax revenues.

Summary information on the capital appreciation bonds is as follows:

<u>SERIES</u>	<u>MATURITY DATE 2/1</u>	<u>ORIGINAL AMOUNT</u>	<u>ACCRETED VALUE JUNE 30, 2014</u>	<u>VALUE AT MATURITY</u>
2007	2026-2027	\$ 5,689,223	\$ 4,353,104	\$ 26,400,000
2010	2010-2019	2,169,982	792,455	4,015,000

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2014 are as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>	<u>AMOUNTS DUE WITHIN ONE YEAR</u>
<u>Governmental Activities</u>					
General Obligation Bonds	\$ 366,209,067	\$ 95,600,000	\$ 28,204,861	\$ 433,604,206	\$ 10,890,000
C.A.B.'s - Accreted Interest	5,184,070	1,056,629	1,095,140	5,145,559	-
Lease Revenue Bonds - PFC	-	6,200,000	-	6,200,000	100,000
Tax Notes	2,665,000	-	1,210,000	1,455,000	1,250,000
Compensated Absences	990,320	124,838	146,945	968,213	193,643
<b>TOTAL GOVERNMENT ACTIVITIES</b>	<b>\$ 375,048,457</b>	<b>\$ 102,981,467</b>	<b>\$ 30,656,946</b>	<b>\$ 447,372,978</b>	<b>\$ 12,433,643</b>

The general fund, the primary governmental activity fund type, is typically used to liquidate compensated absences.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

B. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2014, are as follows:

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>BONDS PAYABLE</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$ 10,990,000	\$ 19,886,875	\$ 30,876,875
2016	12,400,000	19,394,908	31,794,908
2017	11,400,000	18,872,233	30,272,233
2018	11,146,684	19,354,554	30,501,238
2019	11,673,298	18,960,209	30,633,507
2020-2024	80,335,000	80,914,268	161,249,268
2025-2029	78,254,224	84,072,021	162,326,245
2030-2034	123,130,000	42,071,775	165,201,775
2035-2039	100,475,000	12,589,450	113,064,450
TOTALS	<u>\$ 439,804,206</u>	<u>\$ 316,116,293</u>	<u>\$ 755,920,499</u>

C. Tax Notes – Loan

The District has entered into limited maintenance tax notes to finance the acquisition of school buses.

The assets acquired with the tax notes are:

School Buses \$7,477,541

Debt service requirements on tax notes at June 30, 2014 are as follows:

<u>YEAR ENDING</u> <u>JUNE 30,</u>	<u>TAX NOTES PAYABLE</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$ 1,250,000	\$ 28,216	\$ 1,278,216
2016	<u>205,000</u>	<u>2,993</u>	<u>207,993</u>
TOTALS	<u>\$ 1,455,000</u>	<u>\$ 31,209</u>	<u>\$ 1,486,209</u>

The effective interest rates range from 0.750% to 2.190%.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 6: COMMITMENTS UNDER NONCAPITALIZED LEASES

There are no significant commitments under operating (noncapitalized) lease agreements for facilities and equipment. Rental expense for the fiscal year ended June 30, 2014 was \$696,195. Of this amount, the District paid \$106,962 to the Judson ISD PFC for the fiscal year ended June 30, 2014.

NOTE 7: RISK MANAGEMENT

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 for which the District carries commercial insurance. During fiscal year 2014, the District purchased replacement value commercial property insurance with a \$100,000 deductible. There were no significant reductions in coverage in the past fiscal year.

NOTE 8: WORKER'S COMPENSATION SELF-INSURANCE

Judson Independent School District established a limited risk management program for worker's compensation effective September 1, 1991. During the year ended June 30, 2014, a total of \$587,393 was paid in benefits and \$147,102 in administrative costs. An excess coverage insurance policy covers individual claims in excess of \$400,000 for any one event up to a maximum limit of \$1,000,000. Accrued liabilities of \$365,940 represents the administrator's estimate of the aggregate liability for claims made.

	<u>BEGINNING OF FISCAL YEAR LIABILITY</u>	<u>CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES</u>	<u>CLAIM PAYMENTS</u>	<u>BALANCE AT FISCAL YEAR-END</u>
2012-2013	\$ 580,284	\$ 527,562	\$ (607,873)	\$ 499,973
2013-2014	499,973	453,360	(587,393)	365,940

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 9: ACCUMULATED UNPAID SICK LEAVE BENEFIT

Upon resignation from the District, employees with at least ten consecutive years of service are entitled to reimbursement for any unused local sick leave earned at the District. Employees retiring from the District are entitled to reimbursement for unused state, personal, and sick leave.

At June 30, 2014, the District's liability for accrued sick leave is as follows:

	<u>SICK LEAVE</u>
Balance, July 1, 2013	\$ 990,320
Additions	124,838
Deletions	(146,945)
BALANCE AT JUNE 30, 2014	\$ 968,213

NOTE 10: HEALTH CARE COVERAGE

During the year ended June 30, 2014, employees of the District were covered by a health insurance plan. The District paid premiums of \$275 per month per employee to the plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a licensed insurer. The plan was authorized by Article 3.51-2, Texas Insurance Code and was documented by contractual agreement. The contract between the District and the licensed insurer is renewable January 1<sup>st</sup> of each calendar year, and terms of coverage and premium costs are included in the contractual provisions. Latest financial statements for Blue Cross Blue Shield of Texas have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

NOTE 11: PENSION PLAN

A. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfers under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas legislature has the authority to establish or amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website: [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading, by calling the TRS Communications Department at (800) 223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 11: PENSION PLAN (CONTINUED)

B. Funding Policy

Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year, (2) state statute prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds thirty-one (31) years, or, if the amortization period already exceeds thirty-one (31) years, the period would be increased by such action.

The General Appropriations Act provides for a member contribution rate of 6.4% for fiscal years 2012 - 2014, and a state contribution rate of 6.8% for fiscal year 2014, 6.4% for fiscal year 2013, and 6.0% for fiscal year 2012. In certain instances the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum. State contributions to TRS made on behalf of the District's employees for the years ended June 30, 2014, 2013, and 2012 were \$7,040,372, \$6,342,889, and \$6,350,917, respectively. The District paid additional contributions for the years ended June 30, 2014, 2013, and 2012 in the amount of \$1,644,444, \$1,324,368, and \$1,386,610, respectively, on the portion of the employees' salaries that exceeded the statutory minimum.

NOTE 12: RETIREE HEALTH PLAN

A. Plan Description:

The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by calling 1-800-223-8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 12: RETIREE HEALTH PLAN (CONTINUED)

B. Funding Policy:

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2014, 2013, and 2012. For the years ended June 30, 2014, 2013, and 2012, the State's contribution to TRS-Care were \$1,238,175, \$1,137,271, and \$1,154,692, respectively, the active member contributions were \$804,814, \$739,226, and \$750,550, , respectively, and the school district's contributions were \$680,996, \$625,499, and \$635,081, respectively, which equaled the required contributions each year.

C. Medicare Part D

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 \$348,502, \$317,852, and \$294,789, for fiscal years 2014, 2013, and 2012, respectively. Revenue and expenditures equal to the amount paid by the federal government were recognized during the 2014 fiscal year.

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Contingencies

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



JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

B. Litigation

The District is a defendant in several lawsuits related to educating a diverse population. While the result of any litigation contains an element of uncertainty, the District's management believes that the amount of any liability and costs which might result would not have a material adverse effect on its operations or financial statements.

C. Construction Commitments

As of June 30, 2014, the District was obligated under the terms of agreements for the construction of the following projects:

<u>PROJECT NAME</u>	<u>CONTRACT AMOUNT</u>	<u>PAID TO DATE</u>	<u>COMMITMENT BALANCE REMAINING</u>	<u>RETAINAGE PAYABLE AMOUNT *</u>
General Construction -				
Evans Road High School	\$ 49,406,446	\$ 1,033,191	\$ 48,373,255	\$ 97,704
Kirby Middle School	4,760,958	4,417,174	343,784	232,483
Kirby Middle School - Gym	230,350	70,729	159,621	9,251
Copperfield Elementary Sch	<u>19,820,000</u>	<u>16,262,987</u>	<u>3,557,013</u>	<u>909,862</u>
 TOTAL CONSTRUCTION COMMITMENTS	 <u>\$ 74,217,754</u>	 <u>\$ 21,784,081</u>	 <u>\$ 52,433,673</u>	 <u>\$ 1,249,300</u>

\* Amount has been accrued and is included in accounts payable.

NOTE 14: INTERFUND BALANCES AND ACTIVITIES

A. Due to and from Other Funds

Balances due to and due from other funds at June 30, 2014, consisted of the following:

<u>DUE TO FUND</u>	<u>DUE FROM FUND</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
General Fund	Non-Major Funds	\$ 1,689,193	Short-Term Loans
General Fund	Judson ISD PFC	4,642,160	Short-Term Loans
Judson ISD PFC	Capital Projects Fund	269	Short-Term Loans
General Fund	Capital Projects Fund	268,172	Short-Term Loans
Non-Major Funds	Non-Major Funds	<u>8,644</u>	Short-Term Loans
TOTAL		<u>\$ 6,608,438</u>	

All amounts due are scheduled to be repaid within one year.

B. Transfers to and from Other Funds

There were no transfer between funds during the year ended June 30, 2014.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 15: DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at year end consisted of the following:

<u>REVENUE DESCRIPTION</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL</u>
Deferred Inflow of Resources - Taxes Receivable	<u>\$ 2,246,286</u>	<u>\$ 738,774</u>	<u>\$ 2,985,060</u>

NOTE 16: DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and per capita programs. Amounts due from federal and state governments as of June 30, 2014, are reported on the combined financial statements as due from other governments and are summarized below:

<u>FUND</u>	<u>STATE ENTITLEMENTS</u>	<u>FEDERAL GRANTS</u>	<u>TOTAL</u>
General Fund:			
School Foundation/Available	\$ 23,754,452	\$ -	\$ 23,754,452
JROTC	-	14,464	14,464
Total General Fund	<u>23,754,452</u>	<u>14,464</u>	<u>23,768,916</u>
Debt Service Fund:			
Debt Allotment	<u>219,583</u>	-	<u>219,583</u>
Other Governmental Funds:			
ESEA Title III, Homeless Education	-	5,503	5,503
ESEA Title I, Part A Basic	-	574,198	574,198
IDEA, Part B - Preschool Grant	-	9,684	9,684
Child Nutrition Program	-	215,614	215,614
Summer Feeding Program	-	94,060	94,060
Title V - Vocational Education Basic Grant	-	50,575	50,575
English Language Acquisition and Enhancement	-	66,519	66,519
21st Century Community Learning Centers	-	7,980	7,980
State Supplement Visually Impaired	24,484	-	24,484
Dept of Defense Education Activity	-	245,833	245,833
IDEA, Part B - Formula	-	674,163	674,163
Total Other Governmental Funds	<u>24,484</u>	<u>1,944,129</u>	<u>1,968,613</u>
TOTALS	<u>\$ 23,998,519</u>	<u>\$ 1,958,593</u>	<u>\$ 25,957,112</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 17: LOCAL AND INTERMEDIATE REVENUES

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

<u>REVENUE DESCRIPTION</u>	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>JUDSON ISD PUBLIC FACILITY CORPORATION</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL REVENUE AMOUNT</u>
Property Taxes:						
Current Year	\$ 64,906,390	\$ 24,013,605	\$ -	\$ -	\$ -	\$ 88,919,995
Prior Years	229,069	64,691	-	-	-	293,760
Penalty and Interest	<u>379,657</u>	<u>137,202</u>	-	-	-	<u>516,859</u>
Total Property Taxes	65,515,116	24,215,498	-	-	-	89,730,614
Investment Interest Revenue	40,823	5,267	22,362	296	2,435	71,183
Food Service Revenue	-	-	-	-	2,193,344	2,193,344
Athletic Revenue	338,972	-	-	-	-	338,972
Tuition Revenue	1,358,591	-	-	-	-	1,358,591
Rental Income	211,378	-	-	-	-	211,378
Gifts and Bequests	192,346	-	-	-	-	192,346
Other Revenue	<u>848,527</u>	-	-	<u>106,962</u>	-	<u>955,489</u>
 TOTALS	 <u>\$ 68,505,753</u>	 <u>\$ 24,220,765</u>	 <u>\$ 22,362</u>	 <u>\$ 107,258</u>	 <u>\$ 2,195,779</u>	 <u>\$ 95,051,917</u>

NOTE 18: GENERAL FUND FEDERAL REVENUE SOURCES

During the year, federal revenue recorded in the general fund consisted of the following:

<u>PROGRAM OR SOURCE</u>	<u>REVENUE AMOUNT</u>
Impact Aid (PL 81-874)	\$ 249,970
Air Force Junior Reserve Officer Training Corp (AFJROTC)	229,806
School Health and Related Services (SHARS)	3,424,093
Indirect Cost from Federal Programs	
ESEA Title I, Part A, Improving Basic Programs	52,563
IDEA-B, Formula	72,906
IDEA-B, Preschool	808
Child Nutrition	957,895
Title I, School Improvement Program	250
Title V, Vocational Education Basic Grant	1,327
21st Century Community Learning Centers	782
Title III, Part A - Limited English Proficiency	2,853
Title II, Part A - Training and Recruiting	<u>6,236</u>
 TOTAL FEDERAL REVENUE IN GENERAL FUND	 <u>\$ 4,999,489</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

NOTE 19: SHARED SERVICES ARRANGEMENTS

The District participates in a shared services arrangement (SSA) for a federal program with the following school districts:

Fort Sam Houston Independent School District  
East Central Independent School District  
Randolph Field Independent School District  
North East Independent School District  
San Antonio Independent School District

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District does not have joint ownership interest in fixed assets purchased by the fiscal agent, North East Independent School District, nor does the District have a net equity interest in the fiscal agent. The fiscal agent does not accumulate significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

NOTE 20: RESTATEMENT OF NET POSITION

The adoption of GASB Statement No. 65 required a retroactive adjustment to recognize the costs associated with the bond issuance that were previously deferred and amortized as an outflow of resources in the reporting period in which they were incurred. With the adoption of GASB No. 65, the beginning net position in the statement of activities has been restated by \$1,205,296.

### **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

JUDSON INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2014

EXHIBIT G-1

DATA CONTROL CODES		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL	
		ORIGINAL	FINAL		
	REVENUES				
5700	Local and Intermediate Sources	\$ 66,910,395	\$ 66,773,596	\$ 68,505,753	\$ 1,732,157
5800	State Program Revenues	94,443,046	97,766,560	97,650,154	(116,406)
5900	Federal Program Revenues	850,000	3,871,968	4,999,489	1,127,521
5020	Total Revenues	<u>162,203,441</u>	<u>168,412,124</u>	<u>171,155,396</u>	<u>2,743,272</u>
	EXPENDITURES				
	Current				
	Instruction and Instructional Related Services				
0011	Instruction	97,997,338	102,360,129	100,769,768	1,590,361
0012	Instructional Resources and Media Services	2,091,684	2,206,074	2,095,251	110,823
0013	Curriculum and Staff Development	<u>1,781,158</u>	<u>3,123,312</u>	<u>2,855,843</u>	<u>267,469</u>
	Total Instruction and Instructional Related Services	<u>101,870,180</u>	<u>107,689,515</u>	<u>105,720,862</u>	<u>1,968,653</u>
	Instructional and School Leadership				
0021	Instructional Leadership	2,396,123	2,487,839	2,651,340	(163,501)
0023	School Leadership	<u>9,240,305</u>	<u>9,380,432</u>	<u>9,458,816</u>	<u>(78,384)</u>
	Total Instructional and School Leadership	<u>11,636,428</u>	<u>11,868,271</u>	<u>12,110,156</u>	<u>(241,885)</u>
	Support Services - Student (Pupil)				
0031	Guidance, Counseling, and Evaluation Services	5,974,884	5,952,762	5,512,734	440,028
0032	Social Work Services	1,154,598	1,153,881	1,139,036	14,845
0033	Health Services	1,771,233	1,773,301	1,690,836	82,465
0034	Student (Pupil) Transportation	6,490,038	7,862,038	5,965,666	1,896,372
0036	Cocurricular/Extracurricular Activities	<u>3,032,499</u>	<u>3,123,703</u>	<u>3,048,505</u>	<u>75,198</u>
	Total Support Services - Student (Pupil)	<u>18,423,252</u>	<u>19,865,685</u>	<u>17,356,777</u>	<u>2,508,908</u>
	Administrative Support Services				
0041	General Administrative	<u>4,015,142</u>	<u>4,053,218</u>	<u>3,701,591</u>	<u>351,627</u>
	Total Administrative Support Services	<u>4,015,142</u>	<u>4,053,218</u>	<u>3,701,591</u>	<u>351,627</u>
	Support Services - Nonstudent Based				
0051	Plant Maintenance and Operations	17,019,246	18,048,965	17,336,325	712,640
0052	Security and Monitoring Services	1,841,175	1,836,203	1,755,106	81,097
0053	Data Processing Services	<u>3,938,065</u>	<u>4,133,998</u>	<u>3,460,833</u>	<u>673,165</u>
	Total Support Services - Nonstudent Based	<u>22,798,486</u>	<u>24,019,166</u>	<u>22,552,264</u>	<u>1,466,902</u>
	Ancillary Services				
0061	Community Services	<u>1,112,877</u>	<u>1,114,115</u>	<u>1,139,084</u>	<u>(24,969)</u>
	Total Ancillary Services	<u>1,112,877</u>	<u>1,114,115</u>	<u>1,139,084</u>	<u>(24,969)</u>
	Debt Service				
0071	Principal on Long-Term Debt	1,263,375	1,210,000	1,210,000	-
0072	Interest on Long-Term Debt	-	52,337	52,375	(38)
0073	Bond Issuance Costs and Fees	<u>-</u>	<u>1,000</u>	<u>323</u>	<u>677</u>
	Total Debt Service	<u>1,263,375</u>	<u>1,263,337</u>	<u>1,262,698</u>	<u>639</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (CONTINUED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT G-1

DATA CONTROL CODES		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL	
		ORIGINAL	FINAL		
	EXPENDITURES (CONTINUED)				
	Capital Outlay				
0081	Capital Outlay	\$ 421,000	\$ 1,259,626	\$ 272,295	\$ 987,331
	Total Capital Outlay	<u>421,000</u>	<u>1,259,626</u>	<u>272,295</u>	<u>987,331</u>
	Intergovernmental Charges				
0095	Payments to Juvenile Justice Alternative Education Programs	25,000	17,000	815	16,185
0099	Other Intergovernmental Charges	<u>515,000</u>	<u>515,000</u>	<u>483,116</u>	<u>31,884</u>
	Total Intergovernmental Charges	<u>540,000</u>	<u>532,000</u>	<u>483,931</u>	<u>48,069</u>
6030	Total Expenditures	<u>162,080,740</u>	<u>171,664,933</u>	<u>164,599,658</u>	<u>7,065,275</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>122,701</u>	<u>(3,252,809)</u>	<u>6,555,738</u>	<u>9,808,547</u>
	Other Financing Sources (Uses)				
7912	Sale of Real or Personal Property	-	20,000	35,260	15,260
8949	Other Uses	-	(387,518)	(387,531)	(13)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(367,518)</u>	<u>(352,271)</u>	<u>15,247</u>
1200	Net Change in Fund Balance	122,701	(3,620,327)	6,203,467	9,823,794
0100	FUND BALANCE - BEGINNING	<u>46,273,371</u>	<u>46,273,371</u>	<u>46,273,371</u>	<u>-</u>
3000	FUND BALANCE - ENDING	<u>\$ 46,396,072</u>	<u>\$ 42,653,044</u>	<u>\$ 52,476,838</u>	<u>\$ 9,823,794</u>

**This Page Intentionally Left Blank**



### **OTHER SUPPLEMENTARY INFORMATION**

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.

JUDSON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2014

<u>YEAR ENDED</u> <u>JUNE 30,</u>	TAX RATES		3 ASSESSED/APPRaised VALUE FOR SCHOOL TAX PURPOSES
	1 <u>MAINTENANCE</u>	2 <u>DEBT SERVICE</u>	
2005 and Prior Years	\$ Various	\$ Various	\$ Various
2006	1.50	.2760	3,998,603,415
2007	1.37	.2660	4,633,711,395
2008	1.04	.3700	5,406,886,452
2009	1.04	.4250	5,915,790,255
2010	1.04	.4230	5,949,171,839
2011	1.04	.4230	5,874,251,128
2012	1.04	.3900	6,021,977,133
2013	1.04	.3850	6,156,414,807
2014 (School Year Under Audit)      Note 1	1.04	.3850	6,398,463,860

1000 TOTALS

9000 - Portion of Row 1000 for Taxes Paid into Tax Increment Zone Under Chapter 311, Tax Code

Note 1 - The Bexar County Appraisal District has established a levy for late rendition penalty for business personal property. The levy for this year was \$50,537 and collections during this year of \$37,535 are included in the amounts above.

EXHIBIT J-1

10 BEGINNING BALANCE JULY 1, 2013	20 CURRENT YEAR'S TOTAL LEVY	31 MAINTENANCE COLLECTIONS	32 DEBT SERVICE COLLECTIONS	40 ENTIRE YEAR'S ADJUSTMENTS	50 ENDING BALANCE June 30, 2014
\$ 684,864	\$ -	\$ 13,495	\$ 3,127	\$ (15,280)	\$ 652,962
93,725	-	6,591	1,213	(1,675)	84,246
132,214	-	12,972	2,494	(1,346)	115,402
136,355	-	14,560	5,140	(1,208)	115,447
208,481	-	37,849	15,461	(167)	155,004
261,091	-	4,833	1,958	(39,602)	214,698
295,809	-	7,361	2,993	(62,103)	223,352
453,697	-	62,848	23,467	(46,136)	321,246
1,308,418	-	(46,472)	(17,549)	(983,158)	389,281
-	91,178,110	64,658,993	23,922,367	(1,170,370)	1,426,380
\$ 3,574,654	\$ 91,178,110	\$ 64,773,030	\$ 23,960,671	\$ (2,321,045)	\$ 3,698,018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

JUDSON INDEPENDENT SCHOOL DISTRICT  
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2014

EXHIBIT J-4

DATA CONTROL CODES		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL	
		ORIGINAL	FINAL		
REVENUES					
5700	Local and Intermediate Sources	\$ 2,220,000	\$ 2,208,525	\$ 2,195,779	\$ (12,746)
5800	State Program Revenues	220,000	220,000	69,094	(150,906)
5900	Federal Program Revenues	<u>9,055,000</u>	<u>9,151,435</u>	<u>8,718,884</u>	<u>(432,551)</u>
5020	Total Revenues	<u>11,495,000</u>	<u>11,579,960</u>	<u>10,983,757</u>	<u>(596,203)</u>
EXPENDITURES					
Current					
Support Services - Student (Pupil)					
0035	Food Services	<u>12,687,070</u>	<u>14,144,099</u>	<u>11,049,775</u>	<u>3,094,324</u>
Support Services - Nonstudent Based					
0051	Plant Maintenance and Operations	<u>221,330</u>	<u>221,330</u>	<u>204,550</u>	<u>16,780</u>
	Total Support Services - Nonstudent Based	<u>221,330</u>	<u>221,330</u>	<u>204,550</u>	<u>16,780</u>
6030	Total Expenditures	<u>12,908,400</u>	<u>14,365,429</u>	<u>11,254,325</u>	<u>3,111,104</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,413,400)</u>	<u>(2,785,469)</u>	<u>(270,568)</u>	<u>2,514,901</u>
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real or Personal Property	-	10,000	7,053	(2,947)
7080	Total Other Financing Sources (Uses)	-	10,000	7,053	(2,947)
1200	Net Change in Fund Balance	(1,413,400)	(2,775,469)	(263,515)	2,511,954
0100	FUND BALANCE - BEGINNING	<u>6,238,865</u>	<u>6,238,865</u>	<u>6,238,865</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 4,825,465</u>	<u>\$ 3,463,396</u>	<u>\$ 5,975,350</u>	<u>\$ 2,511,954</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2014

EXHIBIT J-5

DATA CONTROL CODES		1	2	3	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		ACTUAL	
		ORIGINAL	FINAL		
	REVENUES				
5700	Local and Intermediate Sources	\$ 24,111,059	\$ 23,966,059	\$ 24,220,765	\$ 254,706
5800	State Program Revenues	4,865,464	4,695,829	5,121,547	425,718
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	<u>28,976,523</u>	<u>28,661,888</u>	<u>29,342,312</u>	<u>680,424</u>
	EXPENDITURES				
	Debt Service				
0071	Principal on Long-Term Debt	28,835,000	9,509,860	9,509,860	-
0072	Interest on Long-Term Debt	-	18,968,810	18,968,810	-
0073	Bond Issuance Costs and Fees	-	305,387	305,941	(554)
	Total Debt Service	<u>28,835,000</u>	<u>28,784,057</u>	<u>28,784,611</u>	<u>(554)</u>
6030	Total Expenditures	<u>28,835,000</u>	<u>28,784,057</u>	<u>28,784,611</u>	<u>(554)</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>141,523</u>	<u>(122,169)</u>	<u>557,701</u>	<u>679,870</u>
	OTHER FINANCING SOURCES (USES)				
7911	Refunding Bonds Issued	-	17,355,000	17,355,000	-
7916	Premium or Discount on Issuance of Bonds	-	1,863,378	1,863,378	-
8940	Other Uses	-	(19,250,691)	(19,250,678)	13
7080	Total Other Financing Sources and (Uses)	-	<u>(32,313)</u>	<u>(32,300)</u>	<u>13</u>
1200	Net Change in Fund Balance	141,523	(154,482)	525,401	679,883
0100	FUND BALANCE - BEGINNING	<u>16,426,556</u>	<u>16,426,556</u>	<u>16,426,556</u>	-
3000	FUND BALANCE - ENDING	<u>\$ 16,568,079</u>	<u>\$ 16,272,074</u>	<u>\$ 16,951,957</u>	<u>\$ 679,883</u>

**This Page Intentionally Left Blank**



INDEPENDENT AUDITOR'S 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  
Judson Independent School District  
Live Oak, 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 Judson Independent School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on 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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-1 and 2014-2.

## Judson Independent School District

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

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

ABIP, PC

Certified Public Accountants

San Antonio, Texas

November 20, 2014





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

Board of Trustees  
Judson Independent School District  
Live Oak, Texas

Report on Compliance for Each Major Federal Program

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit 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.

## Opinions on Each Major Federal Program

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

## Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-2. Our opinion on each major federal program is not modified with respect to this matter.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## 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.

ABIP, PC

Certified Public Accountants

San Antonio, Texas

November 20, 2014

**This Page Intentionally Left Blank**

JUDSON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014

A. Summary of Auditor's Results

1. Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? \_\_\_\_\_ Yes   x   No

Significant Deficiency(ies) Identified that are not Considered to be Material Weaknesses? \_\_\_\_\_ Yes   x   None Reported

Noncompliance Material to Financial Statements Noted? \_\_\_\_\_ Yes   x   No

2. Federal Awards

Internal Control Over Major Programs:

Material Weakness(es) Identified? \_\_\_\_\_ Yes   x   No

Significant Deficiency(ies) Identified that are not Considered to be Material Weaknesses? \_\_\_\_\_ Yes   x   None Reported

Type of Auditor's Report Issued on Compliance for Major Programs: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section 510(a) of Circular A-133?   x   Yes \_\_\_\_\_ No

Identification of Major Programs:

<u>CFDA NUMBER(S)</u>	<u>NAME OF FEDERAL PROGRAM OR CLUSTER</u>
84.010	ESEA Title I Part A - Improving Basic Programs
84.010	ESEA Title I, School Improvement Program
12.556	Department of Defense Education STEM Grant
10.553/10.555/10.559	Child Nutrition Cluster

Dollar Threshold used to Distinguish between Type A and Type B Programs: \$638,970

Auditee Qualified as Low-Risk Auditee?   x   Yes \_\_\_\_\_ No

JUDSON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2014

B. Financial Statement Findings

Compliance with Laws and Regulations

2014-1 Budgetary adoption for Judson Independent School District Public Facility Corporation (Judson ISD PFC)

*Condition:* A budget for the Judson ISD PFC was not adopted for the fiscal year 2014.

*Criteria:* A budget should be adopted in accordance with Judson ISD PFC's incorporating documents.

*Cause:* No budget was adopted for the Judson ISD PFC for the fiscal year.

*Effect:* Unbudgeted revenues in the amount of \$6,307,258 were received and Unbudgeted expenditures were made in the amount of \$5,199,617.

*Recommendation:* We recommend Judson ISD PFC Board of Directors adopt a budget to ensure accurate reporting and compliance with the incorporating documents.

*Views of Responsible Officials and Planned Corrective Actions:* The Judson Independent School District Public Facility Corporation Board of Directors authorized the sale of Lease Revenue Bonds and related expenditures as well as the construction of the facility which resulted in the revenues and expenditures noted above. In the future, a formal budget will be presented to the Judson Independent School District Public Facility Corporation Board of Directors for approval prior to the commencement of the Corporation's fiscal year.

*Responsible Official:* Jose Elizondo, Chief Financial Officer

C. Federal Award Findings and Questioned Costs

Department of Education

2014-2 ESEA Title I, School Improvement Program- CFDA No. 84.010A; Grant No. 13610104015916044; (Metzger Middle School) Grant Period: October 12, 2012 to September 30, 2013; ESEA Title I Part A - Improving Basic Programs- CFDA No. 84.010A; Grant No. 13610101015916 S010A130043; Grant Period: July 1, 2013 to September 30, 2014.

*Condition:* One vendor was paid in excess of \$50,000 in a fiscal period without being properly procured.

*Criteria:* Contracts in excess of \$50,000 during a fiscal period should be properly procured.

*Cause:* The District rolled forward encumbrances from the prior year that resulted in expenditures of the current year being in excess of the \$50,000 procurement requirement.

*Effect:* A test of Title I, Part A procurement resulted in known grant expenditures of \$52,500 that were not properly bid. The total amount of the grant expenditures during the year was \$3,683,486.

JUDSON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2014

C. Federal Award Findings and Questioned Costs (Continued)

Department of Education (Continued)

*Recommendation:* We recommend that contracts in excess of \$50,000 in a fiscal period are properly procured.

*Views of Responsible Officials and Planned Corrective Actions:* District staff is responsible for reviewing requests to procure goods and services and ensure that all expenditures comply with Federal, State and Local purchasing requirements. The current review process will be expanded to include purchase commitments that were authorized in a previous fiscal year and rolled forward to the current fiscal year.

*Responsible Official:* Jose Elizondo, Chief Financial Officer

JUDSON INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2014

None



**JUDSON INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014**

**EXHIBIT K-1**

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	(2) FEDERAL CFDA NUMBER	(3) PASS-THROUGH ENTITY IDENTIFYING NUMBER	(4) EXPENDITURES INDIRECT COSTS OR AWARD AMOUNT
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
Passed Through Texas Health and Human Services Commission:			
Medicaid Administration Claim Program (MAC)	93.778	015-916	\$ 49,933
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
Passed Through Texas Education Agency:			
ESEA Title I Part A - School Improvement Programs *	84.010A	13610101015916	512,802
ESEA Title I Part A - Improving Basic Programs *	84.010A	14610101015916	3,223,247
Total CFDA Number 84.010A			<u>3,736,049</u>
ESEA Title I SIP Academy Grant	84.010A	13610104015916044	2,224
ESEA Title I SIP Academy Grant	84.010A	13610104015916110	5,666
ESEA Title I SIP Academy Grant	84.010A	13610110015916044	12,123
Total CFDA Number 84.010A			<u>20,013</u>
IDEA-B Formula *	84.027	136600010159166600	1,159,753
IDEA-B Formula *	84.027	146600010159166600	4,022,213
Total CFDA Number 84.027			<u>5,181,966</u>
Carl D Perkins, Basic Grant	84.048A	14420006015916	232,444
IDEA-B Preschool *	84.173	136610010159166610	4,790
IDEA-B Preschool *	84.173	146610010159166610	52,660
Total CFDA Number 84.173			<u>57,450</u>
22ND Century Community Learning Centers	84.287C	126950147110036	11,356
23RD Century Community Learning Centers	84.287C	136950147110036	93,812
Total CFDA Number 84.287C			<u>105,168</u>
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	13671001015916	43,707
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	14671001015916	159,107
Total CFDA Number 84.365A			<u>202,814</u>
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	13694501015916	117,327
ESEA Title II Part A - Teacher & Principal Training & Recruiting	84.367A	14694501015916	325,840
Total CFDA Number 84.367A			<u>443,167</u>
Summer School, LEP, Rider 16	84.369A	69551202	7,791

**JUDSON INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**EXHIBIT K-1**

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES INDIRECT COSTS OR AWARD AMOUNT
<b><u>U.S. DEPARTMENT OF EDUCATION (CONTINUED)</u></b>			
Passed Through Texas Education Agency (Continued):			
Total Passed Through Texas Education Agency			<u>\$ 9,986,862</u>
Passed Through Education Service Center Region 20: SSA ESEA Title X Part C - Ed for the Homeless Children	84.196	189233	<u>14,503</u>
Passed Through Direct Program: Impact Aid - P.L. 81-874	84.041	015-916	<u>249,970</u>
Total U.S. Department of Education			<u>10,251,335</u>
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>			
Direct Program:			
Air Force Junior Reserve Officers Training Corp (AFJROTC)	12.000	015-916	229,806
Department of Defense Education STEM Grant	12.556	HE1254-13-1-0031	861,076
Department of Defense Education Activity	12.030	HE1254-09-1-0003	<u>39,568</u>
Total U.S. Department of Defense			<u>1,130,450</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Passed Through Texas Department of Agriculture			
School Breakfast Program *	10.553	015-916	2,225,143
National School Lunch Program *	10.555	015-916	6,886,408
Non-Cash USDA Donated Commodities	10.565	015-916	565,228
Summer Feeding*	10.559	015-916	<u>190,494</u>
Total Passed Through Texas Department of Agriculture			<u>9,867,273</u>
Total U.S. Department of Agriculture			<u>9,867,273</u>
Total Expenditures of Federal Awards			21,298,991
School Health and Related Services (SHARS)			<u>3,424,093</u>
TOTAL FEDERAL REVENUE PER EXHIBIT C-2			<u>\$ 24,723,084</u>

\* Indicates Clustered Program under OMB Circular A-133 Compliance Supplement

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

Basis of Presentation

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

NOTE 1

A total of \$4,999,489 is included in the schedule of expenditures of federal awards is recorded in the general fund. See Note 18 in the notes to the financial statements section.

The District utilizes the fund types specified in the Texas Education Agency Resource Guide.

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.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types and agency funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the special revenue funds, a component of the governmental fund type. With this measurement focus, only current assets and current liabilities generally are 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 fund balances.

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 unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are 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.

JUDSON INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 (CONTINUED)

Non-Cash USDA Donated Commodities received like-kind goods and no grant revenue received was reported on the schedule for the monetary value of these goods. The monetary value of these goods was \$565,228 for the year ended June 30, 2014.

The District participates in numerous state and federal grant programs that 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, if any, refunds or any money received may be required and the collectability of any related receivable at June 30, 2014, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**This Page Intentionally Left Blank**

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2014

DATA CONTROL CODES	206 ESEA TITLE X, Part C HOMELESS EDUCATION	211 ESEA TITLE I IMPROVING BASIC PROGRAMS	224 IDEA-B FORMULA	225 IDEA-B PRESCHOOL GRANT	
ASSETS					
1110	Cash and Temporary Investments	\$ -	\$ -	\$ -	\$ -
1240	Due from Other Governments	5,503	574,198	674,163	9,684
1260	Due from Other Funds	-	11,876	15,520	163
1290	Other Receivables	-	-	-	-
1310	Inventories, at Cost	-	-	-	-
1410	Prepaid Items	-	-	-	-
1000	TOTAL ASSETS	<u>\$ 5,503</u>	<u>\$ 586,074</u>	<u>\$ 689,683</u>	<u>\$ 9,847</u>
LIABILITIES					
Current Liabilities					
2110	Accounts Payable	\$ -	\$ 24,337	\$ 90,429	\$ -
2150	Payroll Deduction and Withholdings	-	-	-	-
2160	Accrued Wages Payable	-	398,854	535,572	9,202
2170	Due to Other Funds	5,503	162,883	63,682	645
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>5,503</u>	<u>586,074</u>	<u>689,683</u>	<u>9,847</u>
FUND BALANCES					
3410	Non-Spendable - Inventories	-	-	-	-
3430	Non-Spendable - Prepaid Items	-	-	-	-
3450	Restricted - Grant Funds	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,503</u>	<u>\$ 586,074</u>	<u>\$ 689,683</u>	<u>\$ 9,847</u>

EXHIBIT O-1

240 NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM	242 SUMMER FEEDING PROGRAM	244 VOC ED BASIC GRANT	255 ESEA TITLE II TRAINING AND RECRUITING	263 ENGLISH LANGUAGE ACQUISITION AND ENHANCEMENT	265 21st CENTURY COMMUNITY LEARNING CENTERS
\$ 6,907,398	\$ -	\$ -	\$ 34,926	\$ -	\$ 835
215,614	94,060	50,575	-	66,519	7,980
116,177	336	837	1,104	145	194
-	-	125	-	-	-
98,144	-	-	-	-	-
<u>497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,337,830</u>	<u>\$ 94,396</u>	<u>\$ 51,537</u>	<u>\$ 36,030</u>	<u>\$ 66,664</u>	<u>\$ 9,009</u>
\$ 248,236	\$ -	\$ 3,848	\$ 5,323	\$ 3,975	\$ 2,734
107,605	336	-	-	-	-
3,273	11,898	10,214	24,696	47,454	5,576
1,003,366	11,372	37,475	199	15,235	699
-	-	-	5,812	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,362,480</u>	<u>23,606</u>	<u>51,537</u>	<u>36,030</u>	<u>66,664</u>	<u>9,009</u>
98,144	-	-	-	-	-
497	-	-	-	-	-
5,876,709	70,790	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,975,350</u>	<u>70,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,337,830</u>	<u>\$ 94,396</u>	<u>\$ 51,537</u>	<u>\$ 36,030</u>	<u>\$ 66,664</u>	<u>\$ 9,009</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2014

<u>DATA CONTROL CODES</u>	<u>272 MEDICAID ADMIN CLAIMING PROGRAM</u>	<u>276 TITLE I SIP ACADEMY GRANT</u>	<u>281 DEPARTMENT OF DEFENSE EDUCATION ACTIVITY</u>	
ASSETS				
1110	Cash and Temporary Investments	\$ -	\$ -	\$ -
1240	Due from Other Governments	-	-	245,833
1260	Due from Other Funds	-	4	248
1290	Other Receivables	-	-	-
1310	Inventories, at Cost	-	-	-
1410	Prepaid Items	-	-	-
1000	TOTAL ASSETS	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 246,081</u>
LIABILITIES				
Current Liabilities				
2110	Accounts Payable	\$ -	\$ -	\$ 256
2150	Payroll Deduction and Withholdings	-	-	-
2160	Accrued Wages Payable	-	-	11,684
2170	Due to Other Funds	-	4	234,141
2180	Due to Other Governments	-	-	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>-</u>	<u>4</u>	<u>246,081</u>
FUND BALANCES				
3410	Non-Spendable - Inventories	-	-	-
3430	Non-Spendable - Prepaid Items	-	-	-
3450	Restricted - Grant Funds	-	-	-
3600	Unassigned	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 246,081</u>



282	385	397	404	410
SUMMER SCHOOL LEP	STATE SUPPLEMENT VISUALLY IMPAIRED	ADVANCED PLACEMENT INCENTIVES	STUDENT SUCCESS INITIATIVE	INSTRUCTIONAL MATERIALS ALLOTMENT
\$ -	\$ -	\$ 33,196	\$ -	\$ 43,725
-	24,484	-	-	-
-	-	-	94	-
-	-	-	-	-
-	-	-	-	-
-	-	1,000	-	-
<u>\$ -</u>	<u>\$ 24,484</u>	<u>\$ 34,196</u>	<u>\$ 94</u>	<u>\$ 43,725</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	24,484	-	94	-
-	-	-	-	-
-	-	-	-	43,725
-	24,484	-	94	43,725
-	-	-	-	-
-	-	1,000	-	-
-	-	33,196	-	-
-	-	-	-	-
-	-	34,196	-	-
<u>\$ -</u>	<u>\$ 24,484</u>	<u>\$ 34,196</u>	<u>\$ 94</u>	<u>\$ 43,725</u>

**This Page Intentionally Left Blank**

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2014

<u>DATA CONTROL CODES</u>	429 READING TO SUCCEED LICENSE PLATE	488 SAN ANTONIO WATER SYSTEM GRANT	98 JUNE 30, 2014	97 JUNE 30, 2013	
	<u>TOTALS</u>				
<b>ASSETS</b>					
1110	Cash and Temporary Investments	\$ 7,433	\$ -	\$ 7,027,513	\$ 9,071,651
1240	Due from Other Governments	-	-	1,968,613	2,152,822
1260	Due from Other Funds	-	-	146,698	-
1290	Other Receivables	-	-	125	63,889
1310	Inventories, at Cost	-	-	98,144	145,303
1410	Prepaid Items	-	-	1,497	1,546
1000	<b>TOTAL ASSETS</b>	<u>\$ 7,433</u>	<u>\$ -</u>	<u>\$ 9,242,590</u>	<u>\$ 11,435,211</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 379,138	\$ 245,113
2150	Payroll Deduction and Withholdings	-	-	107,941	1,994,778
2160	Accrued Wages Payable	-	-	1,058,423	1,229,209
2170	Due to Other Funds	-	-	1,559,782	1,437,954
2180	Due to Other Governments	7,405	-	13,217	11,464
2300	Unearned Revenue	-	-	43,725	240,132
2000	<b>Total Liabilities</b>	<u>7,405</u>	<u>-</u>	<u>3,162,226</u>	<u>5,158,650</u>
<b>FUND BALANCES</b>					
3410	Non-Spendable - Inventories	-	-	98,144	145,303
3430	Non-Spendable - Prepaid Items	-	-	1,497	1,546
3450	Restricted - Grant Funds	28	-	5,980,723	6,129,712
3600	Unassigned	-	-	-	-
3000	<b>Total Fund Balances</b>	<u>28</u>	<u>-</u>	<u>6,080,364</u>	<u>6,276,561</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 7,433</u>	<u>\$ -</u>	<u>\$ 9,242,590</u>	<u>\$ 11,435,211</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2014

DATA CONTROL CODES	206 ESEA TITLE X, PART C HOMELESS EDUCATION	211 ESEA TITLE I IMPROVING BASIC PROGRAMS	224 IDEA-B FORMULA	225 IDEA-B PRESCHOOL GRANT
REVENUES				
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	<u>14,503</u>	<u>3,683,486</u>	<u>56,642</u>
5020	Total Revenues	<u>14,503</u>	<u>3,683,486</u>	<u>56,642</u>
EXPENDITURES				
0011	Instruction	-	2,135,736	4,129,234
0012	Instructional Resources & Media Services	-	-	-
0013	Curriculum Development and Instructional Staff Development	-	1,280,494	82,668
0021	Instructional Leadership	-	226,913	533,118
0023	School Leadership	-	5,503	2,919
0031	Guidance, Counseling, & Evaluation Services	-	-	156,988
0032	Social Work Services	14,503	-	-
0033	Health Services	-	1,805	16,010
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	-	-
0036	Curricular/Extracurricular Activities	-	-	11,909
0041	General Administrative	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	33,035	1,950
0093	Payments Related to Shared Service Arrangements	-	-	174,264
6030	Total Expenditures	<u>14,503</u>	<u>3,683,486</u>	<u>5,109,060</u>
1100	Excess (Deficiency) Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources				
7912	Proceeds from Sale of Fixed Assets	-	-	-
7915	Transfers In	-	-	-
7020	Total Other Financing Sources	-	-	-
7080	Total Other Financing Sources and (Uses)	-	-	-
1200	Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT O-2

240 NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM	242 SUMMER FEEDING PROGRAM	244 VOC ED BASIC GRANT	255 ESEA TITLE II TRAINING AND RECRUITING	263 ENGLISH LANGUAGE ACQUISITION AND ENHANCEMENT	265 21st CENTURY COMMUNITY LEARNING CENTERS
\$ 2,195,779	\$ -	\$ -	\$ -	\$ -	\$ -
69,094	-	-	-	-	-
<u>8,718,884</u>	<u>190,494</u>	<u>231,117</u>	<u>436,931</u>	<u>199,961</u>	<u>104,386</u>
<u>10,983,757</u>	<u>190,494</u>	<u>231,117</u>	<u>436,931</u>	<u>199,961</u>	<u>104,386</u>
-	-	71,933	1,067	92,110	2,664
-	-	-	-	-	-
-	-	15,499	392,126	98,889	1,247
-	-	32,915	-	1,739	59,000
-	-	-	43,738	1,671	-
-	-	96,704	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,049,775	119,704	-	-	-	-
-	-	14,066	-	-	-
-	-	-	-	-	-
204,550	-	-	-	362	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,190	41,475
-	-	-	-	-	-
<u>11,254,325</u>	<u>119,704</u>	<u>231,117</u>	<u>436,931</u>	<u>199,961</u>	<u>104,386</u>
<u>(270,568)</u>	<u>70,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,053	-	-	-	-	-
-	-	-	-	-	-
<u>7,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(263,515)	70,790	-	-	-	-
<u>6,238,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 5,975,350</u>	<u>\$ 70,790</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2014

DATA CONTROL CODES		272 MEDICAID ADMIN CLAIMING PROGRAM	276 TITLE I SIP ACADEMY GRANT	281 DEPT OF DEFENSE EDUCATION ACTIVITY
	REVENUES			
5700	Local and Intermediate Sources	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-
5900	Federal Program Revenues	<u>49,933</u>	<u>19,763</u>	<u>900,644</u>
5020	Total Revenues	<u>49,933</u>	<u>19,763</u>	<u>900,644</u>
	EXPENDITURES			
0011	Instruction	-	7,711	800,204
0012	Instructional Resources & Media Services	-	-	-
0013	Curriculum Development and Instructional Staff Development	-	11,830	10,631
0021	Instructional Leadership	-	222	79,459
0023	School Leadership	-	-	-
0031	Guidance, Counseling, & Evaluation Services	-	-	-
0032	Social Work Services	-	-	-
0033	Health Services	49,933	-	-
0034	Student (Pupil) Transportation	-	-	-
0035	Food Services	-	-	-
0036	Curricular/Extracurricular Activities	-	-	6,850
0041	General Administrative	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	-	3,500
0093	Payments Related to Shared Service Arrangements	<u>-</u>	<u>-</u>	<u>-</u>
6030	Total Expenditures	<u>49,933</u>	<u>19,763</u>	<u>900,644</u>
1100	Excess (Deficiency) Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	Other Financing Sources			
7912	Proceeds from Sale of Fixed Assets	-	-	-
7915	Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
7020	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
7080	Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-	-
0100	Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

EXHIBIT O-2

282	385	397	404	410
SUMMER SCHOOL LEP	STATE SUPPLEMENT VISUALLY IMPAIRED	ADVANCED PLACEMENT INCENTIVES	STUDENT SUCCESS INITIATIVE	INSTRUCTIONAL MATERIALS ALLOTMENT
\$ -	\$ -	\$ -	\$ -	\$ -
-	24,484	2,340	26,441	555,632
<u>7,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,791</u>	<u>24,484</u>	<u>2,340</u>	<u>26,441</u>	<u>555,632</u>
7,791	24,484	655	18,149	555,337
-	-	-	-	-
-	-	5,120	2,863	-
-	-	-	4,689	-
-	-	-	740	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	295
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,791</u>	<u>24,484</u>	<u>5,775</u>	<u>26,441</u>	<u>555,632</u>
-	-	(3,435)	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(3,435)	-	-
-	-	37,631	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,196</u>	<u>\$ -</u>	<u>\$ -</u>

JUDSON INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – ALL SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2014

DATA CONTROL CODES		429	488	TOTALS	
		READING TO SUCCEED LICENSE PLATE	SAN ANTONIO WATER SYSTEM GRANT	98 JUNE 30, 2014	97 JUNE 30, 2013
REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ -	\$ 2,195,779	\$ 2,475,110
5800	State Program Revenues	106	-	678,097	871,317
5900	Federal Program Revenues	-	-	19,723,595	18,892,881
5020	Total Revenues	<u>106</u>	<u>-</u>	<u>22,597,471</u>	<u>22,239,308</u>
EXPENDITURES					
0011	Instruction	-	13	7,903,730	8,092,068
0012	Instructional Resources & Media Services	130	-	130	17
0013	Curriculum Development and Instructional Staff Development	-	-	1,901,367	1,721,932
0021	Instructional Leadership	-	-	938,055	944,585
0023	School Leadership	-	-	54,571	62,382
0031	Guidance, Counseling, & Evaluation Services	-	-	253,692	316,078
0032	Social Work Services	-	-	14,503	114,985
0033	Health Services	-	-	67,748	59,480
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	11,169,479	10,771,898
0036	Curricular/Extracurricular Activities	-	-	32,825	22,805
0041	General Administrative	-	-	295	-
0051	Plant Maintenance and Operations	-	-	204,912	232,556
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	85,150	83,743
0093	Payments Related to Shared Service Arrangements	-	-	174,264	163,136
6030	Total Expenditures	<u>130</u>	<u>13</u>	<u>22,800,721</u>	<u>22,585,665</u>
1100	Excess (Deficiency) Revenues Over (Under) Expenditures	<u>(24)</u>	<u>(13)</u>	<u>(203,250)</u>	<u>(346,357)</u>
Other Financing Sources					
7912	Proceeds from Sale of Fixed Assets	-	-	7,053	11,188
7915	Transfers In	-	-	-	97,265
7020	Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>7,053</u>	<u>108,453</u>
7080	Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>7,053</u>	<u>108,453</u>
1200	Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(24)</u>	<u>(13)</u>	<u>(196,197)</u>	<u>(237,904)</u>
0100	Fund Balances - Beginning	<u>52</u>	<u>13</u>	<u>6,276,561</u>	<u>6,514,465</u>
3000	FUND BALANCES - ENDING	<u>\$ 28</u>	<u>\$ -</u>	<u>\$ 6,080,364</u>	<u>\$ 6,276,561</u>



JUDSON INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF SCHOOL TAX ASSESSOR-COLLECTOR ACCOUNT (UNAUDITED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT S-1

CHARGES

Original Roll as Approved (Certified by BCAD)	\$ 91,178,110	
Add: Supplemental Roll	392,609	
Add: Certificate of Error Roll	<u>(1,562,979)</u>	
Total Taxes to Account For		\$ 90,007,740

CREDITS

Cash Collections	<u>86,121,418</u>	<u>88,581,360</u>
------------------	-------------------	-------------------

		<u>\$ 1,426,380</u>
--	--	---------------------

CASH ACCOUNT (Tax Year)

Current Roll Collections	\$ 88,581,360	
Delinquent Taxes-2012	(64,021)	
Delinquent Taxes-2011	86,315	
Delinquent Taxes-2010	10,354	
Delinquent Taxes-2009	6,791	
Delinquent Taxes-2008	53,309	
Delinquent Taxes-2007	19,700	
Delinquent Taxes-2006	15,467	
Delinquent Taxes-2005	7,804	
Delinquent Taxes-2004 and Prior	16,623	\$ 88,733,702

Penalty and Interest		<u>517,122</u>
----------------------	--	----------------

TOTAL CASH COLLECTED		<u>\$ 89,250,824</u>
----------------------	--	----------------------

TOTAL CASH REMITTED TO DISTRICT		<u>\$ 89,250,824</u>
---------------------------------	--	----------------------

NOTE: The delinquent tax collections above are net of tax refunds.

JUDSON INDEPENDENT SCHOOL DISTRICT  
ATHLETIC FUND  
STATEMENT OF REVENUES AND EXPENDITURES (UNAUDITED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT S-2

<u>REVENUES</u>		<u>\$ 413,577</u>
<u>EXPENDITURES</u>		
Payroll Costs:		
Salaries	\$ 150,492	
Group Health and Life Insurance	8,876	
Teacher's Retirement	1,058	
Worker's Compensation	4,270	
Payroll Taxes (FICA)	<u>3,364</u>	168,060
Purchased and Contracted Services:		
Equipment Maintenance and Repairs	39,622	
Game Officials and Security	141,107	
Electricity	49	
Rents	<u>17,278</u>	198,056
Supplies and Materials:		
Athletic Supplies	<u>288,461</u>	288,461
Other Operating Expenses:		
Travel and Subsistence	70,727	
Insurance and Bonding Expense	100,273	
Dues	3,710	
Miscellaneous Operating Fees	24,778	
Reclassified Transportation Expense	<u>83,178</u>	282,666
Capital Outlay:		
Furniture and Equipment	<u>9,175</u>	<u>9,175</u>
Total Expenditures		<u>946,418</u>
EXPENDITURES IN EXCESS OF REVENUES		<u>\$ (532,841)</u>

NOTE: This statement of revenues and expenditures is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds, General Fund, Exhibit C-2.

JUDSON INDEPENDENT SCHOOL DISTRICT  
CHILD NUTRITION AND SUMMER FEEDING PROGRAM  
BALANCE SHEET (UNAUDITED)  
JUNE 30, 2014

EXHIBIT S-3

ASSETS

Cash and Cash Equivalents	\$ 24,317
Temporary Investments	6,883,081
Accounts Receivable	414,861
Inventory	98,144
Deferred Expenses	<u>497</u>

TOTAL ASSETS	<u>\$ 7,420,900</u>
--------------	---------------------

LIABILITIES

Accounts Payable	\$ 248,236
Accrued Wages	15,171
Workmen's Compensation-Future Pay	107,941
Due to General Fund	<u>1,003,412</u>
Total Liabilities	1,374,760

<u>FUND BALANCE</u>	<u>6,046,140</u>
---------------------	------------------

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,420,900</u>
------------------------------------	---------------------

NOTE: This balance sheet is included in the Balance Sheet – Governmental Fund, Other Governmental Funds, Exhibit C-1, as funds 240 and 242.

JUDSON INDEPENDENT SCHOOL DISTRICT  
CHILD NUTRITION AND SUMMER FEEDING PROGRAM  
STATEMENT OF REVENUES AND EXPENDITURES (UNAUDITED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT S-4

REVENUES

Food Service Revenues	\$ 2,187,327	
State Matching Funds	69,094	
Child Nutrition Programs*	8,153,656	
Commodities Receipts	565,228	
Other Resources	203,564	
Interest	<u>2,435</u>	
Total Revenues		\$ 11,181,304

EXPENDITURES

<u>Payroll Costs</u>		
Salaries - Food Service	3,182,952	
Uniform Allowance	1,692	
Group Health and Life Insurance	528,232	
Teacher's Retirement	252,074	
Employee Benefits	6,426	
Worker's Compensation	108,502	
Payroll Taxes (FICA)	<u>51,402</u>	4,131,280
<u>Purchased and Contracted Services:</u>		
Equipment Repair	87,508	
Water	21,532	
Electricity	49,928	
Gas	7,109	
Other Professional Services	<u>156,644</u>	322,721
<u>Supplies and Materials:</u>		
Vehicle - Supplies/Repairs and Gasoline	42,633	
Food and Milk	5,213,795	
Commodities	594,486	
Nonfood Consumed	475,824	
General Supplies	<u>235,139</u>	6,561,877
<u>Other Operating Expenses</u>		
Travel	11,028	
Dues	150	
Other	10,102	
Insurance and Bonding Expenses	<u>3,028</u>	24,308
<u>Capital Outlay</u>		
Equipment	<u>333,843</u>	<u>333,843</u>
Total Expenditures		<u>11,374,029</u>

EXPENDITURES IN EXCESS OF REVENUES \$ (192,725)

\*Child Nutrition Program revenues reduced by \$957,895 for indirect cost to the General Fund.

NOTE: This statement of revenues and expenditures is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances, Other Governmental Funds, Exhibit C-2, as funds 240 and 242.

JUDSON INDEPENDENT SCHOOL DISTRICT  
CHILD NUTRITION AND SUMMER FEEDING PROGRAM  
STATEMENT OF CHANGES IN FUND BALANCE (UNAUDITED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT S-5

Fund Balance at July 1, 2013	\$ 6,238,865
Expenditures in Excess of Revenues - Year Ended June 30, 2014	<u>(192,725)</u>
 FUND BALANCE AT JUNE 30, 2014	 <u>\$ 6,046,140</u>

NOTE: Judson Independent School District maintains a separate group of accounts for control purposes for recording transactions in the Food Service Fund. At June 30, 2014 the accounts of this fund are reflected with the current fund accounts and this statement of changes in fund equity is included in the Statement of Revenues, Expenditures, and Changes in Fund Balances, Other Governmental Funds, Exhibit C-2, as funds 240 and 242.

JUDSON INDEPENDENT SCHOOL DISTRICT  
STUDENT/CAMPUS ACTIVITY FUNDS  
COMBINED BALANCE SHEET (UNAUDITED)  
JUNE 30, 2014

EXHIBIT S-6

ASSETS

Cash in Bank, Twenty-Six Accounts	\$ 1,217,562
Temporary Investments	<u>                  -</u>

TOTAL ASSETS	<u>\$ 1,217,562</u>
--------------	---------------------

FUND BALANCE

Fund Balance at July 1, 2013	\$ 1,028,847
Revenues in Excess of Expenditures for the Fiscal Year Ending June 30, 2014	<u>          188,715</u>

TOTAL FUND BALANCE	<u>\$ 1,217,562</u>
--------------------	---------------------

NOTE: This balance sheet is included in the statement of fiduciary net position on Exhibit E-1.

JUDSON INDEPENDENT SCHOOL DISTRICT  
STUDENT/CAMPUS ACTIVITY FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (UNAUDITED)  
YEAR ENDED JUNE 30, 2014

EXHIBIT S-7

	FUND BALANCE JULY 1, 2013	REVENUES	EXPENDITURES	NET INCREASE (DECREASE)	FUND BALANCE JUNE 30, 2014
Judson High School	\$ 201,985	\$ 706,777	\$ 667,757	\$ 39,020	\$ 241,005
Wagner High School	107,317	373,712	326,807	46,905	154,222
Judson Early College Academy	62,786	79,626	71,210	8,416	71,202
Kirby Middle School	36,784	107,430	97,852	9,578	46,362
Kitty Hawk Middle School	156,962	190,131	192,169	(2,038)	154,924
Woodlake Hills Middle School	51,498	106,530	110,120	(3,590)	47,908
Metzger Middle School	23,508	114,589	108,875	5,714	29,222
Judson Middle School	30,085	110,136	95,735	14,401	44,486
Converse Elementary	40,902	29,383	35,123	(5,740)	35,162
Hopkins Elementary	24,973	21,898	18,437	3,461	28,434
Franz Elementary	9,452	15,725	10,978	4,747	14,199
Coronado Village Elementary	21,991	46,280	48,382	(2,102)	19,889
Park Village Elementary	6,544	32,088	29,215	2,873	9,417
Crestview Elementary	38,191	41,159	39,266	1,893	40,084
Woodlake Elementary	10,685	38,060	39,681	(1,621)	9,064
Olympia Elementary	5,957	35,433	25,545	9,888	15,845
Spring Meadows Elementary	26,307	25,320	23,230	2,090	28,397
Miller's Point Elementary	21,858	28,303	24,026	4,277	26,135
Candlewood Elementary	2,079	22,694	14,858	7,836	9,915
Elof Elementary	29,648	42,703	36,883	5,820	35,468
Paschall Elementary	29,869	9,589	11,696	(2,107)	27,762
Hartman Elementary	18,239	40,019	39,605	414	18,653
Salinas Elementary	19,639	49,228	31,473	17,755	37,394
Masters Elementary	8,431	40,914	32,884	8,030	16,461
Rolling Meadows Elementary	28,341	71,005	57,641	13,364	41,705
JISD Activity Fund	14,816	6,878	7,447	(569)	14,247
<b>FUND TOTALS</b>	<b><u>\$ 1,028,847</u></b>	<b><u>\$2,385,610</u></b>	<b><u>\$ 2,196,895</u></b>	<b><u>\$ 188,715</u></b>	<b><u>\$ 1,217,562</u></b>