

ROBINSON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2014

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ROBINSON INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2014

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Certificate of Board	3
Independent Auditors' Report	7-8
Management's Discussion and Analysis	9-13
 <u>Basic Financial Statements</u>	 15
Government Wide Statements:	
A-1 Statement of Net Position	16
B-1 Statement of Activities	17
Governmental Fund Financial Statements:	
C-1 Balance Sheet	18
C-2 Reconciliation for C-1	19
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	20
C-4 Reconciliation for C-3	21
Fiduciary Fund Financial Statements:	
D-1 Statement of Fiduciary Net Position	22
D-2 Statement of Changes in Fiduciary Fund Net Position	23
Notes to the Financial Statements	25-41
<u>Required Supplementary Information</u>	43
G-1 Budgetary Comparison Schedule - General Fund	44
G-2 Budgetary Comparison Schedule - Debt Service Fund	45
<u>Combining Schedules</u>	47
Nonmajor Governmental Funds:	
H-1 Combining Balance Sheet	48-49
H-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	50-51
<u>Required TEA Schedules</u>	53
J-1 Schedule of Delinquent Taxes	54-55
J-2 Budgetary Comparison Schedule - Child Nutrition Fund	56
<u>Federal Awards Section</u>	57
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>	59-60
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	61-62
Schedule of Findings and Questioned Costs	63-64
Schedule of Status of Prior Findings	65
Corrective Action Plan	66
K-1 Schedule of Expenditures of Federal Awards	67
Notes to Schedule of Expenditures of Federal Awards	68

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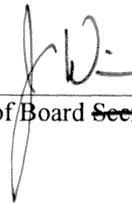
CERTIFICATE OF BOARD

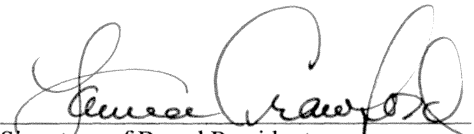
Robinson Independent School District
Name of School District

McLennan
County

161-922
Co.-Dist. Number

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


Signature of Board ~~Secretary~~ Vice President


Signature of Board President

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

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Cunningham, Shavers, Christensen & Wright, L.L.P.

Certified Public Accountants

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Thomas C. Cunningham, C.P.A.
Partner Emeritus

Independent Auditor's Report

Board of Trustees
Robinson Independent School District
500 W. Lyndale
Robinson, Texas 76706-5505

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 Robinson Independent School District, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Robinson Independent School District, as of August 31, 2014, and the respective changes in financial position, 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 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 Robinson Independent School District's basic financial statements. The Combining Schedules for Nonmajor Governmental Funds and Required TEA Schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 17, 2014, on our consideration of the Robinson 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 Robinson Independent School District's internal control over financial reporting and compliance.

Cunningham, Shaver, Christensen & Wright, LLP

January 17, 2014

Robinson Independent School District Management's Discussion and Analysis

In this section of the Annual Financial and Compliance Report, we, the managers of Robinson Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2014. Please read it in conjunction with the independent auditors' report on pages 7 and 8, and the District's Basic Financial Statements which begin on page 15.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$13,088,469. Of this amount, \$3,657,813 (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's net position increased by \$406,238 as a result of this year's operations, or about 3%.
- During the year, the District had net expenses of \$18,503,478 which were less than the \$18,909,716 generated in tax and other revenues for governmental programs. Thus the revenues exceeded expense by \$406,238 for the current fiscal year.
- The General Fund ended the year with an unassigned fund balance of \$4,080,319.
- General Fund, tax levy increased \$428,687 over the prior year while the tax remained at 1.315.
- We continue to work with Baylor University by providing placements for student interns with our teachers. Besides giving the college students an opportunity to spend time in the classroom for their benefit, this program also provides additional help and support to our students.

Using This Report

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (pages 22 and 23 respectively). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 18) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the district.

The notes to the financial statements (starting on page 25) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for non-major funds contain even more information about the District's individual funds. These are not required by TEA. The sections labeled TEA Required Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

**Robinson Independent School District
Management's Discussion and Analysis
(Continued)**

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 16. Its primary purpose is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities of/from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position (the difference between assets and liabilities) provide one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider non-financial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, the District has one kind of activity:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 18 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

- Governmental funds—Most of the District's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.

**Robinson Independent School District
Management's Discussion and Analysis
(Continued)**

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for money raised by student activities programs. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 22. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

We will present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net assets (Table II) of the district's governmental activities.

Net position of the District's governmental activities increased from \$12,689,292 to \$13,088,469. Unrestricted net assets – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$3,657,812 at August 31, 2014.

**Table I
Robinson Independent School District
Net Assets**

	Governmental Activities 2014	Governmental Activities 2013	Variance
Current and other assets	\$ 6,458,300	\$ 5,676,808	\$ 781,492
Capital assets	<u>17,670,386</u>	<u>18,512,749</u>	<u>(842,363)</u>
Total assets	<u>24,128,686</u>	<u>24,189,557</u>	<u>(60,871)</u>
Long-term liabilities	9,662,999	10,112,118	(449,119)
Other liabilities	<u>1,377,218</u>	<u>1,395,208</u>	<u>(17,990)</u>
Total liabilities	<u>11,040,217</u>	<u>11,507,326</u>	<u>(467,109)</u>
Net Position:			
Invested in capital assets net of related debt	8,488,015	7,782,625	705,390
Restricted	942,641	977,016	(34,375)
Unrestricted	<u>3,657,813</u>	<u>3,922,590</u>	<u>(264,777)</u>
Total net position	<u>\$ 13,088,469</u>	<u>\$ 12,682,231</u>	<u>\$ 406,238</u>

**Robinson Independent School District
Management's Discussion and Analysis
(Continued)**

**Table II
Robinson Independent School District
Changes in Net Assets**

	Governmental Activities 2014	Governmental Activities 2013	Variance
Revenues:			
Program Revenues:			
Charges for Services	\$ 695,926	\$ 702,276	\$ (6,350)
Operating grants and contributions	2,325,430	1,976,346	349,084
General Revenues:			
Maintenance and operations taxes	6,209,087	5,757,944	451,143
Debt service taxes	769,807	816,579	(46,772)
State aid - formula grants	11,107,731	10,875,989	231,742
Grants and contributions not restricted to specific functions	708,202	200,172	508,030
Investment Earnings	14,473	13,917	556
Miscellaneous	<u>100,416</u>	<u>151,216</u>	<u>(50,800)</u>
Total Revenue	<u>21,931,072</u>	<u>20,494,439</u>	<u>1,436,633</u>
Expenses:			
Instruction	12,104,045	11,269,914	834,131
Instructional Resources & Media Services	812,686	996,084	(183,398)
Curriculum and Staff Development	95,282	80,662	14,620
Instructional Leadership	303,730	206,098	97,632
School Leadership	1,213,483	1,205,244	8,239
Guidance, Counseling and Evaluation Services	451,452	433,639	17,813
Health Services	146,976	113,720	33,256
Student Transportation	678,174	618,177	59,997
Food Service	1,023,338	1,016,527	6,811
Co-Curricular/Extra Curricular Activities	1,037,878	1,012,409	25,469
General Administration	939,496	930,682	8,814
Plant maintenance and Operations	1,981,931	1,661,411	320,520
Security and Monitoring Service	85,266	70,026	15,240
Data Processing	30,887	23,477	7,410
Debt Service	606,231	376,912	229,319
Payments to Juvenile Justice Alternative ED	<u>13,979</u>	<u>26,560</u>	<u>(12,581)</u>
Total Expenses	<u>21,524,834</u>	<u>20,041,542</u>	<u>1,483,292</u>
Change in Net Position	406,238	452,897	(46,659)
Net Position at Beginning of Year	12,682,231	12,340,975	341,256
Prior Period Adjustment	<u>-0-</u>	<u>(111,641)</u>	<u>111,641</u>
Net Position at End of Year	<u>\$ 13,088,469</u>	<u>\$ 12,682,231</u>	<u>\$ 406,238</u>

**Robinson Independent School District
Management's Discussion and Analysis
(Continued)**

The District's Funds

As the District completed the year, its governmental funds (as presented in the balance sheet on page 16) reported a combined fund balance of \$5,022,960, which is more than last year's total of \$4,572,169.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances. The second category includes changes that the Council made during the year to take into account unexpected expenses that arose during the year. The third category involved amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

Capital Asset and Debt Administration

Capital Assets

At the end of 2014, the District had \$17,670,386 net of depreciation invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

This year's major additions included:

Buildings and Improvements	\$ 95,155
Vehicles	220,369
Books	<u>17,708</u>
Total	<u>\$ 333,232</u>

Debt

At year-end, the District had noncurrent liabilities which totaled \$9,972,371.

Economic Factors and Next Year's Budgets and Rates

The District is concerned about possible school finance legislation. The property valuations increased by 32 million dollars in an effort to maximize state funding. The tax rate for 2013-2014 for the Maintenance and Operations remained at \$1.17.

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 show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at Robinson Independent School District at 500 W. Lyndale, Waco, Texas 76706-5716 (254)662-0194.

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BASIC FINANCIAL STATEMENTS

ROBINSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2014

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 6,017,032
1220 Property Taxes Receivable (Delinquent)	459,368
1230 Allowance for Uncollectible Taxes	(91,873)
1240 Due from Other Governments	73,773
Capital Assets:	
1510 Land	579,589
1520 Buildings, Net	15,878,160
1530 Furniture and Equipment, Net	792,795
1560 Library Books and Media, Net	419,842
1000 Total Assets	24,128,686
LIABILITIES	
2110 Accounts Payable	164,083
2160 Accrued Wages Payable	599,451
2180 Due to Other Governments	15,337
2200 Accrued Expenses	12,678
2300 Unearned Revenue	276,297
Noncurrent Liabilities	
2501 Due Within One Year	309,372
2502 Due in More Than One Year	9,662,999
2000 Total Liabilities	11,040,217
NET POSITION	
3200 Net Investment in Capital Assets	8,488,015
3820 Restricted for Federal and State Programs	100,588
3850 Restricted for Debt Service	842,053
3900 Unrestricted	3,657,813
3000 Total Net Position	\$ 13,088,469

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

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

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 12,104,045	\$ 122,152	\$ 1,502,973	\$ (10,478,920)
12 Instructional Resources and Media Services	812,686	-	30,738	(781,948)
13 Curriculum and Staff Development	95,282	-	45,566	(49,716)
21 Instructional Leadership	303,730	-	33,831	(269,899)
23 School Leadership	1,213,483	-	61,651	(1,151,832)
31 Guidance, Counseling and Evaluation Services	451,452	-	22,296	(429,156)
33 Health Services	146,976	-	8,224	(138,752)
34 Student (Pupil) Transportation	678,174	-	37,900	(640,274)
35 Food Services	1,023,338	481,775	509,363	(32,200)
36 Extracurricular Activities	1,037,878	87,392	18,187	(932,299)
41 General Administration	939,496	-	27,892	(911,604)
51 Facilities Maintenance and Operations	1,981,931	4,607	22,137	(1,955,187)
52 Security and Monitoring Services	85,266	-	3,792	(81,474)
53 Data Processing Services	30,887	-	880	(30,007)
72 Debt Service - Interest on Long Term Debt	606,231	-	-	(606,231)
95 Payments to Juvenile Justice Alternative Ed. Prg.	13,979	-	-	(13,979)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 21,524,834	\$ 695,926	\$ 2,325,430	\$ (18,503,478)

Data Control Codes	General Revenues:		
	Taxes:		
MT	Property Taxes, Levied for General Purposes		6,209,087
DT	Property Taxes, Levied for Debt Service		769,807
SF	State Aid - Formula Grants		11,107,731
GC	Grants and Contributions not Restricted		708,202
IE	Investment Earnings		14,473
MI	Miscellaneous Local and Intermediate Revenue		100,416
TR	Total General Revenues		18,909,716
CN	Change in Net Position		406,238
NB	Net Position - Beginning		12,682,231
NE	Net Position--Ending		\$ 13,088,469

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

ROBINSON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 4,659,827	\$ 1,162,093	\$ 195,112	\$ 6,017,032
1220 Property Taxes - Delinquent	410,472	48,896	-	459,368
1230 Allowance for Uncollectible Taxes (Credit)	(82,094)	(9,779)	-	(91,873)
1240 Receivables from Other Governments	-	-	73,773	73,773
1260 Due from Other Funds	366,145	-	4,531	370,676
1000 Total Assets	<u>\$ 5,354,350</u>	<u>\$ 1,201,210</u>	<u>\$ 273,416</u>	<u>\$ 6,828,976</u>
LIABILITIES				
2110 Accounts Payable	\$ 151,939	\$ -	\$ 12,144	\$ 164,083
2160 Accrued Wages Payable	562,757	-	36,694	599,451
2170 Due to Other Funds	-	320,040	50,636	370,676
2180 Due to Other Governments	-	-	15,337	15,337
2200 Accrued Expenditures	10,388	-	2,290	12,678
2300 Unearned Revenues	220,569	-	55,727	276,296
2000 Total Liabilities	<u>945,653</u>	<u>320,040</u>	<u>172,828</u>	<u>1,438,521</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	328,378	39,117	-	367,495
2600 Total Deferred Inflows of Resources	<u>328,378</u>	<u>39,117</u>	<u>-</u>	<u>367,495</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	100,588	100,588
3480 Retirement of Long-Term Debt	-	842,053	-	842,053
3600 Unassigned Fund Balance	4,080,319	-	-	4,080,319
3000 Total Fund Balances	<u>4,080,319</u>	<u>842,053</u>	<u>100,588</u>	<u>5,022,960</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,354,350</u>	<u>\$ 1,201,210</u>	<u>\$ 273,416</u>	<u>\$ 6,828,976</u>

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

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

Total Fund Balances - Governmental Funds	\$	5,022,960
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$37,474,865 and the accumulated depreciation was \$18,862,116. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		7,782,625
2 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2014 capital outlays and debt principal payments is to increase net position.		951,160
3 The 2014 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(1,175,594)
4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		507,318
19 Net Position of Governmental Activities	\$	13,088,469

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

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

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 6,468,002	\$ 774,789	\$ 507,334	\$ 7,750,125
5800 State Program Revenues	11,918,712	393,425	282,946	12,595,083
5900 Federal Program Revenues	333,328	-	1,212,479	1,545,807
5020 Total Revenues	<u>18,720,042</u>	<u>1,168,214</u>	<u>2,002,759</u>	<u>21,891,015</u>
EXPENDITURES:				
Current:				
0011 Instruction	10,652,049	-	927,386	11,579,435
0012 Instructional Resources and Media Services	805,943	-	-	805,943
0013 Curriculum and Instructional Staff Development	48,557	-	45,566	94,123
0021 Instructional Leadership	268,349	-	21,812	290,161
0023 School Leadership	1,161,392	-	-	1,161,392
0031 Guidance, Counseling and Evaluation Services	431,421	-	-	431,421
0033 Health Services	140,677	-	-	140,677
0034 Student (Pupil) Transportation	654,642	-	37,900	692,542
0035 Food Services	-	-	1,008,227	1,008,227
0036 Extracurricular Activities	881,377	-	-	881,377
0041 General Administration	791,190	-	-	791,190
0051 Facilities Maintenance and Operations	2,015,305	-	-	2,015,305
0052 Security and Monitoring Services	82,470	-	-	82,470
0053 Data Processing Services	30,238	-	-	30,238
Debt Service:				
0071 Principal on Long Term Debt	269,921	348,008	-	617,929
0072 Interest on Long Term Debt	38,716	707,339	-	746,055
Capital Outlay:				
0081 Facilities Acquisition and Construction	57,760	-	-	57,760
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	13,979	-	-	13,979
6030 Total Expenditures	<u>18,343,986</u>	<u>1,055,347</u>	<u>2,040,891</u>	<u>21,440,224</u>
1200 Net Change in Fund Balances	376,056	112,867	(38,132)	450,791
0100 Fund Balance - September 1 (Beginning)	<u>3,704,263</u>	<u>729,186</u>	<u>138,720</u>	<u>4,572,169</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 4,080,319</u>	<u>\$ 842,053</u>	<u>\$ 100,588</u>	<u>\$ 5,022,960</u>

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

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

Total Net Change in Fund Balances - Governmental Funds	\$	450,791
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2014 capital outlays and debt principal payments is to increase net position.		951,160
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,175,594)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.		179,881
Change in Net Position of Governmental Activities	<u>\$</u>	<u>406,238</u>

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

ROBINSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2014

	Private Purpose Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 28,178	\$ 167,049
Total Assets	<u>28,178</u>	<u>\$ 167,049</u>
LIABILITIES		
Due to Student Groups	-	\$ 167,049
Total Liabilities	<u>-</u>	<u>\$ 167,049</u>
NET POSITION		
Unrestricted Net Position	<u>28,178</u>	
Total Net Position	<u>\$ 28,178</u>	

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

ROBINSON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 144
Total Additions	<u>144</u>
DEDUCTIONS:	
Other Operating Costs	<u>900</u>
Total Deductions	<u>900</u>
Change in Net Position	(756)
Total Net Position - September 1 (Beginning)	<u>28,934</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 28,178</u></u>

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

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ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Robinson Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

A. REPORTING ENTITY

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Robinson Independent School District nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. *Business-type activities* include operations that rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities between governmental funds appear as due to/due froms on the Governmental Fund Balance Sheet and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as due to/due froms on the government-wide Statement of Activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are nonoperating.

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 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, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. 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.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors some times require the District to refund all or part of the unused amount.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into invested in capital assets net of related debt, restricted net assets, and unrestricted net assets.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

1. **The General Fund** – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Funds** – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

Additionally, the District reports the following fund type(s):

Governmental Funds:

1. **Special Revenue Funds** – The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. **Capital Projects Funds** – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund. The District has no capital projects funds.
3. **Permanent Funds** – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District has no Permanent Funds.

Proprietary Funds:

4. **Enterprise Funds** – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has no non-major enterprise funds.
5. **Internal Service Funds** – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District has no internal service funds.

Fiduciary Funds:

6. **Private Purpose Trust Funds** – The District accounts for donations for which the donor has stipulated that both the principal and the income may be used for purposes that benefit parties outside the District. The District's Private Purpose Trust Fund is a scholarship fund.
7. **Pension (and Other Employee Benefit) Trust Funds** – These funds are used to account for local pension and other employee benefit funds that are provided by the District in lieu of or in addition to the Teacher Retirement System of Texas. The District has no Pension Trust Funds.
8. **Investment Trust Fund** - This fund is one in which the District holds assets in trust for other entities participating in an investment program managed by the district. The District has no Investment Trust Funds.
9. **Agency Funds** – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is Student Activities.

E. FUND BALANCE NOTE

The Governmental Accounting Standard Board has issued Statement No.54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balances categories list below:

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

1. Nonspendable Fund Balance - includes amounts that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid accounts. It also includes the long-term amount of the loans and notes receivable.
2. Restricted Fund Balance - includes amounts that cannot that are restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision of enabling legislations.
3. Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. Those committed amounts cannot be used for any other purposes unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
4. Assigned Fund Balance – includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board or by other officials to which the Board has delegated the authority to assign amounts to be used for specific purposes. When it is appropriate for fund balance to be assigned, the Board delegates the responsibility to assign funds to the superintendent or his/her designees.
5. Unassigned Fund Balance – is the residual classification for the general fund. The classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposed within the general fund.

The District will utilize fund in the following spending order: restricted, Committed, Assigned and Unassigned.

F. OTHER ACCOUNTING POLICIES

1. Food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair market value is supplied by the Texas Department of Human Services and recorded as revenue and related expenditure when received.
2. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

3. Employees are allowed to accrue five days of state personal leave each year without limit. State personal leave does not vest under the District's policy and accordingly, employees can only utilize state personal leave when sick, or state personal leave for personal reasons when approved by their supervisor. Since the employees' accumulating rights to receive compensation for future absences are contingent upon the absences being caused by future illnesses and such amounts cannot be reasonably estimated, a liability for unused sick leave is not recorded in the basic financial statements.

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are required to work each year.

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

In the event of termination an employee is reimbursed for any unused accumulated vacation leave. The District has no liability for unused vacation pay since all vacation leave is used or paid if not taken each year. Vacation pay is charged to operations when taken by the employees of the District.

4. Capital assets, which include land, buildings, furniture and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	39
Building Improvements	20
Vehicles	7
Office Equipment	7
Computer Equipment	7

5. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
6. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.
7. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide database for policy development and funding plans.
8. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The amount of state foundation revenue a school district earns for a year may vary until the time when final values for all factors in the state aid formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate for the year ended August 31, 2014 will change.

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

YEAR ENDED AUGUST 31, 2014

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net assets for governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets</u> <u>at the Beginning of the year</u>	<u>Historic Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net Value at the</u> <u>Beginning of the</u> <u>Year</u>	<u>Change in Net</u> <u>Assets</u>
Land	\$ 579,589	\$ -0-	\$ 579,589	
Buildings	30,071,752	13,416,533	16,655,219	
Furniture & Equipment	6,421,390	5,545,583	875,807	
Books and Media	<u>402,134</u>	<u>-0-</u>	<u>402,134</u>	
Change in Net Position				\$18,512,749
			<u>Payable at the</u> <u>Beginning of the</u> <u>Year</u>	
<u>Long-term Liabilities</u> <u>at the Beginning of the year</u>				
Bonds Payable			\$ 8,626,804	
Premium on Bonds Sold			75,636	
Accrued Interest on Bonds Payable			240,339	
Capital Lease and Loans Payable			<u>1,787,345</u>	
Total Liabilities				(10,730,124)
Net Adjustment to Net Position				<u>\$ 7,782,625</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net asset balance and the change in net position. The details of this adjustment are as follows:

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Current Year Capital Outlay</u>			
Building and Improvements	\$ 95,155		
Furniture & Equipment	220,368		
Library Books & Media	<u>17,708</u>		
Total Capital Outlay	<u>333,231</u>	<u>333,231</u>	\$ <u>333,231</u>
 <u>Debt Principal Payments</u>			
Bond Principal	348,008		
Loan	<u>269,921</u>		
Total Principal Payments	<u>617,929</u>	<u>617,929</u>	<u>617,929</u>
 Total Adjustment to Net Asset			\$ <u>951,160</u>

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items. The details for this element are as follows:

	<u>Amount</u>	<u>Adjustments to Change in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Adjustments to Revenue and Deferred Revenue</u>			
Taxes Collected from Prior Year Levies	\$ 94,613	\$ (94,613)	\$ -0-
Uncollected taxes (assumed collectible) from Current Year Levy	137,090	137,090	137,090
Uncollected Taxes (assumed collectible) from Prior Year Levy	230,404	-0-	230,404
Difference between Prior Years Estimated Delinquent Taxes Collectable and Actual Collection Rate and Correction	2,420	(2,420)	-0-
<u>Amortization of Bond Premium and Accrued Interest</u>			
Amortization	19,655	19,655	19,655
Accrued Interest	<u>120,169</u>	<u>120,169</u>	<u>120,169</u>
Total		<u>\$ 179,881</u>	<u>507,318</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund and the Debt Service Fund Budget reports appear in Exhibits G-1 and G-2 respectively and the Child Nutrition Program report is in Exhibit J-2.

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

August 31, 2014
Fund Balance

Appropriated Budget Funds - Food Service Special Revenue Fund \$100,588

- a. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. End-of-year outstanding encumbrances that were provided for in the subsequent year's budget are presented below:

General Fund \$-0-

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not investing in foreign currency.

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

District Policies and Legal and Contractual Provisions Governing Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity 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, (9) and bid solicitation preferences for certificates of deposit.

Statutes authorize the entity to invest in (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, (10) and common trust funds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. Robinson Independent School District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2014, Robinson Independent School District had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			<u>More Than 10</u>
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	
TexPool	\$ 557,931	\$ 557,931			
TexStar	171,046	171,046			
High Yield Savings	1,600,389	1,600,389			
Money Market	<u>1,169,188</u>	<u>1,169,188</u>			
Total	<u>\$3,498,554</u>	<u>\$3,498,554</u>			

Additional policies and contractual provisions governing deposits and investments for Robinson Independent School District are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in certificates of deposit or investment pools.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the district and hand them over to the District or its designated agent. This includes securities in securities lending transactions.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires all investments to have less than one year of maturity.

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in foreign currency.

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

B. 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 located in the District 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 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

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

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances at August 31, 2014, consisted of the following amounts:

Due to General Fund from:	
Debt Service Fund	\$ 320,040
Special Revenue Funds	<u>46,105</u>
Total Due to General Fund	\$ <u>366,145</u>
Due to Special Revenue Funds from:	
Special Revenue Funds	\$ <u>4,531</u>

Interfund transfers for the year ended August 31, 2014 consisted of the following individual account:

None

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at August 31, 2014, were as follows:

	<u>Property</u> <u>Taxes</u>	<u>Other</u> <u>Governments</u>	<u>Other</u>	<u>Total</u> <u>Receivables</u>
Governmental Activities:				
General Fund	\$ 328,378	\$ -0-	\$ -0-	\$ 328,378
Debt Service Fund	39,117	-0-	-0-	39,117
Nonmajor Governmental Funds	<u>-0-</u>	<u>73,773</u>	<u>-0-</u>	<u>73,773</u>
Total - Governmental Activities	\$ <u>367,495</u>	\$ <u>73,773</u>	\$ <u>-0-</u>	\$ <u>441,268</u>

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)**

YEAR ENDED AUGUST 31, 2014

Payables at August 31, 2014, were as follows:

	<u>Accounts Payable</u>	<u>Salaries and Benefits</u>	<u>Due to Other Governments</u>	<u>Accrued Expenses</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 151,939	\$ 562,757	\$ -0-	\$ 10,388	\$ 725,084
Debt Service Fund	-0-	-0-	-0-	-0-	-0-
Nonmajor Gov. Funds	<u>12,144</u>	<u>36,694</u>	<u>15,337</u>	<u>2,290</u>	<u>66,465</u>
Total - Gov. Activities	<u>\$ 164,083</u>	<u>\$ 599,451</u>	<u>\$ 15,337</u>	<u>\$ 12,678</u>	<u>\$ 791,549</u>
 Amounts not scheduled for payment during the subsequent year	 \$ -0-	 \$ -0-	 \$ -0-	 \$ -0-	 \$ -0-

F. CAPITAL ASSET ACTIVITY

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

	<u>Primary Government</u>			
	<u>Balance 09/01/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 08/31/14</u>
Governmental Activities:				
Land	\$ 579,589	\$ -0-	\$ -0-	\$ 579,589
Buildings and Improvements	30,071,752	95,155	-0-	30,166,907
Furniture and Equipment	6,421,390	220,368	-0-	6,641,758
Books and Media	<u>402,134</u>	<u>17,708</u>	<u>-0-</u>	<u>419,842</u>
Totals at Historic Cost	<u>37,474,865</u>	<u>333,231</u>	<u>-0-</u>	<u>37,808,096</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(13,416,533)	(872,214)	-0-	(14,288,747)
Furniture and Equipment	<u>(5,545,583)</u>	<u>(303,380)</u>	<u>-0-</u>	<u>(5,848,963)</u>
Total Accumulated Depreciation	<u>(18,962,116)</u>	<u>(1,175,594)</u>	<u>-0-</u>	<u>(20,137,710)</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,512,749</u>	<u>\$ (842,363)</u>	<u>\$ -0-</u>	<u>\$ 17,670,386</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 524,610
Instructional Resources and Media Services	24,451
Curriculum Development and Instructional Staff Development	1,159
Instructional Leadership	13,569
School Leadership	52,091
Guidance, Counseling and Evaluation Services	20,031
Health Services	6,299
Student (Pupil) Transportation	117,643
Food Services	15,111
Cocurricular/Extracurricular Activities	217,895
General Administration	148,306
Plant Maintenance and Operations	30,984
Security and Monitoring Services	2,796
Data Processing Services	<u>649</u>
 Total Depreciation Expense	 <u>\$ 1,175,594</u>

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

G. BONDS PAYABLE

Bonded indebtedness of the District is reflected in the General Long-Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonds payable for the year ended August 31, 2014 is as follows:

DESCRIPTION	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Interest Current Year</u>	<u>Payable Amounts Outstanding 09/01/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 08/31/14</u>
Unlimited Tax Refunding Bonds 2008	3.2-3.35%	\$2,564,998	\$ 10,080	\$ 315,000	\$ -0-	\$ 315,000	\$ -0-
Unlimited Tax Refunding Bonds – Series 2005	3.41%	9,060,000	280,813	8,235,000	-0-	-0-	8,235,000
Capital Appreciation Bonds	4.05%	89,988	<u>416,993</u>	<u>76,804</u>	<u>-0-</u>	<u>33,008</u>	<u>43,796</u>
TOTAL			<u>\$ 707,886</u>	<u>\$ 8,626,804</u>	<u>\$ -0-</u>	<u>\$ 348,008</u>	<u>\$ 8,278,796</u>

Debt service requirements for bonds payable are as follows:

Year Ended August 31,	<u>General Obligations</u>		<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 43,796	\$ 1,032,017	\$ 1,075,813
2016	800,000	280,814	1,080,814
2017	825,000	253,533	1,078,533
2018	855,000	225,401	1,080,401
2019	880,000	196,246	1,076,246
2020-2024	<u>4,875,000</u>	<u>509,795</u>	<u>5,384,795</u>
Total	<u>\$ 8,278,796</u>	<u>\$ 2,497,806</u>	<u>\$ 10,776,602</u>

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2014.

H. COMMITMENTS UNDER CAPITAL LEASES AND CONTRACTUAL OBLIGATIONS

A lease purchase of \$362,500 was entered into on July 12, 2013 with American Capital Financial Services, Inc. for the purchase of computer equipment. Payments are one payment of \$57,831 on September 1, 2013 with three annual payments of \$93,277 beginning on September 1, 2014 and ending on September 1, 2018

A lease purchase of \$90,822 was entered into on May20, 2013 with Key Government Finance for the purchase of network infrastructure. Payments are \$19,485 per for five years with final payment on September 1, 2017.

A lease purchase of \$564,364 was entered into on December 21, 2007 for the purchase of lighting retrofit of various campuses as authorized under Local Government Code Section 271.005. Payments are \$53,994 yearly for fifteen years with a maturity date of December 15, 2022.

On April 19, 2012 the District issued maintenance tax notes of \$1,030,000. The notes have an coupon rate of 1.990%. Total annual payments vary between \$137,000 and \$142,000 and the final maturity date is February 15, 2020.

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

The following is a summary of the District's changes in capital leases and contractual obligations for the year ended August 31, 2014.

<u>DESCRIPTION</u>	Stated	Current	Amounts			Amounts
	<u>Interest</u>	<u>Year</u> <u>Interest</u>	<u>Outstanding</u> <u>09/01/13</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>08/31/14</u>
American Capital	1.789%	\$ 516	\$ 362,500	\$ -0-	\$ 92,760	\$ 269,740
EY Government Finance	3.124%	798	90,822	-0-	18,686	72,136
Maintenance Tax Notes	1.990%	16,965	915,000	-0-	125,000	790,000
Government Capital Corp	4.800%	<u>20,520</u>	<u>419,023</u>	<u>-0-</u>	<u>33,475</u>	<u>385,548</u>
Totals		<u>\$ 38,799</u>	<u>\$1,787,345</u>	<u>\$ -0-</u>	<u>\$ 269,921</u>	<u>\$ 1,517,424</u>

Debt service requirements for lease purchase and contractual obligations are as follows:

Year Ended August 31,	<u>General Obligations</u>		<u>Total</u> <u>Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 265,575	\$ 40,688	\$ 306,263
2016	269,481	34,288	303,769
2017	278,518	27,706	306,224
2018	194,416	20,887	215,303
2019	177,514	15,609	193,123
2020-2023	<u>331,920</u>	<u>25,451</u>	<u>357,371</u>
Total	<u>\$1,517,424</u>	<u>\$ 164,629</u>	<u>\$1,682,053</u>

I. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

At August 31, 2014, the District had no liability for any accumulated unpaid vacation or sick leave benefits.

J. DEFINED BENEFIT PENSION PLAN

Plan Description. The Robinson Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

Contribution rates and contributions for fiscal years 2014–2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state’s and/or member’s contribution and on the portion of the employees’ salaries that exceeded the statutory minimum.

Year	Member		State		Statutory Minimum Amount
	Rate	Amount	Rate	Amount	
2014	6.4%	\$784,031	6.8%	\$797,734	\$113,036
2013	6.4%	\$754,111	6.4%	\$724,200	\$89,202
2012	6.4%	\$740,178	6.0%	\$739,556	\$82,304

K. RETIREE HEALTH PLAN

Plan Description. – The Robinson Independent School 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 Teacher Retirement System of Texas issues a publicly available financial report that includes financial statements and required supplementary information for TRS–Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us under the TRS Publications heading, by calling the TRS Communications Department at 1–800–223–8778, or by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701.

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

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2014	.65%	\$79,626	1.0%	\$ 122,502	.55%	\$ 67,377
2013	.65%	\$76,589	.5%	\$ 58,915	.55%	\$ 64,808
2012	.65%	\$75,174	1.0%	\$ 115,653	.55%	\$ 63,610

L. HEALTH CARE COVERAGE

During the year ended August 31, 2014, employees of the Robinson Independent School District were covered by a health insurance plan (the “Plan”). The District paid premiums of \$225 per month per employee to the plan and employees, at their option, authorized payroll withholdings to pay premiums for employees and dependents. All premiums were paid to the Teacher Retirement System Active Care.

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

M. CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Acc. Interest at 08/31/13</u>	<u>Unamortized Bond Premium At 08/31/13</u>
Governmental Activities:							
Bonds and Notes Payable:							
Unlimited Tax Refund Bonds – Series 2008	\$ 315,000	\$ -0-	\$ 315,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Unlimited Tax Refund Bonds – Series 2005	8,235,000	-0-	-0-	8,235,000	-0-	-0-	55,981
Capital Appreciation Bonds – Series 2005	76,804	-0-	33,008	43,796	43,763	120,170	-0-
Other Liabilities:							
Capital Leases	872,345	-0-	144,921	727,424	140,609	-0-	-0-
Maintenance Tax Notes	<u>915,000</u>	<u>-0-</u>	<u>125,000</u>	<u>790,000</u>	<u>125,000</u>	<u>-0-</u>	<u>-0-</u>
Total Governmental Activities Long-term Liabilities	<u>\$10,414,149</u>	\$ <u>-0-</u>	<u>\$617,929</u>	<u>\$9,796,220</u>	<u>\$ 309,372</u>	<u>\$120,170</u>	<u>\$ 55,981</u>

N. DEFERRED REVENUE

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

Unearned State Revenue	\$ 220,569
Prepaid Meals	54,810
Unexpended Textbook Funds	<u>917</u>
	<u>\$ 276,296</u>

O. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources at August 31, 2014 consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Net Tax Revenue	<u>\$328,378</u>	<u>\$39,117</u>	<u>\$367,495</u>

P. 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 August 31, 2014, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

<u>FUND</u>	<u>STATE ENTITLEMENTS</u>	<u>FEDERAL GRANTS</u>	<u>TOTAL</u>
Special Revenue Fund	<u>\$ 2,713</u>	<u>\$ 71,060</u>	<u>\$ 73,773</u>

ROBINSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
(Continued)
YEAR ENDED AUGUST 31, 2014**

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Property Taxes	\$ 6,164,172	\$ -0-	\$ 763,945	\$ 6,928,117
Penalties, Interest and Other Tax- related Income	71,827	-0-	8,891	80,718
Investment Income	12,520	472	1,953	14,945
Tuition and Fees	60,245	-0-	-0-	60,245
Food Sales	-0-	481,775	-0-	481,775
Co-curricular Student Activities	87,392	-0-	-0-	87,392
Rent	4,607	-0-	-0-	4,607
Gifts	30,418	-0-	-0-	30,418
Other	<u>36,821</u>	<u>25,087</u>	<u>-0-</u>	<u>61,908</u>
⌘ Total	\$ <u>6,468,002</u>	\$ <u>507,334</u>	\$ <u>774,789</u>	\$ <u>7,750,125</u>

R. DEFEASED DEBT

On June 29, 2005, Robinson Independent School District issued Unlimited Tax School Building and Refunding Bonds – Series 2005 of \$9,149,988 to advance refund \$9,150,000 of School Bonds – Series 1999. The proceeds from the issuance of the bonds generated \$9,999,202. The net proceeds from the issuance of the bonds were deposited in an irrevocable trust with an escrow agent to provide debt service payments. The issuance cost and underwriters discount were \$101,720. The defeased debt resulted in a reduction of the cash flow requirement over the life of the bonds of \$1,955,166. This results in a net present value benefit of \$1,418,450 or 15.502%. The advance refunding met the requirements of an in-substance debt-defeasance and the term bonds were removed from the School General Long-Term Debt Account Group.

S. ACCRUED INTEREST AND PREMIUMS

Robinson Independent School District sold Capital Appreciation Bonds at a premium with due dates to August 15, 2015. Payments are only made at the end of the bond term. Interest is calculated yearly and accrued. The premium is being amortized over the life of the bonds.

	<u>Premium</u>	<u>Interest</u>
Balance 08/31/2014	\$ <u>55,981</u>	\$ <u>120,170</u>

ROBINSON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

YEAR ENDED AUGUST 31, 2014

T. DEFINED BENEFIT PENSION PLAN

Medicare Part D – On-behalf Payments. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments of \$31,798, \$45,465, and \$29,604 were recognized as equal revenues and expenditures for the years ended August 31, 2014, 2013 and 2012, respectively. Also for August 31, 2012, \$29,666 was recognizes as equal revenue and expenditure for EARP.

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REQUIRED SUPPLEMENTARY INFORMATION

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)	
	Original	Final			
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 6,413,117	\$ 6,483,117	\$ 6,468,002	\$ (15,115)
5800	State Program Revenues	10,992,110	11,922,110	11,918,712	(3,398)
5900	Federal Program Revenues	130,000	330,000	333,328	3,328
5020	Total Revenues	17,535,227	18,735,227	18,720,042	(15,185)
EXPENDITURES:					
Current:					
0011	Instruction	10,220,841	10,790,415	10,652,049	138,366
0012	Instructional Resources and Media Services	627,962	701,962	805,943	(103,981)
0013	Curriculum and Instructional Staff Development	55,550	55,550	48,557	6,993
0021	Instructional Leadership	250,740	268,740	268,349	391
0023	School Leadership	1,116,791	1,174,791	1,161,392	13,399
0031	Guidance, Counseling and Evaluation Services	426,684	448,684	431,421	17,263
0033	Health Services	108,945	148,245	140,677	7,568
0034	Student (Pupil) Transportation	652,033	662,033	654,642	7,391
0036	Extracurricular Activities	949,230	962,490	881,377	81,113
0041	General Administration	751,774	793,774	791,190	2,584
0051	Facilities Maintenance and Operations	1,734,363	1,902,863	2,015,305	(112,442)
0052	Security and Monitoring Services	74,010	109,010	82,470	26,540
0053	Data Processing Services	24,387	25,387	30,238	(4,851)
Debt Service:					
0071	Principal on Long Term Debt	146,879	146,879	269,921	(123,042)
0072	Interest on Long Term Debt	162,485	162,485	38,716	123,769
Capital Outlay:					
0081	Facilities Acquisition and Construction	55,000	84,000	57,760	26,240
Intergovernmental:					
0095	Payments to Juvenile Justice Alternative Ed.	25,000	25,000	13,979	11,021
6030	Total Expenditures	17,382,674	18,462,308	18,343,986	118,322
1200	Net Change in Fund Balances	152,553	272,919	376,056	103,137
0100	Fund Balance - September 1 (Beginning)	-	3,704,263	3,704,263	-
3000	Fund Balance - August 31 (Ending)	\$ 152,553	\$ 3,977,182	\$ 4,080,319	\$ 103,137

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 807,590	\$ 807,590	\$ 774,789	\$ (32,801)
5800 State Program Revenues	346,583	346,583	393,425	46,842
5020 Total Revenues	1,154,173	1,154,173	1,168,214	14,041
EXPENDITURES:				
Debt Service:				
0071 Principal on Long Term Debt	348,008	348,008	348,008	-
0072 Interest on Long Term Debt	707,886	707,886	707,339	547
0073 Bond Issuance Cost and Fees	1,000	1,000	-	1,000
6030 Total Expenditures	1,056,894	1,056,894	1,055,347	1,547
1200 Net Change in Fund Balances	97,279	97,279	112,867	15,588
0100 Fund Balance - September 1 (Beginning)	-	729,186	729,186	-
3000 Fund Balance - August 31 (Ending)	\$ 97,279	\$ 826,465	\$ 842,053	\$ 15,588

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COMBINING STATEMENTS

ROBINSON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014

Data Control Codes	211	224	225	240	255	331	410	498	Total
	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	ESEA II, A Training and Recruiting	SSA - Career & Technical - Basic Grant	State Textbook Fund	Education Foundation Fund	Nonmajor Governmental Funds
ASSETS									
1110	Cash and Cash Equivalents	\$ 3,038	\$ 6,666	\$ -	\$ 185,408	\$ -	\$ -	\$ -	\$ 195,112
1240	Receivables from Other Governments	29,728	25,197	542	7,842	6,630	1,121	2,713	73,773
1260	Due from Other Funds	4,531	-	-	-	-	-	-	4,531
1000	Total Assets	\$ 37,297	\$ 31,863	\$ 542	\$ 193,250	\$ 6,630	\$ 1,121	\$ 2,713	\$ 273,416
LIABILITIES									
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 12,144	\$ -	\$ -	\$ -	\$ 12,144
2160	Accrued Wages Payable	6,047	15,070	337	12,065	2,070	1,105	-	36,694
2170	Due to Other Funds	30,666	-	172	13,643	4,359	-	1,796	50,636
2180	Due to Other Governments	-	15,337	-	-	-	-	-	15,337
2200	Accrued Expenditures	584	1,456	33	-	201	16	-	2,290
2300	Unearned Revenues	-	-	-	54,810	-	-	917	55,727
2000	Total Liabilities	37,297	31,863	542	92,662	6,630	1,121	2,713	172,828
FUND BALANCES									
Restricted Fund Balance:									
3450	Federal or State Funds Grant Restriction	-	-	-	100,588	-	-	-	100,588
3000	Total Fund Balances	-	-	-	100,588	-	-	-	100,588
4000	Total Liabilities and Fund Balances	\$ 37,297	\$ 31,863	\$ 542	\$ 193,250	\$ 6,630	\$ 1,121	\$ 2,713	\$ 273,416

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

Data Control Codes	211	224	225	240	255	331	410	498	Total
	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool	National Breakfast and Lunch Program	ESEA II, A Training and Recruiting	SSA - Career & Technical - Basic Grant	State Textbook Fund	Education Foundation Fund	Nonmajor Governmental Funds
REVENUES:									
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 482,247	\$ -	\$ -	\$ -	\$ 25,087	\$ 507,334
5800 State Program Revenues	-	-	-	24,082	-	-	258,864	-	282,946
5900 Federal Program Revenues	288,043	365,270	6,035	466,257	55,742	31,132	-	-	1,212,479
5020 Total Revenues	<u>288,043</u>	<u>365,270</u>	<u>6,035</u>	<u>972,586</u>	<u>55,742</u>	<u>31,132</u>	<u>258,864</u>	<u>25,087</u>	<u>2,002,759</u>
EXPENDITURES:									
Current:									
0011 Instruction	248,353	327,370	6,035	-	51,516	7,670	258,864	27,578	927,386
0013 Curriculum and Instructional Staff Development	39,690	-	-	-	4,226	1,650	-	-	45,566
0021 Instructional Leadership	-	-	-	-	-	21,812	-	-	21,812
0034 Student (Pupil) Transportation	-	37,900	-	-	-	-	-	-	37,900
0035 Food Services	-	-	-	1,008,227	-	-	-	-	1,008,227
6030 Total Expenditures	<u>288,043</u>	<u>365,270</u>	<u>6,035</u>	<u>1,008,227</u>	<u>55,742</u>	<u>31,132</u>	<u>258,864</u>	<u>27,578</u>	<u>2,040,891</u>
1200 Net Change in Fund Balance	-	-	-	(35,641)	-	-	-	(2,491)	(38,132)
0100 Fund Balance - September 1 (Beginning)	-	-	-	136,229	-	-	-	2,491	138,720
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,588</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,588</u>

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T.E.A. REQUIRED SCHEDULES

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

Last 10 Years Ended August 31	(1) Tax Rates		(3) Assessed/Appraised Value for School Tax Purposes	(10) Beginning Balance 9/1/2013	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2014
	Maintenance	Debt Service							
2005 and prior years	Various	Various	\$ 592,504,673	\$ 57,165	\$ -	\$ 340	\$ 36	\$ (9,632)	\$ 47,157
2006	1.500000	0.127490	336,748,801	26,383	-	(12)	(1)	(1,970)	24,426
2007	1.370000	0.140902	376,315,530	22,048	-	629	65	(538)	20,816
2008	1.040000	0.131530	414,114,371	18,501	-	624	81	(271)	17,525
2009	1.040000	0.140000	455,104,651	24,137	-	1,455	196	(2,791)	19,695
2010	1.170000	0.146000	479,254,557	27,946	-	2,570	321	(623)	24,432
2011	1.170000	0.145000	501,161,478	39,698	-	8,451	1,047	(1,144)	29,056
2012	1.170000	0.145000	521,849,215	62,439	-	13,565	1,681	(1,924)	45,269
2013	1.170000	0.145000	504,013,612	130,980	-	56,556	7,009	(7,786)	59,629
2014 (School year under audit)	1.170000	0.145000	536,613,384	-	7,056,466	6,089,537	754,687	(40,879)	171,363
1000 TOTALS				\$ 409,297	\$ 7,056,466	\$ 6,173,715	\$ 765,122	\$ (67,558)	\$ 459,368

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

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 550,858	\$ 550,858	\$ 482,247	\$ (68,611)
5800 State Program Revenues	5,700	25,700	24,082	(1,618)
5900 Federal Program Revenues	446,156	506,156	466,257	(39,899)
5020 Total Revenues	1,002,714	1,082,714	972,586	(110,128)
EXPENDITURES:				
0035 Food Services	1,002,714	1,118,714	1,008,227	110,487
6030 Total Expenditures	1,002,714	1,118,714	1,008,227	110,487
1200 Net Change in Fund Balances	-	(36,000)	(35,641)	359
0100 Fund Balance - September 1 (Beginning)	-	136,229	136,229	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 100,229	\$ 100,588	\$ 359

FEDERAL AWARDS SECTION

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Cunningham, Shavers, Christensen & Wright, L.L.P.

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Nathaniel J. Pringle, C.P.A.
Thomas C. Cunningham, C.P.A.
Partner Emeritus

**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
Robinson Independent School District
500 W. Lyndale
Robinson, Texas 76706-5505

Members of the Board:

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 Robinson Independent School District, as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise Robinson Independent School District's basic financial statements, and have issued our report thereon dated December 3, 2014.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cunningham, Shavers, Christensen & Wright, LLP

January 17, 2014



Cunningham, Shavers, Christensen & Wright, L.L.P.

Certified Public Accountants

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Partner Emeritus

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

Board of Trustees
Robinson Independent School District
500 W. Lyndale
Robinson, Texas 76706-5505

Members of the Board:

Report on Compliance for Each Major Federal Program

We have audited Robinson Independent School District's 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 Robinson Independent School District's major federal programs for the year ended August 31, 2013. Robinson Independent School 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 Robinson Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Robinson Independent School 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 Robinson Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Robinson Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

Report on Internal Control over Compliance

Management of Robinson Independent School 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 Robinson Independent School 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 Robinson Independent School 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.

Cunningham, Shavers, Christensen & Wright, LLP.

January 17, 2014

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

I. Summary of the Auditor's Results:

- a. The type of report issued on the basic financial statements of Robinson Independent School District was an unmodified opinion.
- b. There were no significant deficiencies in internal control disclosed by the audit of the financial statements.
- c. Noncompliance disclosed by the audit of the basic financial statements were:
 1. Condition: Expenditures exceeded budget in three functions in the General Fund.
Criteria: Expenditures are required to comply with Board approved budget
Cause: During the audit several adjustments were necessary that increased expenditures in these functions.
Effect: The budget comparison report for the General Fund shows expenditures exceeded budget in three functions. The actual items were approved in different functions or funds.
Recommendation: District should take note of the audit adjustments made and refer to the Financial Accountability System Resource Guide for account classifications for similar items.

Management Response: The District will properly code similar transactions.
- d. There were no significant deficiencies in internal control over major programs disclosed by the audit of the basic financial statements.
- e. The type of report on compliance with major programs was an unmodified opinion.
- f. There were no material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program disclosed by the audit of the basic financial statements.
- g. The dollar threshold considered between Type A and Type B federal programs was \$300,000.
- h. The District was classified as a low-risk auditee in the context of OMB Circular A-133.
- i. The District's major federal programs were:
 1. IDEA - Part B, Formula CFDA 84.027
IDEA - Part B, Preschool CFDA 84.173
 2. ESEA, Title I, Part A, Improving Basic Programs CFDA 84.010A
ESEA, Title I, School Improvement CFDA 84.010A
 3. National School Breakfast Program CFDA 10.553
National School Lunch Program CFDA 10.555
Food Donation (Commodities) CFDA 10.555

ROBINSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)
FOR THE YEAR ENDED AUGUST 31, 2014

II. Findings Relating to the Basic Financial Statements which were Required to be Reported in Accordance with *Government Auditing Standards*:

None

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in I.f. above.

None

ROBINSON INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2013

<u>Findings</u>	<u>Status of Prior Year's Findings/Noncompliance</u>
None	

ROBINSON INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2014

<u>Findings/Noncompliance</u>	<u>Corrective Action Plan</u>
Expenditures exceeded budget in three General Fund functions	Finding was caused by various audit reclassifications. The District will take note of the audit adjustments made and refer to the Financial Accountability System Resource Guide for account classifications for similar items.

Contact Person(s):
Stacy Proctor, Director of Finance
Robinson Independent School District

ROBINSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101161922	\$ 281,412
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101161922	6,630
Total CFDA Number 84.010A			288,042
Total Title I, Part A Cluster			288,042
*IDEA - Part B, Formula	84.027A	146600011619226600	348,745
*IDEA - Part B, Formula	84.027A	156600011619226600	16,525
Total CFDA Number 84.027A			365,270
*IDEA - Part B, Preschool	84.173A	146610011619226610	5,665
*IDEA - Part B, Preschool	81.173A	156610011619226610	370
Total Special Education Cluster (IDEA)			371,305
SSA - Career and Technical - Basic Grant	84.048A	14420006161922	30,011
SSA - Career and Technical - Basic Grant	84.048A	15420006161922	1,121
Total CFDA Number 84.048A			31,132
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501161922	53,471
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501161922	2,271
Total CFDA Number 84.367A			55,742
Total Passed Through State Department of Education			\$ 746,221
TOTAL DEPARTMENT OF EDUCATION			\$ 746,221
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401401	\$ 82,975
*National School Lunch Program - Cash Assistance	10.555		321,304
*National School Lunch Prog. - Non-Cash Assistance	10.555		61,978
Total CFDA Number 10.555			383,282
Total Child Nutrition Cluster			466,257
Total Passed Through the State Department of Agriculture			\$ 466,257
TOTAL DEPARTMENT OF AGRICULTURE			\$ 466,257
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,212,478

*Clustered Programs

ROBINSON INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2014

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System 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.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. 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 General 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.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Statement - Provisional 6/97.