



Brownsville Independent School District

Texas Education Agency Agrees:  
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**A!**



COMPREHENSIVE  
**ANNUAL FINANCIAL REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2019

# **Brownsville Independent School District**

**Brownsville, Texas**



## **Comprehensive Annual Financial Report**

**For**

**Fiscal Year Ended June 30, 2019**

**Prepared by: The Division of Finance**

## **INTRODUCTORY SECTION**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
Brownsville, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2019

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**Brownsville Independent School District**  
**1900 E. Price Road · Brownsville, Texas 78521**  
Telephone: (956) 547-4113 Fax (956) 548-8026

November 18, 2019

Minerva M. Pena, President,  
Board of Trustees Members, and  
Citizens of the Brownsville Independent School District  
Brownsville, Texas 78521

Dear Ms. Pena, Board Members and Citizens:

State law requires that all public school districts publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Brownsville Independent School District (District) for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Cascos and Associates, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimated made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the

BOARD OF EDUCATION

Minerva M. Pena  
*President*  
Dr. Sylvia P. Atkinson  
*Vice President*  
Dr. Prisci Roca Tipton  
*Secretary*  
Philip T. Cowen  
*Assistant Secretary*  
Drue Brown  
*Member*  
Erasmus Castro  
*Member*  
Laura Perez-Reyes  
*Member*

Dr. René Gutiérrez  
*Superintendent*

audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special need of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Single Audit Section of this report.

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

### **Profile of the Government**

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District is located entirely in Cameron County, Texas and serves the City of Brownsville, part of the Township of Rancho Viejo and some unincorporated areas of the county. The District, originally chartered by the State in March 1915, now encompasses ninety-five square miles.

The District is governed by a seven-member Board of Trustees (Board) composed of District residents, who are elected by voters of the District. The Board is responsible for managing and governing the schools of the District, including adopting goals and objectives for the District, reviewing and acting on policies, adopting an annual budget, levying and collecting District taxes, hiring school personnel as recommended by the superintendent, approving salary schedules, adopting District policies and setting directions for curriculum, and reporting to the public on the District's progress. The District's Superintendent of Schools and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

### **Mission Statement**

Brownsville Independent School District will graduate students who are prepared to excel in higher education and successfully pursue career opportunities in a changing global society by maximizing resources to ensure equitable opportunities for all students.



## **Strategic Objectives**

The Brownsville ISD students will:

- Graduate
- Meet and/or exceed state and national standards of education
- Graduate college ready and prepared to excel in their respective career choices
- Become productive, responsible, and contributing members of society

## **Vision**

Our primary purpose of improving lives through a quality education is driven by an unrelenting determination to graduate all of our students and prepare them for success in higher education. Our ideology is reflected in our fundamental beliefs, commitments and core values that guide us in our daily practices.

## **Core Commitments**

The District's commitments to achieve the mission are:

- Design and implement an effective and accountable ECE-Post Secondary Model that focuses on STEM/STEAM (Science, Technology, Engineering, Arts and Math) careers and life-long learning opportunities
- Ensure a safe, healthy, caring environment for everyone in our school District
- Provide for the effective, social, emotional, and cognitive development of the learner
- Strengthen partnerships and communication among parents, community and schools
- Provide appropriate facilities to implement and support our current and future instructional program
- Recruit, retain, and provide research based professional development to District personnel

## **Core Beliefs**

The District's commitment to this mission is driven by seven fundamental beliefs around which the District has built its governing policies and daily practices:

- Everyone in our community has inherent values, talents and strengths
- High expectations, perseverance, and a strong work ethic are essential in fostering higher achievement and success
- Students are our number one resource
- Academic success nurtures lifelong learning
- Everyone flourishes in a safe and healthy educational environment
- The success of each student, educator, and family is vital for the future growth and sustainability of our community
- The community and families share responsibility for the development and mentoring of our students

## **Strategic Parameters**

The District has adopted six core values that exemplify the seven fundamental beliefs in action. In order to achieve our goals and attain our commitment, we expect the following:

- Will not tolerate educational apathy



- Will not compromise the efficient and effective use of resources
- Will make educational and financial decisions based upon what is best for student success
- Will foster a positive environment that recognizes and celebrates diversity
- Will ensure a safe and healthy learning environment with a commitment to excellence
- Will ensure that the instructional programs from early childhood to post-secondary are our highest priority

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through twelve for its approximate 44,402 students. These include regular and enriched academic education, special education for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students. These basic programs are supplemented by additional offerings in the fine arts and athletics. In addition, the District provides for community and adult education by offering a wide variety of academic and occupational courses.

**District Accomplishments** – The District’s accomplishments continue to be recognized by local, state, and national publications. Most recently, the District was recognized for the following achievements:

- Brownsville ISD received an “A” rating under the Texas Accountability Rating System for the 2018-2019 school year. The individual campuses who received “A” ratings were Benavides Elementary, Breeden Elementary, Burns Elementary, Castaneda Elementary, Champion Elementary, Egly Elementary, Gallegos Elementary, Garden Park Elementary, Gonzalez Elementary, Keller Elementary, Longoria Elementary, Martin Elementary, Ortiz Elementary, Paredes Elementary, Pullam Elementary, Putegnat Elementary, Resaca Elementary, Sharp Elementary, Southmost Elementary, Yturria Elementary, Brownsville Early College High School, Veterans Memorial Early College High School, and Lincoln Park School.
- Fourteen Brownsville ISD schools were named by the Educational Results Partnership to the Texas Honor Roll. The 2018-2019 Honor Roll schools were Brite Elementary, Burns Elementary, Garden Park Elementary, Keller Elementary, Ortiz Elementary, Paredes Elementary, Pena Elementary, Pullam Elementary, Yturria Elementary, Oliveira Middle School, Stillman Middle School, Brownsville Early College High School, Hanna Early College High School, and Veterans Memorial Early College High School.
- Hudson Elementary and Putegnat Elementary Schools were named 2019 National Blue Ribbon Schools by the United States Department of Education. Hudson Elementary received the “Exemplary Achievement Gap Closing” while Putegnat Elementary received “Exemplary High Performing” standing.
- 39 Brownsville ISD high school students qualified for the 2019 State Music Education Association.

- The Oliveira Middle School band was named as one of three winners from the Southwestern Division of the nation and was selected as the 2018-2019 Dr. William P. Foster Project – Award of Excellence / National Winner.



- The Lopez Early College High School Barbershop Chorus, *UPBEAT!*, were awarded Plateau A Champions and received an “Outstanding” rating at the Barbershop Harmony Society’s Next Generation Junior Chorus Invitational at the Grand Ole Opry in Nashville, Tennessee.



- The 2018-2019 Hanna Early College High School Football team were 32-6A Regional Semi-Finalists who competed at the Alamodome in San Antonio, Texas.





- Aiken Elementary, Benavides Elementary, Gonzalez Elementary, Hudson Elementary, Resaca Elementary, Manzano Middle School, and Stillman Middle School were the 2019 Destination Imagination Texas State Competition teams that advanced to the Global Finals Competition in Kansas City, Missouri.



- Garden Park Elementary were awarded the Division-State Champion title and won 2<sup>nd</sup> place in the Primary Division at the State Chess Tournament.
- The Skills USA Architecture team from Veterans Memorial Early College High School won 1<sup>st</sup> place in the Mechanical Drafting, Bronze in Architectural Drafting, Top Ten Quiz bowl team, and were also the 1<sup>st</sup> place team at the Skills USA Texas State Competition.
- More than \$119 million in scholarship offers were rewarded for the graduating class of 2019.

**Budgetary Controls** - The annual budget serves as the foundation for the District's financial planning and control. The District's fiscal year begins July 1<sup>st</sup> and ends June 30<sup>th</sup>. The budget is initially prepared under the direction of the Superintendent. The Board reviews the budget during workshops conducted from January through May. The final budget is required by State law to be adopted by June 30<sup>th</sup>. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board.

Activities of the general fund, the debt service fund, child nutrition service fund (which is included in the general fund) and designated purpose funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major functional category.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the child

nutrition service fund, this comparison is presented on Exhibit G-1, as required supplementary information. The TEA required budget versus actual comparison for the child nutrition program can be found on Exhibit J-4 and the debt service fund comparison is presented on Exhibit J-5.

### **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Population** – Brownsville is the largest city in Cameron County. It has a population of 183,392 residents and has experienced growth of 32,092 people between the 2000 and 2010 according to the US Census Bureau. The demographics of Brownsville’s population can be summed up as young and growing. The median age is 30.3 years. 31.7% of all persons in the City are younger than 18 years of age. Only 11.3% are 65 years or older.

The breakdown of our student membership as of October 2019 is as follows:

• Early Ed	69
• Pre-K	3,598
• K-5	16,919
• 6-8	9,156
• 9-12	<u>13,436</u>
TOTAL	43,178

The projected average daily attendance (ADA) for 2019-2020 is approximately 39,237.38.

**Local Economy** – The District serves the City of Brownsville, a portion of the Township of Rancho Viejo, and several unincorporated areas in Cameron County including Cameron Park and San Pedro. Brownsville is the population center of the expanding lower Rio Grande Valley. The area economy is largely driven by manufacturing reflecting its location across from Matamoros, Mexico and extensive transportation network (including the Port of Brownsville).

The city’s low cost of living and doing business support continued economic growth, and a growing healthcare and education sector, including a branch of the University of Texas, contributes to the stability of the region. Space X Exploration is currently in testing phases. The Space X Project will have a positive economic impact in Brownsville and other Rio Grande Valley communities, in employment, tourism, and in higher education. The City experienced a decrease in the number of building permits between the 2018 and 2019 fiscal years. However, the City continues to experience an increase in property values and retail sales tax for the 2019 fiscal year indicating continued economic growth in the area.

**State Economic Outlook** – The 86<sup>th</sup> Texas Legislature has been phrased as the “session of the teacher” by addressing school finance reform and by bestowing pay raises. House Bill 3 was the



highlight of the 86<sup>th</sup> Legislature and granted billions of dollars to public schools, including full day pre-K and dyslexia, dual language funding, in addition to increasing the basic allotment. HB3 also contained \$5.2 billion for property tax compression as well as \$6.2 billion for resources for schools. Once HB 3 was approved, it omitted the ranking of educators across districts and excluded compensation tied to student testing. Another subject touched by HB 3 was the increase of compensation for educators. The final version of HB 3 calls for districts to spend 30% of the revenue received from HB 3 on compensation. 75% of that figure will need to be used on teachers, librarians, counselors, and nurses. Classroom teachers who have more than five years of experience will receive priority. The remaining 25% may be used to pay compensation for non-administrative, full time staff members. Senate Bill 12 was also passed to increase contributions in the Teacher Retirement System. The 86<sup>th</sup> Legislature was productive, suggesting a positive future economic outlook due to school finance and tax reforms.

**Bond Funding Update** – There were no bond funding updates for the 2018-2019 fiscal year.

**Financial Polices** – As one of the 22 largest school districts in the State of Texas, the District is constantly monitoring its financial resources, expenditures and planning for the future. Student enrollment drives the District's planning process along with management's commitment to providing the best education available to our students. The District's strategic planning is an ongoing process. The District continually studies different areas of cost containment as they strategically view the demographics of the District and ongoing economic climate.

**Child Nutrition Program** – The Child Nutrition Program continues to enhance its operations. As a result of the administrative team's continued effort to streamline operations, increase meal participation, cut costs and increase revenue, the program experienced a profitable year and was able to maintain a positive fund balance. The District continued with breakfast in the classroom and the supper program in the 2018-2019 school year. The District's top priority is to ensure that each child receives a healthy breakfast, lunch, and dinner.



Perez Elementary students participating in a food tasting sponsored by the Food & Nutrition Services Department

The District serves breakfast, lunches, and dinner to students through the Texas Department of Agriculture School Nutrition Program and the Child and Adult Care Food Program. The District is reimbursed based on the number of free, reduced, and paid breakfast and lunches served as well as on the number of after-school dinners served. Each year, the federal reimbursement rates increase. The rates increased by 2.6% for breakfast, 2.5% for lunch, and 2.4% for supper from the 2017-2018 to the 2018-2019 school year.

**Long-term Financial Planning** – Growth in the District's tax base has continued but at a much slower pace, averaging 1.9% annual growth from fiscal years 2011-18. The District's fiscal



2018 taxable assessed valuation (TAV) increased marginally to \$5.8 billion. Enrollment decreased by 2.6%. The District consolidated three elementary schools for 2019-2020. The District continues to maintain extended day enrichment programs at all 34 elementary campuses and open enrollment at all 34 elementary campuses in an effort to stabilize enrollment and continues to reduce staffing through attrition as a cost saving measure. Typical for the border area, the area's unemployment rate is high (6.3% annual) and income levels are low. Projected membership for school year 2019-20 is expected to reach 43,355.

The District's maintenance and operations tax rate for tax year 2018-2019 is \$1.152500 per \$100 valuation and the Debt Service rate is \$0.1125 for a total tax rate of \$1.26500. The additional funding for was used for upgrading District facilities.



State funding for the general fund is about 73% of the total general fund revenue. House Bill 3 increased overall state funding for school districts. Federal funding is expected to decrease slightly due to decreased availability of federal program funding. Grant funding plays an important role as a resource to supplement regular funding and to expand programs needed for greater academic achievement.

**Interest Rates** – The increase in interest rates positively affected the interest earnings of the District. The federal fund rate continues to increase and is projected to continue to have a slight increase in investment earning.

## Awards

**Association of School Business Officials International (ASBO)** – At June 30, 2018, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for ASBO's Certificate of Excellence in Financial Reporting. The District was notified that it had been awarded the certificate on April 16, 2019. This was the ninth time the District had submitted its financial statements for this award.

**Government Finance Officers Association (GFOA)** - At June 30, 2018, the District compiled and submitted a Comprehensive Annual Financial Report (CAFR) for consideration for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The District was notified that it had been awarded the certificate on June 10, 2019. This was the ninth time the District had submitted its financial statements for this award.

**Schools FIRST** - Senate Bill 218 of the 77<sup>th</sup> Legislature (2001) authorized the implementation of a financial accountability rating system for Texas school districts. For the 2017-18 school year, the most recent school year rated, the District achieved the Texas Education Agency's highest rating of "Superior" with a score of 100 in the School FIRST program. The purpose of the Schools FIRST (Financial Integrity Rating System of Texas) is to ensure that school districts are held accountable for the quality of their financial management practices. The system is designed to encourage Texas school districts to improve performance in the management of their financial resources in order to provide the maximum allocation possible for direct instructional purposes.

**Acknowledgements** – The preparations of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the various departments within the Chief Financial Officer's cluster. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,



Dr. René Gutiérrez  
Superintendent of Schools



Mr. David Robledo, MACC, RTSBA  
Chief Financial Officer



Government Finance Officers Association

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

Presented to

**Brownsville Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Brownsville Independent School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

Brownsville, Texas

**LIST OF PRINCIPAL OFFICIALS**

**BOARD OF TRUSTEES**

Minerva M. Peña – President

Dr. Sylvia P. Atkinson – Vice-President

Dr. Prisci Roca Tipton – Board Secretary

Philip T. Cowen – Board Assistant Secretary

Drue Brown – Member

Erasmo Castro – Member

Laura Perez-Reyes – Member

**ADMINISTRATORS**

Dr. René Gutiérrez, Superintendent

David Robledo, Chief Financial Officer

Dr. Nereida Cantu, Deputy Superintendent for Business & Operations

Dr. Anysia R. Treviño, Deputy Superintendent for Curriculum & Instruction

Carmelita Rodriguez, Assistant Superintendent for HR/Title IX/504

Dr. Dora E. Saucedo, Assistant Superintendent for Curriculum and Instruction

Jimmy Haynes, Assistant Superintendent for Operations

Alma Cardenas-Rubio, Area Assistant Superintendent

Dr. Timothy Cuff, Area Assistant Superintendent

Sandra Lopez, Area Assistant Superintendent

Miguel Salinas, Staff Attorney

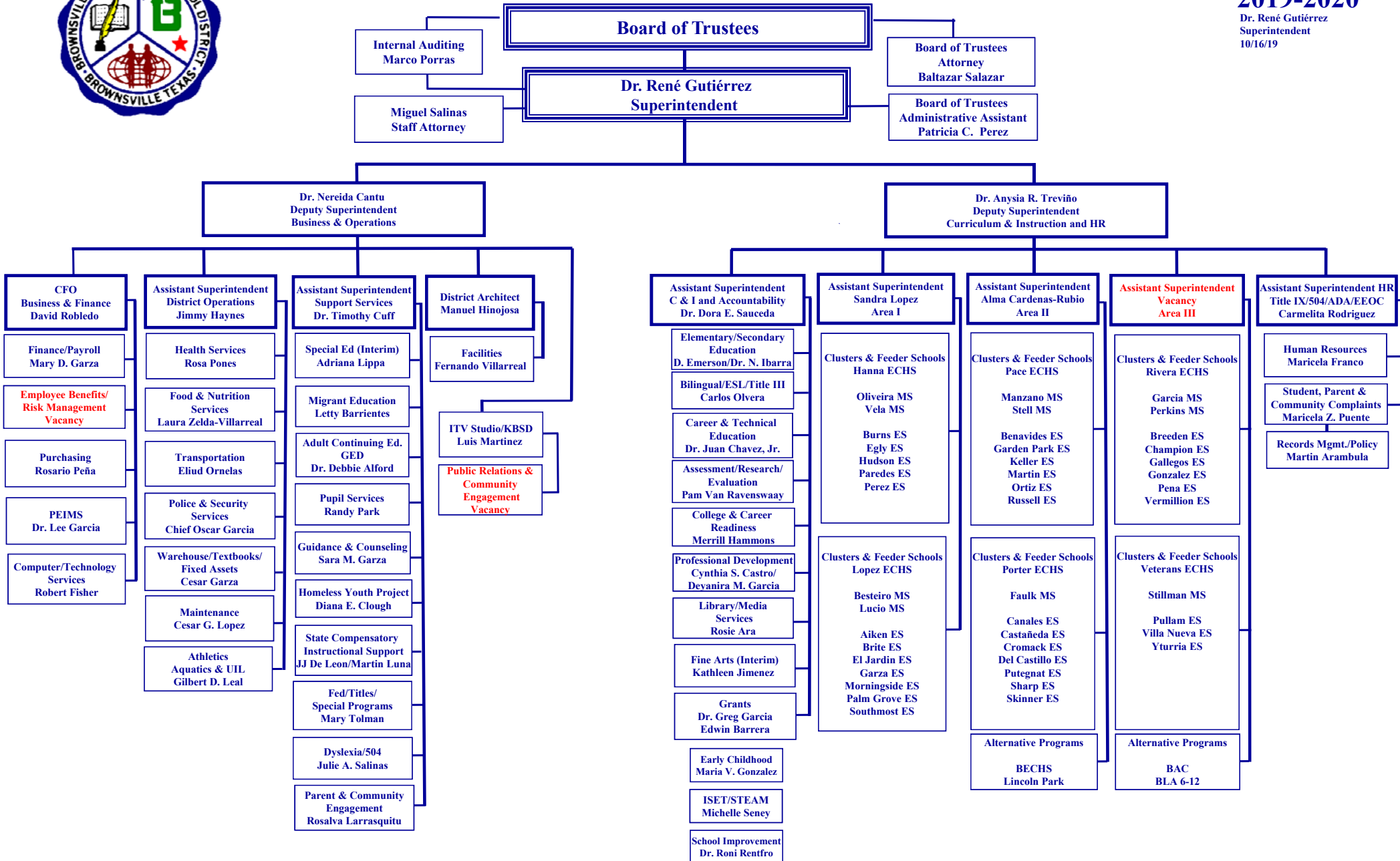




# Brownsville ISD Organizational Chart

**2019-2020**

Dr. René Gutiérrez  
Superintendent  
10/16/19



### CERTIFICATE OF BOARD

Brownsville Independent School District  
Name of District

Cameron  
County

031-901  
Co. Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2019 at a meeting of the Board of Trustees of such school district on the 18<sup>th</sup> day of November, 2019.

  
Signature of Board Secretary

  
Signature of Board President

## **FINANCIAL SECTION**



**Cascos & Associates, PC**  
Certified Public Accountants  
Audit/Accounting/Tax/Consulting

---

**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brownsville Independent School District as of and for the year ended June 30, 2019, 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**

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.



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Email: ccascos@cascoscpa.com



## **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 Brownsville Independent School District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brownsville Independent School District's basic financial statements. The introductory section, combining statements, required TEA schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019, on our consideration of the Brownsville 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 solely 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 the effectiveness of the Brownsville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Brownsville Independent School District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cascos & Associates, PC".

Cascos & Associates, PC  
Brownsville, Texas  
November 18, 2019

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019**

As management of the Brownsville Independent School District (the "District"), we are providing readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the transmittal letter and the District's financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The District's total combined Net Position as reflected in the government-wide Statement of Net Position was \$116,572,818 at June 30, 2019. The Net Position continues to be impacted with the fifth year of GASB Statement No. 68, Accounting and Financial Reporting for Pensions by the net amount of \$151,214,356 and with the second year of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions by the net amount of \$199,574,976. See Exhibit A-1
- The District's Statement of Activities reflects an increase in Net Position for Governmental Activities in the amount of \$24,834,438. This is a result of expenses being less than the \$543,256,479 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants. See Exhibit B-1.
- As shown on the Statement of Activities, the property tax revenue increased \$1,496,938 or 2.13% from the prior year due to a \$203,280,756 increase in property values. The 2018-2019 total tax rate is \$1.265 per \$100 assessed valuation. See Exhibit B-1
- The General Fund reported a fund balance in the governmental funds financial statements this year of \$201,596,037. Approximately 41% of this total amount, \$ 83,615,675 is available for spending at the District's discretion (Unassigned Fund Balance). See Exhibit C-1.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statements of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and present a long-term view of the District's property and 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 report the District's operations with more detail when compared to the government-wide statements by providing information about the District's significant funds. The governmental funds statements show how general government services were funded / financed in the short-term as well as what remains for future expenditures. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. The proprietary funds statements reflect the activity related to services provided to parties within the District for worker's compensation fund and for the self-funded insurance programs. The remaining statements, Fiduciary statements, provide financial information about the activities for which the District acts solely as a trustee or agent for the benefit of those outside the government. The notes to the financial statements provide narrative explanations needed for full disclosure in the government-wide statements or the fund financial statements. The combining statements for non-major governmental funds and the combining statements for Internal Service Funds contain even more information about the District's individual Special Revenue and Permanent Funds and Internal Service Funds, respectively. The Statement of Changes in Assets and Liabilities for the agency fund is also included. These combining statements are additional supplementary information and not required by the Texas Education Agency (TEA). The sections labeled Required TEA Schedules and Federal Awards Section contain data used by monitoring or regulatory agencies for assurance that the District is using the funds supplied in accordance/compliance with the terms of the grants.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Reporting the District as a Whole**

**The Statement of Net Position and the Statement of Activities**

The primary objective of the analysis is to show whether the District has improved as a result of this year's activities. The Statement of Net Position includes all of the District's assets and liabilities as well as deferred outflows and deferred inflows of resources, while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the fiscal year. These financial statements apply the accrual basis of accounting used by most private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is paid or received. The District's revenues are divided into one of the following categories: (1) 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 or children from disadvantaged backgrounds, these revenues are categorized as program revenues. (2) Revenues provided by the taxpayers or by the TEA in equalization funding processes, these are categorized as general revenues. All the District's assets are reported whether they serve the current year or subsequent years. All liabilities are also reported regardless of when they will be paid, current or future years.

These two statements report the District's net position and its changes. The District's Net Position (the difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources), provides one measure of the District's financial health. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving. To fully assess the overall health of the District, nonfinancial factors such as changes in the District's average daily attendance, its property tax base and the condition of the facilities should be considered as well.

The District's government-wide net position has improved as evidenced by the increase in government-wide net position. However, the average daily attendance (ADA) continues to decline. Enrollment decline in the district has been driven by a combination of an increase charter school presence, declining birth rates and some population loss from new residential development occurring in the city of Brownsville but outside of district boundaries. Due to this decline in attendance, the District has done a consolidation of three elementary schools for fiscal year 2019-2020 and continues to assess facilities and staffing allocations to ensure that the students' needs are best served.

While the District's property tax base had increased in recent years, the state funding methodology minimizes the benefit of additional increases in taxable property. Foundation School Program state funding, which is the District's largest portion of state funding, is based on property value so as the property value increase the state funding will decrease. The Instructional Facilities Allotment and the eligible Debt Allotment also decrease with increases in property values.

The District's governmental activities are presented in the Statement of Net Position and the Statement of Activities. All of the District's basic services are reported as governmental activities; including instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services and general administration. Property taxes, tuition, fees, and state and federal grants finance these activities.

# **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019**

## **Reporting the District's Funds**

### ***Fund financial statements***

The fund financial statements provide detailed information about the District's most significant *funds* - not the District as a whole. Laws and Contracts require the District to establish funds to account for grants received. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District's Administration establishes many other funds to help it control and monitor activities.

- *Governmental funds* - Most of the District's basic services are included in governmental funds. The funds 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 they 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 governmental fund financial statements. All of the District's activities for its governmental funds are reported in Exhibits C-1 and C-3.
- *Proprietary funds* - Services for which the District charges users/customers a fee. Proprietary funds, like the government-wide statements provide both long-term and short-term financial information. There are two types of Proprietary Funds, Enterprise Funds and Internal Service Funds. Currently, the District does not have any Enterprise Funds. The District, however, does have two (2) Internal Service Funds. They are Fund 753-Self-Funded Insurance (United Health Care) and Fund 792-Self Funded Workers Compensation. We use Internal Service funds to report activities that provide supplies and services for the District's other programs and activities. The District's combined activities for its Internal Service Funds are reported in Exhibits D-1, D-2 and D-3. These activities are also reported individually for each Internal Service Fund in Exhibits H-3, H-4 and H-5.

## **The District as Trustee**

### **Reporting the District's Fiduciary Responsibilities**

The District is the trustee, or *fiduciary*, for certain funds. One example is for money raised by student activities. Money raised by student activities is recorded within the District's Agency Funds. The District is also responsible for other assets that because of a trust arrangement can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in the funds are used for their intended purposes. All of the District's fiduciary activities are reported in Exhibit E-1, Statement of Fiduciary Net Position and Exhibit E-2, Statement of Changes in Fiduciary Fund Net Position. We exclude these resources from the District's government-wide financial statements because the District cannot use the resources to finance its operations.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As mentioned earlier, Net Position is one indicator of a government's financial position. In the case of Brownsville ISD, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$116,572,818 for the year ended June 30, 2019.

The District's net position is comprised of the following elements as illustrated in Table 1.



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Table 1  
Brownsville Independent School District  
Net Position**

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Current and Other Assets	281,425,912	290,430,002
Capital Assets	426,223,271	394,280,520
Total Assets	<u>707,649,183</u>	<u>684,710,522</u>
Deferred Charge for Refunding	9,345,147	10,519,251
Deferred Resource Outflow Related to TRS OPEB	16,277,939	2,356,923
Deferred Outflow Related to TRS	74,943,472	28,756,566
Total Deferred Outflows of Resources	<u>100,566,558</u>	<u>41,632,740</u>
Long-Term Liabilities	542,344,454	478,874,611
Other Liabilities	65,494,867	59,888,016
Total Liabilities	<u>607,839,321</u>	<u>538,762,627</u>
Deferred Resource Inflow Related to TRS OPEB	67,474,371	74,152,527
Deferred Inflow Related to TRS	16,329,231	21,689,728
Total Deferred Inflows of Resources	<u>83,803,602</u>	<u>95,842,255</u>
Net Position:		
Net Investment in Capital Assets	244,779,566	242,478,407
Restricted	28,364,878	27,752,414
Unrestricted	(156,571,626)	(178,492,441)
Total Net Position	<u>116,572,818</u>	<u>91,738,380</u>

At approximately 210% of total net position, Net Investment in Capital Assets is the largest portion of the District's net position. This is where the District reflects land, furniture, equipment and vehicles, net of accumulated depreciation and any related debt. The District uses these Capital Assets to provide services to its students, teachers and staff. These assets are not readily available for spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

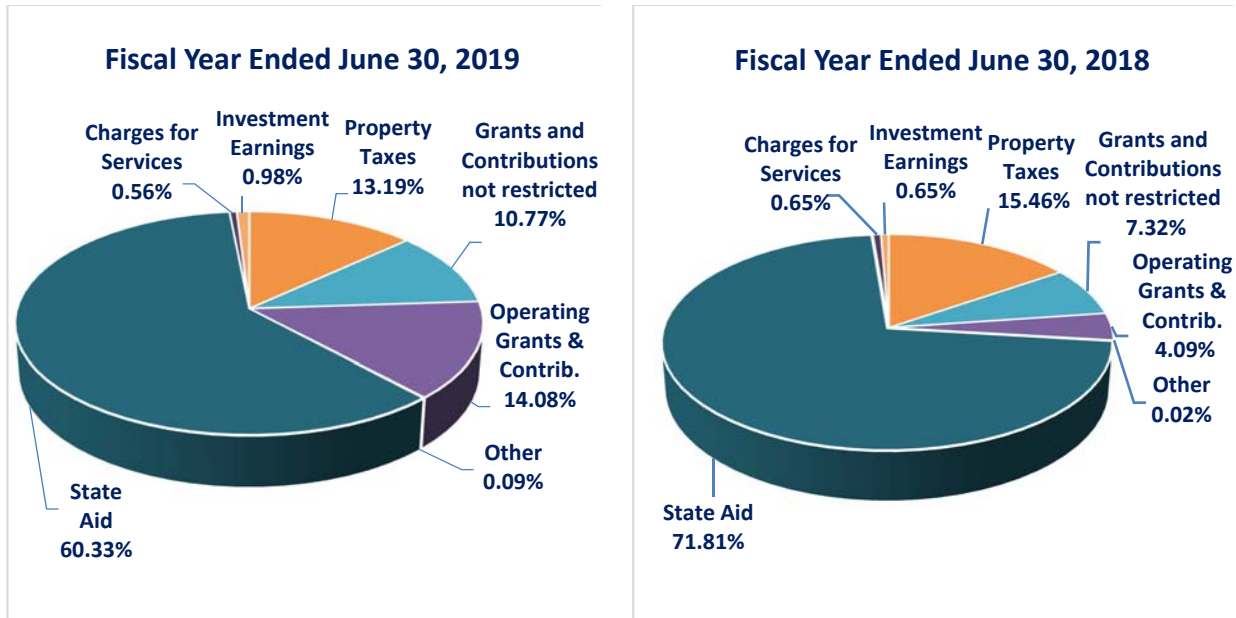
Restricted net position makes up 24.33% of total net position. It represents balances for which external constraints have been placed and includes balances for debt service, capital projects, grants and campus activities.

Unrestricted net position is the portion 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 and it represents about -134% of total net position.

## Changes in Net Position

The District's revenue sources for fiscal year 2019 and fiscal year 2018 are illustrated in the Chart below. State Aid made up the largest portion of the revenue, followed by Operating Grants & Contributions, and then by Property Taxes.

**District Sources of Revenue**



The District's changes in net position for the fiscal years ended in June 30, 2019 and 2018 are summarized on Table 2. As shown on the District's Statement of Activities, the net position of the District's governmental activities increased by \$24,834,438 for the fiscal year ended June 30, 2019.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**Table 2  
Brownsville Independent School District  
Changes in Net Position**

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,050,668	\$ 2,949,586
Operating Grants & Contributions	76,466,939	18,573,532
General Revenues:		
Maintenance and Operations Taxes	65,415,281	64,271,317
Debt Service Taxes	6,252,570	5,899,596
State Aid	327,749,035	325,928,319
Grants and Contributions (not Restricted)	58,482,078	33,229,095
Investment Earnings	5,345,300	2,942,963
Other	494,608	105,940
Total Revenues	<u>543,256,479</u>	<u>453,900,348</u>
Expenses:		
Instruction and Media Services	281,534,452	188,325,334
Curriculum and Instructional Staff Development	12,371,030	8,653,579
Instructional and School Leadership	32,866,301	22,308,508
Student Support Services	41,305,159	28,368,356
Food Services	37,828,274	27,141,885
Extracurricular Activities	16,711,178	13,882,079
General Administration	25,380,642	13,834,611
Maintenance, Security & Data Processing	61,928,545	59,718,524
Community Services	3,440,450	2,340,438
Debt Services	4,148,764	8,171,608
JJAEP and other intergovernmental charges	31,144	24,588
Other Intergovernmental Charges	876,102	806,984
Total Expenses	<u>518,422,041</u>	<u>373,576,494</u>
Increase/ (Decrease) in Net Position	24,834,438	80,323,854
Beginning Net Position	91,738,380	322,597,340
Prior Period Adjustment	-	(311,182,814)
Ending Net Position	<u>\$ 116,572,818</u>	<u>\$ 91,738,380</u>

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

The District's total Governmental Activities Revenues are \$543,256,479, a 19.7% increase of \$89,356,131 from the prior year. The largest increases were in Operating Grants & Contributions, a 312% increase and in Grants & Contributions (Not Restricted), a 76% increase. The increase is a result of the District adopting GASB statement No. 75 in fiscal year 2018. The adoption required some adjustments in that year that resulted in negative revenue for operating grants and contributions on the Statement of Activities.

The expenses for governmental activities totaled \$518,422,041 a 38.8% increase of \$144,845,547 from the prior year. The largest increases were in Instruction and Media Services, Instructional and School Leadership, Student Support Services, Food Services and General Administration.

**THE DISTRICT'S FUNDS**

As the District completed the year ended June 30, 2019, its governmental funds (as presented in the Balance Sheet) reported a combined fund balance of \$211,849,576. Included in this year's \$13,680,806 total decrease in fund balance is a decrease of \$14,436,272 in the District's General Fund and an increase of \$755,466 in the Debt Service Fund

Total Revenues in the General Fund decreased \$331,798, a 0.10% change from FY 2018 to 2019.

- Total Local and Intermediate Sources Revenue increased \$4,059,209. This is a result of \$1.9M increase in current tax collections and \$2.2M increases in Investment revenue
- State Program Revenues decreased \$7,316,736 mainly as a result of decreases in student enrollment and attendance.
- Federal Program Revenues increased \$2,925,729. This is a result of receiving two Shars Cost Report Settlement Payments in this fiscal year. Shars had been behind and school districts were receiving the cost report settlements every 3 years instead of the policy schedule of every two years. They have finally caught up

Total Expenditures in the General Fund increased \$28,208,858 as compared to the previous year. The increase is due mostly to \$3.7M increases in Instruction, \$3M increases in Student (Pupil) Transportation, \$5.9M increases in Principal & Interest on Long-Term Debt and \$22.2M increases in Facilities Acquisition and Construction.

The Fund Balance of the General Fund decreased \$ 14,436,272 from the prior year, primarily due to two transfers, one for \$13.67M to the Insurance Internal Service Fund (753) and a \$1.25M to the Debt Service Fund. The district is taking corrective measures to eliminate the deficit in the Insurance as per TEA recommendation.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, The School Board of Trustees amended the District's budget several times. All budget amendments are categorized into four areas: (1) Carryover Funding, (2) New/Additional Funding, (3) Categorical Fund Balance, and (4) Reallocation.

The total operating revenue budget was \$471,118,825 and finished the year with a budget of \$474,039,059. The total operating expenditure budget was \$471,118,825 and finished the year with a budget of \$581,258,711. This increase of \$110,139,886 was due to various necessary budget adjustments including increases due to Carryover Purchase Orders, drawdowns from Career & Technology and Bilingual designated fund balances, the transfer to Insurance Fund and Acquisition and Construction projects.

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District had investments of \$426,223,271 net of depreciation, in a broad range of capital assets, including land, buildings and improvements, furniture and equipment, and vehicles. This amount represents a net increase (including additions, deductions, and depreciation) of \$31,942,751 over last year. (See Table 3) Refer to Note E in section IV of the Notes to the Financial Statements for more detailed information on capital assets.

**Table 3  
Brownsville Independent School District  
Capital Assets  
(net of depreciation)**

	<b>Governmental Activities 2019</b>	<b>Governmental Activities 2018</b>
Land	\$ 28,526,137	\$ 27,366,254
Buildings and Improvements	351,154,327	342,106,172
Furniture, Equipment & Vehicles	21,477,213	17,121,420
Construction In Progress	25,065,594	7,686,674
Net Capital Assets	<u>\$ 426,223,271</u>	<u>\$ 394,280,520</u>

**DEBT**

As of June 30, 2019, the District had \$124,779,200 in bonds outstanding (the "Bonds"). The Bonds of the District are rated "AA-" by Fitch and "Aa3" by Moody's.

More detailed information about the District's Long-Term Debt is presented in Note F: Long-Term Obligations and the following Supplemental Schedules;

- Schedule 14: Outstanding Debt by Type
- Schedule 15: Direct & Overlapping Debt (General Obligations Bonds)
- Schedule 16: Computation of Legal Debt Margin
- Schedule 17: Ratio of Net General Obligation Bonded Debt to Estimated Actual Value and Per Average Daily Membership.

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

The District's assessed property tax value for the 2019-2020 fiscal year is \$6,309,147,101 compared to the assessed value in the 2018-2019 fiscal year of \$5,877,214,172 which translates to a property value appreciation of \$431,932,929 or 7.35%.

The budget for the 2019-2020 fiscal year was based on a projected ADA (Average Daily Attendance) of 39,237 a decrease of 1,299 from the prior year. The budget for the 2018-2019 fiscal year was based on a projected ADA of 40,536.



# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

The District's Programs and Services included in the General Fund are primarily supported by local and state sources of revenue. The General Fund revenue sources are presented below:

**Table 4**  
**Brownsville Independent School District**  
**Proposed 2014 General Fund Operating Revenue Budget**

	<b>Proposed Budget 2019 - 2020</b>
Local Sources	\$ 74,242,795
State Sources	389,137,874
Federal Sources	49,797,982
Total Operating Fund Revenues	<u>\$ 513,178,651</u>

The District, through its ongoing review process, has continued and will continue to assess all areas of the District's operations.

The District recognizes and addresses the unique cultural lifestyle of South Texas with a broad selection of activities and programs for all students. These programs range from the Brownsville Early College High School to support programs for students with special needs. Limited English speaking students are served through the Bilingual or English as a Second Language program. The District has become a leader in the state by offering the designated Early College High School program to all seven BISD high schools. The Early College High School Program introduces college level learning to secondary students, with the opportunity to earn not only a high school diploma, but up to 60 college credit hours at no cost to the student or their families.

Brownsville ISD is committed not only to working with students, but also with the community as well. The district supports Campus Care Centers to serve the unmet medical needs of school age children and adolescents. Because no student deserves to go through the school day hungry, BISD features Community Eligibility Provision. This plan provides breakfast and lunch free of charge to all students regardless of income or ability to pay.

There is pride in the progress BISD has made in recent years with regard to state mandated testing. Better scores have translated into more seniors fulfilling degree requirements and graduating career-ready and college-connected. Academically, both the Southern Association of Colleges and Schools and the Texas Education Agency have accredited Brownsville public schools.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This comprehensive financial report is intended to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Chief Financial Officer, at 1900 E. Price Rd-Suite 305, Brownsville, Texas 78521-2417 or by calling (956) 698-0003.

## **BASIC FINANCIAL STATEMENTS**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2019

EXHIBIT A-1

Data	Primary Government
Control	Governmental
Codes	Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 1,635,824
1120 Current Investments	216,767,405
1220 Property Taxes - Delinquent	10,092,573
1230 Allowance for Uncollectible Taxes	(302,777)
1240 Due from Other Governments	47,832,468
1250 Accrued Interest	986,440
1267 Due from Fiduciary Funds	16,514
1290 Other Receivables, Net	188,083
1300 Inventories	4,209,382
Capital Assets:	
1510 Land	28,526,137
1520 Buildings, Net	351,154,327
1530 Furniture and Equipment, Net	21,477,213
1580 Construction in Progress	25,065,594
1000 Total Assets	<u>707,649,183</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	9,345,147
1705 Deferred Outflow Related to TRS Pension	74,943,472
1706 Deferred Outflow Related to TRS OPEB	16,277,939
1700 Total Deferred Outflows of Resources	<u>100,566,558</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	8,991,501
2120 Short Term Debt Payable	133,583
2150 Payroll Deductions and Withholdings	12,773,095
2160 Accrued Wages Payable	35,659,629
2177 Due to Fiduciary Funds	187
2180 Due to Other Governments	1,969,840
2190 Due to Student Groups	916,840
2200 Accrued Expenses	3,867,194
2300 Unearned Revenue	1,182,998
Noncurrent Liabilities:	
2501 Due Within One Year	25,774,912
2502 Due in More Than One Year	165,780,210
2540 Net Pension Liability (District's Share)	151,214,356
2545 Net OPEB Liability (District's Share)	199,574,976
2000 Total Liabilities	<u>607,839,321</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	16,329,231
2606 Deferred Inflow Related to TRS OPEB	67,474,371
2600 Total Deferred Inflows of Resources	<u>83,803,602</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	244,779,566
3820 Restricted for Federal and State Programs	18,111,339
3850 Restricted for Debt Service	10,253,539
3900 Unrestricted	(156,571,626)
3000 Total Net Position	<u><u>\$ 116,572,818</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT B-1

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		3	4	
	Expenses	Charges for Services	Operating Grants and Contributions	6 Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 271,410,031	\$ 297,015	\$ 28,037,574	\$ (243,075,442)
12 Instructional Resources and Media Services	10,124,421	201,605	2,404,992	(7,517,824)
13 Curriculum and Instructional Staff Development	12,371,030	273,606	2,117,740	(9,979,684)
21 Instructional Leadership	6,843,445	-	966,348	(5,877,097)
23 School Leadership	26,022,856	-	263,144	(25,759,712)
31 Guidance, Counseling and Evaluation Services	21,806,268	-	2,223,686	(19,582,582)
32 Social Work Services	659,409	-	-	(659,409)
33 Health Services	6,274,127	230,405	1,504,204	(4,539,518)
34 Student (Pupil) Transportation	12,565,355	-	-	(12,565,355)
35 Food Services	37,828,274	1,058,486	35,981,871	(787,917)
36 Extracurricular Activities	16,711,178	516,806	-	(16,194,372)
41 General Administration	25,380,642	-	-	(25,380,642)
51 Facilities Maintenance and Operations	47,051,437	144,003	166,969	(46,740,465)
52 Security and Monitoring Services	7,997,248	-	36,191	(7,961,057)
53 Data Processing Services	6,879,860	115,203	65,760	(6,698,897)
61 Community Services	3,440,450	213,539	2,698,460	(528,451)
72 Debt Service - Interest on Long-Term Debt	4,138,014	-	-	(4,138,014)
73 Debt Service - Bond Issuance Cost and Fees	10,750	-	-	(10,750)
95 Payments to Juvenile Justice Alternative Ed. Prg.	31,144	-	-	(31,144)
99 Other Intergovernmental Charges	876,102	-	-	(876,102)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 518,422,041	\$ 3,050,668	\$ 76,466,939	(438,904,434)
Data Control Codes	General Revenues:			
	Taxes:			
MT	Property Taxes, Levied for General Purposes			65,415,281
DT	Property Taxes, Levied for Debt Service			6,252,570
SF	State Aid - Formula Grants			327,749,035
GC	Grants and Contributions not Restricted			58,482,078
IE	Investment Earnings			5,345,300
MI	Miscellaneous Local and Intermediate Revenue			494,608
TR	Total General Revenues			463,738,872
CN	Change in Net Position			24,834,438
NB	Net Position - Beginning			91,738,380
NE	Net Position--Ending			\$ 116,572,818

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



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 197,680	\$ 1,438,144	\$ 1,635,824
1120 Investments - Current	196,819,360	13,610,433	210,429,793
1220 Property Taxes - Delinquent	9,353,025	739,548	10,092,573
1230 Allowance for Uncollectible Taxes	(280,591)	(22,186)	(302,777)
1240 Due from Other Governments	31,724,946	16,107,522	47,832,468
1250 Accrued Interest	805,057	155,523	960,580
1260 Due from Other Funds	25,489,191	4,623,404	30,112,595
1290 Other Receivables	188,083	-	188,083
1300 Inventories	4,209,382	-	4,209,382
1000 Total Assets	<u>\$ 268,506,133</u>	<u>\$ 36,652,388</u>	<u>\$ 305,158,521</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 5,817,264	\$ 1,903,022	\$ 7,720,286
2120 Short Term Debt Payable - Current	-	133,583	133,583
2150 Payroll Deductions and Withholdings Payable	12,773,095	-	12,773,095
2160 Accrued Wages Payable	32,375,958	3,283,671	35,659,629
2170 Due to Other Funds	5,963,210	18,399,133	24,362,343
2180 Due to Other Governments	1,857,419	112,421	1,969,840
2190 Due to Student Groups	41,566	875,274	916,840
2200 Accrued Expenditures	60,597	-	60,597
2300 Unearned Revenue	103,573	1,079,425	1,182,998
2000 Total Liabilities	<u>58,992,682</u>	<u>25,786,529</u>	<u>84,779,211</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	7,917,414	612,320	8,529,734
2600 Total Deferred Inflows of Resources	<u>7,917,414</u>	<u>612,320</u>	<u>8,529,734</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	4,209,382	-	4,209,382
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	18,111,339	-	18,111,339
3480 Retirement of Long-Term Debt	-	10,253,539	10,253,539
3490 Regional School for the Deaf	131,771	-	131,771
Committed Fund Balance:			
3510 Construction	49,894,741	-	49,894,741
3545 Capital Outlay, Supplies, Travel & Contr. Serv.	1,675,133	-	1,675,133
Assigned Fund Balance:			
3550 Construction	32,669,491	-	32,669,491
3590 Repair, Maintenance and Other	11,288,505	-	11,288,505
3600 Unassigned Fund Balance	83,615,675	-	83,615,675
3000 Total Fund Balances	<u>201,596,037</u>	<u>10,253,539</u>	<u>211,849,576</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 268,506,133</u>	<u>\$ 36,652,388</u>	<u>\$ 305,158,521</u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2019

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 211,849,576</b>
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and workers' compensation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to (decrease) net position.	(4,448,265)
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$718,064,845 and the accumulated depreciation was (\$323,784,325). 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. Note: Beginning Balances related to TRS are NOT included in this amount.	192,598,604
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2019 capital outlays and debt principal payments is to increase net position.	56,036,110
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a Deferred Resource Outflow in the amount of \$74,943,472, a Deferred Resource Inflow in the amount of \$16,329,231, and a net pension liability in the amount of \$151,214,356. This resulted in a (decrease) in net position.	(92,600,115)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a Deferred Resource Outflow in the amount of \$16,277,939, a Deferred Resource Inflow in the amount of \$67,474,371, and a net PEB liability in the amount of \$199,574,976. This resulted in a (decrease) in net position.	(250,771,408)
6 The 2019 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(4,621,418)
7 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, 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.	8,529,734
<b>19 Net Position of Governmental Activities</b>	<b>\$ 116,572,818</b>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	10 General Fund	Other Funds	Total Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 73,912,189	\$ 6,575,934	\$ 80,488,123
5800 State Program Revenues	347,908,980	9,772,645	357,681,625
5900 Federal Program Revenues	51,993,881	39,409,975	91,403,856
5020 Total Revenues	473,815,050	55,758,554	529,573,604
EXPENDITURES:			
Current:			
0011 Instruction	226,240,768	28,037,573	254,278,341
0012 Instructional Resources and Media Services	7,229,333	2,404,992	9,634,325
0013 Curriculum and Instructional Staff Development	9,387,771	2,117,741	11,505,512
0021 Instructional Leadership	5,345,140	966,348	6,311,488
0023 School Leadership	24,020,504	263,145	24,283,649
0031 Guidance, Counseling and Evaluation Services	17,971,859	2,223,686	20,195,545
0032 Social Work Services	639,180	-	639,180
0033 Health Services	4,291,260	1,504,204	5,795,464
0034 Student (Pupil) Transportation	15,478,064	-	15,478,064
0035 Food Services	35,599,576	-	35,599,576
0036 Extracurricular Activities	15,981,092	-	15,981,092
0041 General Administration	10,184,174	-	10,184,174
0051 Facilities Maintenance and Operations	46,242,030	166,968	46,408,998
0052 Security and Monitoring Services	7,776,946	36,191	7,813,137
0053 Data Processing Services	8,282,525	65,760	8,348,285
0061 Community Services	496,503	2,698,460	3,194,963
Debt Service:			
0071 Principal on Long-Term Debt	7,977,129	9,259,999	17,237,128
0072 Interest on Long-Term Debt	3,377,559	6,507,643	9,885,202
0073 Bond Issuance Cost and Fees	9,000	1,750	10,750
Capital Outlay:			
0081 Facilities Acquisition and Construction	29,374,196	-	29,374,196
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	31,144	-	31,144
0099 Other Intergovernmental Charges	876,102	-	876,102
6030 Total Expenditures	476,811,855	56,254,460	533,066,315
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,996,805)	(495,906)	(3,492,711)
OTHER FINANCING SOURCES (USES):			
7913 Capital Leases	3,485,908	-	3,485,908
7915 Transfers In	-	1,251,372	1,251,372
8911 Transfers Out (Use)	(14,925,375)	-	(14,925,375)
7080 Total Other Financing Sources (Uses)	(11,439,467)	1,251,372	(10,188,095)
1200 Net Change in Fund Balances	(14,436,272)	755,466	(13,680,806)
0100 Fund Balance - July 1 (Beginning)	216,032,309	9,498,073	225,530,382
3000 Fund Balance - June 30 (Ending)	\$ 201,596,037	\$ 10,253,539	\$ 211,849,576

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

BROWNSVILLE 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 JUNE 30, 2019

EXHIBIT C-4

<b>Total Net Change in Fund Balances - Governmental Funds</b>	<b>\$ (13,680,806)</b>
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and workers' compensation, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(1,004,842)
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 2019 capital outlays and debt principal payments is to increase net position.	56,036,110
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.	(4,621,418)
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, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net position.	74,707
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$7,938,881. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in net position totaling \$7,858,794. Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by \$10,344,650. The net result is a (decrease) in the change in net position.	(10,263,871)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$2,321,259. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in net position totaling \$2,329,177. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$1,697,524. The net result is a (decrease) in the change in net position.	(1,705,442)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 24,834,438</b>

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



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
ASSETS	
Current Assets:	
Investments - Current	\$ 6,337,612
Accrued Interest	25,860
Due from Other Funds	<u>2,850,000</u>
Total Assets	<u>9,213,472</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,271,213
Due to Other Funds	8,583,925
Accrued Expenses	<u>3,806,597</u>
Total Liabilities	<u>13,661,735</u>
NET POSITION	
Unrestricted Net Position	<u>(4,448,263)</u>
Total Net Position	<u><u>\$ (4,448,263)</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 45,456,773
Total Operating Revenues	45,456,773
OPERATING EXPENSES:	
Other Operating Costs	60,135,618
Total Operating Expenses	60,135,618
Income (Loss) Before Transfers	(14,678,845)
Transfer In	13,674,003
Change in Net Position	(1,004,842)
Total Net Position - July 1 (Beginning)	(3,443,421)
 Total Net Position - June 30 (Ending)	 \$ (4,448,263)

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Payments for Services	\$ 63,335,600
Cash Payments for Insurance Claims	(63,335,600)
Net Cash Provided by Operating Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ (14,678,845)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Transfers In	13,674,002
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Current Investments	102,426
Decrease (increase) in Due from Other Funds	650,000
Decrease (increase) in Other Receivables	21,613
Increase (decrease) in Accounts Payable	(27,081)
Increase (decrease) in Due to Other Funds	(1,011,895)
Increase (decrease) in Accrued Expenses	1,269,780
Net Cash Provided by Operating Activities	<u><u>\$ -</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 138,021	\$ 652,773
Due from Other Funds	187	-
Other Receivables	16	-
Total Assets	<u>138,224</u>	<u>\$ 652,773</u>
<b>LIABILITIES</b>		
Accounts Payable	429	\$ 117,984
Due to Other Funds	16,514	-
Due to Student Groups	-	534,789
Total Liabilities	<u>16,943</u>	<u>\$ 652,773</u>
<b>NET POSITION</b>		
Unrestricted Net Position	<u>121,281</u>	
Total Net Position	<u>\$ 121,281</u>	

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Private Purpose Trust Funds
<hr/>	
ADDITIONS:	
Local and Intermediate Sources	\$ 108,547
Total Additions	<u>108,547</u>
DEDUCTIONS:	
Payroll Costs	1,781
Professional and Contracted Services	11,789
Supplies and Materials	632
Other Operating Costs	<u>139,244</u>
Total Deductions	<u>153,446</u>
 Change in Net Position	 (44,899)
 Total Net Position - July 1 (Beginning)	 <u>166,180</u>
 Total Net Position - June 30 (Ending)	 <u><u>\$ 121,281</u></u>

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

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Brownsville Independent School District (the “District”) is a public educational agency operating under the applicable laws and regulations of the State of Texas. The Board of Trustees (“Board”), a seven-member group, has governance responsibilities over all activities related to educational services within the jurisdiction 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 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.

*Pensions.* The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Other Post-Employment Benefits.* The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care’s fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

**A. REPORTING ENTITY**

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, significantly influence operations of the district, and has the primary accountability for fiscal matters. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”) and 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 the entire District’s nonfiduciary activities with the interfund activities removed. *Governmental activities* include programs supported primarily by grants, state foundation funds and other intergovernmental revenues.

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 include payments made by parties that purchase, use or directly benefit from goods or services provided by a given function or segment of the District. 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 through the Department of Education, Department of Health & Human Services and Texas Education Agency. If revenue is not program revenue, it is general revenue used to support all of the District’s functions.



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

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. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

**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, as do the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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 tax revenue. 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 sometimes require the District to refund all or part of the unused amount.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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.

Agency Funds utilize the accrual basis of accounting but do not have a measurement focus as they report only assets and liabilities.

**D. BASIS OF PRESENTATION - FUND ACCOUNTING**

The District reports the following major governmental fund:

1. **General Fund** - is used to account for financial resources used for general operations. This is a budgeted fund and any fund balances are considered resources available for current operations. All revenues and expenditures not required to be accounted for in other funds, are accounted for in this fund.

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

Governmental Funds:

1. **Debt Service Fund** - is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
2. **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. Normally, unused balances are returned to the grantor at the close of specified project periods.
3. **Capital Projects Fund** - is used to account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions.
4. **Permanent Funds** - is used to account 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:

1. **Enterprise Funds** - are used to account for those operations that are financed and operated in a manner similar to private business. The District has no enterprise funds.
2. **Internal Service Funds** - are used to account for revenues and expenses related to self-funded insurance and workers' compensation provided to employees within the District which are accounted for as internal service funds.

Fiduciary Funds:

1. **Private Purpose Trust Funds** - are used to account for scholarships, which have stipulations for the participants awarded; only the income may be used for a specific purpose.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

2. **Agency Funds** – are used to account for resources held for others in a custodial capacity in an Agency Fund. The District’s Agency Fund is the Student Activity Funds.

**E. OTHER ACCOUNTING POLICIES**

1. For purposes of the statement of cash flows, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventory is valued at cost (average). The District accounts for school supply and food inventories by using the consumption method whereby expenditures are recognized only when inventory items are used. Maintenance supplies inventory is accounted for by using the purchase method whereby purchases of inventories are recognized as expenditures when the goods are received, and the transaction is vouchered. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Commodity inventory is offset by deferred revenue.
3. Other current assets are prepaid expenses that will benefit periods beyond June 30, 2019. The only prepaid expenses included are for unexpired insurance policy premiums paid by June 30, 2019, and which extend beyond that date. The reported prepaid insurance is equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.
4. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.
5. Capital assets, which include land, buildings, vehicles, furniture & equipment and construction in progress, are reported in the applicable governmental 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 acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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, vehicles and furniture & equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Vehicles	10
Furniture & Equipment	3-15

6. Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided are treated as revenues or expenditures. Transfers In and Transfers Out are netted and presented as a single “Transfers” line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single “Internal Balances” line of the government-wide statement of net position.
7. 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.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

8. Accumulated compensatory absences that is expected to be liquidated with expendable available resources is reported as an expenditure and a liability in the Governmental Funds only if they have matured.
9. In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statements element, deferred outflows of resources, presents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

10. Net position represents the differences between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
11. Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond and grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.
12. Sometimes the District will fund outlays for a particular purpose from both restricted (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.
13. The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

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FOR THE YEAR ENDED JUNE 30, 2019

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution by the Board. The Board's commitment may be modified or rescinded by a majority vote in a scheduled meeting. Board commitments cannot exceed the amount of fund balance that is greater than the sum of non-spendable and restricted fund balances since that practice would commit funds that the District does not have. Board commitments must occur before the end of the reporting period with amounts to be determined subsequently.
- **Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board, the Superintendent, or Superintendent's designee.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The order of spending and availability shall be to reduce funds from the listed areas in the following order: restricted, committed, assigned, and unassigned.

14. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The 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 data base for policy development and funding plans.
15. Compensated absences for the District consist of vacation days not taken during the year are not accumulated and carried over to subsequent years. Local sick leave is however, accumulated, but only paid to the employee upon retirement up to a maximum of 30 days. The estimated amount of sick leave expected to be paid at retirement during the year ended June 30, 2019, is \$766,271, and an accrual has been made. A liability for these amounts is reported in governmental funds only if they have matured, as a result of employee resignation and/or retirement.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. BUDGETARY DATA**

The Board of Trustees adopts an "appropriated budget" on a basis consistent with GAAP for the General Fund, Debt Service Fund and Food Service Fund (which is included in the General Fund). The District is required to present the adopted and final amended budgeted revenues and expenditures for these three funds. The General Fund Budget report is presented in Exhibit G-1 and the Child Nutrition Program Budget and Debt Service Fund Budget report is presented in Exhibit J-4 and J-5.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

1. Prior to June 20<sup>th</sup> the District prepares a budget for the next succeeding fiscal year beginning July 1<sup>st</sup>. 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. Public notice of the meeting must be given at least ten days prior to the meeting.
3. Prior to July 1<sup>st</sup>, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end. During the year, the budget was amended as necessary.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure functions or object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at June 30<sup>th</sup>, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

**B. DEFICIT FUND EQUITY**

At June 30, 2019, the Insurance Fund has a deficit fund balance of \$11,250,576. The District will be looking on making plan design changes to reduce costs, increase funding through a combination of employee/employer contributions and an infusion of funds. The District is and will continue monitoring its progress to ensure it maintains an acceptable or positive balance or complete elimination of this deficit.

**C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2019, expenditures exceeded appropriations in the following functions as noted:

<u>General Fund Function</u>	<u>Amount</u>
11 Instruction	\$ 1,147,369

**III. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the **Depository Contract Law**. The depository bank places approved pledged securities for safekeeping and trust with counterparty's trust department in the District's name in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

At June 30, 2019, the carrying amount of the District's deposits, excluding agency funds, was \$1,635,824 and the bank balance was \$1,524,978. The District's cash deposits at June 30, 2019 and during the year were covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The District monitors cash flows regularly when TEA funds are received to ensure that the bank pledges sufficient collateral.

District Policies and Legal 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 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. Since the District complies with this law, it has no custodial risk for deposits.

**Foreign Currency Risk for Deposits** – The District limits the risk that changes in exchange rates will adversely affect the fair value of a deposit. At year-end, the District was not exposed to foreign currency risk.

District Policies and Legal 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 the District to adopt, implement, and publicize an investment policy. The 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.

The Statutes authorize the District 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 District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

The District's temporary investments at June 30, 2019, are shown below:

Investment Type	Investment Maturities (in years)					Weighted Average Maturity Days
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10	
Certificates of Deposit	\$ 12,669,649	\$ 9,941,649	\$ 2,728,000	\$ -	\$ -	100
Texas Term Investment Pool	91,259,830	91,259,830	-	-	-	1
Lone Star Investment Pool	42,941,921	42,941,921	-	-	-	1
TexPool	582,823	582,823	-	-	-	1
Texas Class/ MBIA	64,551,474	64,551,474	-	-	-	1
Wells Fargo Investment Accounts	4,761,708	4,761,708	-	-	-	1
Total	<u>\$ 216,767,405</u>	<u>\$ 214,039,405</u>	<u>\$ 2,728,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1</u>

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Credit Risk** – In accordance with state law and the District’s investment policy, investments in mutual funds and investment pools must be rated at least AAA or have an equivalent rating, commercial paper must be rated at least A-1, P-1 or have an equivalent rating, and obligations of states, agencies, counties, and cities must be at least A or its equivalent. As of June 30, 2019, the District’s investments in Lone Star Investment Pool were rated AAAsf/S1+ by Standard and Poor’s (S&P), TexPool was rated AAAsm by Standard and Poor’s (S&P), Texas Term was rated AAAsf by Standard and Poor’s (S&P), and Texas Class/MBIA was rated AAA/m by Standard and Poor’s Ratings Services.

**Custodial Risk for Investments** – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by third parties were fully collateralized and held in the District’s name.

**Concentration of Credit Risk** – The investment portfolio is diversified in terms of investment instruments and maturity scheduling to reduce risk of loss resulting from over concentration of assets in specific class of investments, specific maturity or specific issuer. As of June 30, 2019, the District had 6% of its investments in certificates of deposits in BBVA compass Bank and Wells Fargo Securities. These certificates of deposit were fully covered by eligible pledged securities. The District had 94% of its investments in TASB investment pools rated AAA as noted above.

**Interest Rate Risk** – In accordance with state law and the District’s investment policy, the District does not purchase any investments greater than five (5) years for its operating funds.

**Foreign Currency Risk for Investments** – The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment. At year-end, the District was not exposed to foreign currency risk.

**B. PROPERTY TAXES**

Property taxes are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1<sup>st</sup> in conformity with Subtitle E, Texas Property Tax Code. The assessed value of the property tax roll on July 12, 2018, upon which the levy for the 2018-2019 fiscal year was based, as \$5,877,214,172. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1<sup>st</sup> of the year following the October 1<sup>st</sup> levy date. Taxes are delinquent if not paid by June 30<sup>th</sup>. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2019 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.152500 and \$0.112500 per \$100 valuation, respectively, for a total of \$1.265000 per \$100 valuation.

Current tax collections for the year ended June 30, 2019 were 94% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting 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. As of June 30, 2019, property taxes receivable of \$9,353,025 and \$739,548, net of estimated uncollectible taxes of \$280,591 and \$22,186, totaled \$9,072,434 and \$717,362 for the General and Debt Service Funds, respectively.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund balances at June 30, 2019 consisted of the following individual fund balances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Total</u>
<b><u>General Fund</u></b>		
General Fund	Non-Major Funds	\$ 2,775,840
Special Revenue Funds	Special Revenue Funds	10,595,957
Debt Service Fund	Debt Service Fund	3,516,955
Internal Service Fund	Internal Service Fund	8,583,925
Trust and Agency Fund	Trust and Agency Fund	16,514
		<u>25,489,191</u>
<b><u>Non-Major Governmental Funds</u></b>		
General Fund	Non-Major Funds	337,183
Special Revenue Fund	Special Revenue Fund	4,286,221
		<u>4,623,404</u>
<b><u>Internal Service Funds</u></b>		
General Fund	General Fund	<u>2,850,000</u>
<b><u>Trust and Agency Fund</u></b>		
General Fund	General Fund	<u>187</u>
Total Interfund Receivables and Payables		<u><u>\$32,962,782</u></u>

Balances resulted from the time lag between the dates that 1) interfund goods and services are provided and/or reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclasses made between funds. Transfers are indicative of subsidies of various District operations. The following schedule briefly summarizes the District's transfer activities at June 30, 2019:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
Debt Service	General Fund	\$ 1,251,372	Debt Service
Insurance	General Fund	<u>13,674,003</u>	Insurance
		<u><u>\$ 14,925,375</u></u>	

**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**D. DUE FROM OTHER GOVERNMENTS AND AGENCIES**

Amounts due from other governments and agencies are as follows:

<u>Fund Group</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>Other</u>	<u>Total</u>
General	\$ 31,240,178	\$ 484,768	\$ -	\$ 31,724,946
Special Revenue	<u>14,642,261</u>	<u>-</u>	<u>1,465,261</u>	<u>16,107,522</u>
Totals	<u>\$ 45,882,439</u>	<u>\$ 484,768</u>	<u>\$ 1,465,261</u>	<u>\$ 47,832,468</u>

**E. CAPITAL ASSET ACTIVITY**

Capital asset activity for the District for the year ended June 30, 2019, was as follows:

	Primary Government				
	Balance	Changes During Year			Balance
	7/1/2018	Additions	Deletions	Reclassifications	6/30/2019
Governmental activities:					
Capital assets not being depreciated					
Land	\$ 27,366,254	\$ 1,159,883	\$ -	\$ -	\$ 28,526,137
Construction in progress	7,686,674	25,487,499	-	(8,108,579)	25,065,594
Total capital assets not being depreciated	35,052,928	26,647,382	-	(8,108,579)	53,591,731
Capital assets being depreciated					
Buildings and improvements	626,231,619	2,732,329	-	8,108,579	637,072,527
Furniture and equipment	26,733,577	2,900,131	(1,214,837)	-	28,418,871
Vehicles	30,046,721	4,284,327	(1,480,776)	-	32,850,272
Total capital assets being depreciated	683,011,917	9,916,787	(2,695,613)	8,108,579	698,341,670
Less accumulated depreciation for:					
Building and improvements	(284,125,447)	(1,792,753)	-	-	(285,918,200)
Equipment	(19,191,944)	(1,767,645)	1,214,837	-	(19,744,752)
Vehicles	(20,466,934)	(1,061,020)	1,480,776	-	(20,047,178)
Total accumulated depreciation	(323,784,325)	(4,621,418)	2,695,613	-	(325,710,130)
Total capital assets being depreciated	359,227,592	5,295,369	-	8,108,579	372,631,540
Governmental activities capital assets, net	\$ 394,280,520	\$ 31,942,751	\$ -	\$ -	\$ 426,223,271

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,422,469
Instructional Resources and Media Services	93,663
Curriculum and Instructional Staff Development	159,028
Instructional Leadership	82,762
School Leadership	222,644
Guidance, Counseling and Evaluation Services	179,361
Social Work Services	5,291
Health Services	54,448
Student (Pupil) Transportation	116,367
Food Services	366,487
Cocurricular/Extracurricular Activities	147,882
General Administration	110,590
Plant Maintenance and Operations	485,543
Security and Monitoring Services	60,567
Data Processing Services	88,583
Community Services	25,733
Totals	<u>\$ 4,621,418</u>

**F. LONG-TERM OBLIGATIONS**

**General Obligation Bonds** – The District issues general obligations bonds for the governmental activities to refund a portion of the outstanding bonds of the District for debt services savings and to pay costs of issuance. General obligation bonds are direct obligations and the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, interest earnings, and State funds. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures.

Date of Issue	Description	Interest Rate	Final Maturity	Amounts Original Issue	Amounts Outstanding July 1, 2018	Retired	Adjustments	Amounts Outstanding June 30, 2019	Due Within One Year
12/22/2009	PFC Lease Revenue QS Construction Bonds, Series 2009	1.48%	2025	\$ 15,400,000	\$ 7,280,000	\$ 1,040,000	\$ -	\$ 6,240,000	\$ 1,040,000
12/1/2010	Qualified School Construction Bonds, Series 2010A-E	0.37%	2028	25,770,000	14,788,000	1,458,800	200,000	13,129,200	1,458,800
6/5/2013	Unlimited Tax Refunding Bonds, Series 2013A	5.00%	2027	80,410,000	66,455,000	6,025,000	-	60,430,000	6,330,000
6/5/2013	Unlimited Tax Refunding Bonds, Series 2013B	4.00%	2027	42,300,000	36,785,000	3,235,000	-	33,550,000	4,890,000
6/1/2015	Unlimited Tax Refunding Bonds, Series 2015	2.00%	2030	10,295,000	6,200,000	-	-	6,200,000	-
6/28/2018	Unlimited Tax Refunding Bonds, Series 2018	4.00%	2024	5,230,000	5,230,000	-	-	5,230,000	-
	Totals				<u>\$ 136,738,000</u>	<u>\$ 11,758,800</u>	<u>\$ 200,000</u>	<u>\$ 124,779,200</u>	<u>\$ 13,718,800</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

The District has never defaulted on any principal and interest payments. There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitation and restrictions at June 30, 2019.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Bonds Payable		Total
	Principal	Interest	Requirements
2020	\$ 13,718,800	\$ 5,839,266	\$ 19,558,066
2021	14,233,800	5,323,167	19,556,967
2022	14,723,800	4,784,117	19,507,917
2023	15,293,800	4,220,967	19,514,767
2024	15,888,800	3,631,417	19,520,217
2025-2029	48,770,200	8,482,073	57,252,273
2030-2034	<u>2,150,000</u>	<u>43,000</u>	<u>2,193,000</u>
Totals	<u>\$ 124,779,200</u>	<u>\$ 32,324,007</u>	<u>\$ 157,103,207</u>

**Note Payable** – The District issues note payable for the governmental activities to provide funds for the renovations to existing facilities. The note is being issued pursuant to the Constitution and general laws of the State of Texas, including Sections 45.108 and the Texas Education Code, as amended. The Note is a direct obligation of the District, payable from and secured by ad valorem taxes levied by the District for maintenance purposes, within the limits prescribed by law, against all taxable property located within the District.

Date of Issue	Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Amounts Outstanding July 1, 2018	Retired	Amounts Outstanding June 30, 2019	Due Within One Year
06/1/2015	Maintenance Tax Notes, Series 2015	4.00%	2022	\$ 3,600,000	\$ 3,600,000	\$ 850,000	\$ 2,750,000	\$ 880,000
12/12/2017	Maintenance Tax Notes, Series 2017	3.00%-5.00%	2024	49,140,000	49,140,000	3,450,000	45,690,000	7,905,000
	Totals				<u>\$ 52,740,000</u>	<u>\$ 4,300,000</u>	<u>\$ 48,440,000</u>	<u>\$ 8,785,000</u>

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending June 30,	Note Payable		Total
	Principal	Interest	Requirements
2020	\$ 8,785,000	\$ 1,880,200	\$ 10,665,200
2021	9,140,000	1,522,400	10,662,400
2022	10,510,000	1,130,200	11,640,200
2023	9,935,000	702,200	10,637,200
2024	<u>10,070,000</u>	<u>251,750</u>	<u>10,321,750</u>
Totals	<u>\$ 48,440,000</u>	<u>\$ 5,486,750</u>	<u>\$ 53,926,750</u>



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**G. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of changes in long-term debt:

Description	Balance 07/01/18	Issued	Retired	Adjustments	Balance 06/30/19	Due Within One Year
Bonds Payable	\$ 136,738,000	\$ -	\$ (11,758,800)	\$ (200,000)	\$ 124,779,200	\$ 13,718,800
Note Payable	52,740,000	-	(4,300,000)	-	48,440,000	8,785,000
Capital Leases	1,351,812	3,485,908	(1,178,329)	-	3,659,391	1,103,021
Compensated Absences	739,803	80,404	(53,936)	-	766,271	191,568
Premium (Discount) on Bonds						
Bonds Payable 2006	264,738	-	(22,062)	-	242,676	22,062
Bonds Payable 2009	2,556,433	-	(319,554)	-	2,236,879	319,554
Bonds Payable 2010	(1,437,335)	-	205,333	-	(1,232,002)	(205,333)
Bonds Payable 2013	10,073,458	-	(1,119,272)	-	8,954,186	1,119,272
Bonds Payable 2015	405,379	-	(36,852)	-	368,527	36,852
Bonds Payable 2018	401,378	-	(66,896)	-	334,482	66,896
Note Payable 2015	161,173	-	(40,294)	-	120,879	40,294
Note Payable 2017	3,461,559	-	(576,926)	-	2,884,633	576,926
Accreted Interest	4,744,769	5,231	(4,750,000)	-	-	-
Totals	<u>\$ 212,201,167</u>	<u>\$ 3,571,543</u>	<u>\$ (24,017,588)</u>	<u>\$ (200,000)</u>	<u>\$ 191,555,122</u>	<u>\$ 25,774,912</u>

The net pension and OPEB liabilities and compensated absences are generally paid from the General Fund and appropriate Special Revenue Funds.

**H. COMMITMENTS UNDER LEASES**

Capital Leases

The District has entered into capital leases to acquire school buses for a combined original cost of \$2,249,419 and \$3,485,908. The interest rates for the lease is 2.18% and 3.45%. The leases were authorized under section 271.005 of the Local Government Code.

The minimum annual lease payments, which are paid from the general fund, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,103,021	\$ 114,711	\$ 1,217,732
2021	1,135,569	82,364	1,217,933
2022	698,355	49,018	747,373
2023	<u>722,446</u>	<u>24,927</u>	<u>747,373</u>
Totals	<u>\$ 3,659,391</u>	<u>\$ 271,020</u>	<u>\$ 3,930,411</u>

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

### Operating Leases

Commitments under operating (noncapitalized) leases agreements for facilities and equipment provide for minimum future rental payments as of June 30, 2019, as follows:

Year Ending June 30,	Total Requirements
2020	\$ 1,506,570
2021	1,436,387
2022	668,581
2023	211,606
2024	98,986
Total Minimum Rentals	<u>\$ 3,922,130</u>
Rental Expenditures in Fiscal Year 2019	<u>\$ 1,783,773</u>

### **I. CONTINGENT LIABILITIES**

The District participates in a number of grant programs funded by State and Federal Agencies. These programs are subject to compliance audits by the grantor agencies or their representatives.

Audits of all of these programs for the year ended June 30, 2019 have not been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is involved in various legal proceedings arising from its operations, including investigations into alleged misconduct by certain employees. The ultimate resolution of these matters is pending. Management, in consultation with its attorneys, believes that the outcome of these pending matters will not have a material adverse effect on the District's financial statements or compliance.

### **J. DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

**Pension Plan Fiduciary Net Position.** Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Benefits Provided.** TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension benefits are based on statutory provisions of the plan effective for fiscal year 2018. The annual standard annuity is based on the average of the five highest annual creditable salaries multiplied by the years of credited service multiplied by 2.3 percent. For members who are grandfathered, the three highest annual salaries are used in the benefit formula. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on the date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

**Contributions.** Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. Contribution Rates can be found in the TRS 2018 CAFR, Note 11, on page 76.

	Contribution Rates	
	<u>2018</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Current fiscal year employer contributions	\$	9,336,919
Current fiscal year member contributions	\$	22,934,995
2018 measurement year NECE on-behalf contributions	\$	14,558,948

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

Employers (including public schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

### *Actuarial Assumptions.*

**Roll Forward** - A change was made in the measurement date of the total pension liability for the 2018 measurement year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total pension liability to August 31, 2018. This is the first year using the roll forward procedures.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables.

The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2017 rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2018	3.69% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection	2116
Period (100 years)	2.3%
Inflation	3.05% to 9.05% including inflation
Salary Increases	None
Ad hoc Post-Employment Benefit Changes	

The actuarial methods and assumptions were primarily based on a study of actual experience for the three year period ending August 31, 2017 and were adopted on July 2018.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Discount Rate.** The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 (see page 52 of the TRS CAFR) are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectation			2.30%
Volatility Drag***			-0.79%
Total	100%		7.25%

\* Target Allocations are based on the FY 2016 policy model

\*\* Capital market assumptions come from Aon Hewitt (2017 Q4)

\*\*\*The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the Net Pension Liability. The discount rate can be found in the 2018 TRS CAFR, Note 11, page 78.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
Proportionate share of the net pension liability:	\$228,218,723	\$151,214,356	\$88,874,754

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.** At June 30, 2019, the District reported a liability of \$151,214,356 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 151,214,356
State's proportionate share that is associated with the District	238,028,862
Total	<u>\$ 389,243,218</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.2747232718%, which was a decrease of -0.0048831869% from its proportion measured as of August 31, 2017.

**Changes Since the Prior Actuarial Valuation.** Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended June 30, 2019, the District recognized pension expense of \$41,761,265 and revenue of \$23,558,513 for support provided by the State in the Government Wide Statement of Activities.

At June 30, 2019 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 942,546	\$ 3,710,203
Changes in actuarial assumptions	54,520,059	1,703,753
Differences between projected and actual investment earnings	-	2,869,184
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	11,541,986	8,046,091
Contributions paid to TRS subsequent to the measurement date	7,938,881	-
Total as of fiscal year-end	<u>\$ 74,943,472</u>	<u>\$ 16,329,231</u>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30,	Pension Expense Amount
2020	\$ 14,317,970
2021	8,280,013
2022	6,562,847
2023	7,710,750
2024	7,996,050
Thereafter	5,807,730

**K. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS**

**Plan Description.** The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

**OPEB Plan Fiduciary Net Position.** Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Benefits Provided.** TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension system. Optional dependent coverage is available for an additional fee.

Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Medicare retirees and their dependents may pay premiums to participate in the Medicare Advantage health plans. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes, including automatic COLAs.

The 85th Legislature, Regular Session, passed the following statutory changes in HB 3976 which became effective on September 1, 2017. These are described below under the section "Changes in Benefit Terms".

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage. These new premium rates for retirees with Medicare Part A and Part B became effective January 1, 2018. (See the TRS CAFR page 70 for plan rates effective from September 1, 2016 - December 31, 2017.)

TRS-Care Montly Premium Rates  
Effective January 1, 2018 - December 31, 2018

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree or Surviving Spouse	\$ 135	\$200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

**Contributions.** Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act which is 0.75% of each active employee's pay for fiscal year 2018. The following table shows contributions to the TRS-Care plan by type of contributor:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	Contribution Rates	
	<u>2018</u>	<u>2019</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions	\$	2,749,026
Current fiscal year member contributions	\$	1,936,072
2018 measurement year NECE on-behalf contributions	\$	3,227,441

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care, a monthly surcharge of \$535 per retiree. With Senate Bill 1, 85th Legislature, Regular Session, TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. House Bill 30 of the 85th Legislature provided an additional \$212 million in a one-time supplemental funding for the FY 2018-2019 biennium. One-time supplemental contributions during fiscal 2018 totaled \$394.6 million.

**Actuarial Assumptions.** The total OPEB liability in the August 31, 2017 actuarial valuation was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

The following assumptions and other inputs used for members of TRS-Care are identical to the assumptions used in the August 31, 2017 TRS pension actuarial valuation that was rolled forward to August 31, 2018:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2017 Rolled Forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.69% Sourced from Fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018
Aging Factors	Based on Plan Specific Experience
Election Rates	Normal Retirement: 70% participation prior to age 65 and 75% after age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% - 9.05%
Ad-hoc Post Employment Benefit Changes	None

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

**Discount Rate.** A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27 percent in the discount rate since the previous year. The Discount Rate can be found in the 2018 TRS CAFR on page 71. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Discount Rate Sensitivity Analysis.** The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
Proportionate share of the Net OPEB liability	\$ 237,562,791	\$ 199,574,976	\$ 169,524,166

**Healthcare Cost Trend Rates Sensitivity Analysis.** The following presents the Net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the Net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of Net OPEB liability	\$ 165,750,268	\$ 199,574,976	\$ 244,122,848

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs.** At June 30, 2019, the District reported a liability of \$199,574,976 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the Net OPEB liability, the related State support, and the total portion of the Net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective Net OPEB liability	\$ 199,574,976
State's proportionate share that is associated with the District	<u>233,931,132</u>
Total	<u>\$ 433,506,108</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

The Net OPEB Liability was measured as of August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018 the employer's proportion of the collective Net OPEB liability was 0.3997022177% which was a decrease of -0.0079447234% from its proportion measured as of August 31, 2017.

***Changes in Actuarial Assumptions Since the Prior Actuarial Valuation*** – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period.

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB liability \$2.3 billion.

***Changes in Benefit Terms:*** The 85<sup>th</sup> Legislature, Regular Session, passed the following statutory changes which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

For the year ended June 30, 2019, the District recognized OPEB expense of \$12,535,711 and revenue of \$8,509,010 for support provided by the State.

At June 30, 2019 the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows or resources related to OPEB from the following sources:

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 10,590,702	\$ 3,149,586
Changes in actuarial assumptions	3,330,366	59,960,829
Differences between projected and actual investment earnings	34,903	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	709	4,363,956
Contributions paid to TRS subsequent to the measurement date	2,321,259	-
Total as of fiscal year-end	<u>\$ 16,277,939</u>	<u>\$ 67,474,371</u>

The net amounts of the employer's balances of deferred outflows and inflows (not including the deferred contribution paid subsequent to the measurement date) of resources related to OPEBs will be recognized in OPEB expense as follows:

Fiscal year ended June 30,	OPEB Expense Amount
2020	\$ (8,397,565)
2021	(8,397,565)
2022	(8,397,565)
2023	(8,404,165)
2024	(8,407,941)
Thereafter	(11,512,890)

**L. RISK MANAGEMENT**

**Health Care Coverage**

During the fiscal year ended June 30, 2019 the District sponsored a self-funded insurance plan to provide health care benefits to employees and their dependents. The District paid premiums of \$450.00 per month per employee to the Fund. Total employee contributions are required for coverage of dependents.

In accordance with state statute, the District was protected against unanticipated catastrophic individual stop-loss coverage carried through HM Life, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. The District's current stop-loss policy is in effect from October 1, 2018 to September 30, 2019. Stop-loss coverage was in effect for individual claims exceeding \$350,000.

The contract between the Brownsville Independent School District and the licensed insurer is renewable, and terms of coverage and premium costs are included in the contractual provisions. The latest financial statements available for United Healthcare are filed with the Texas State Board of Insurance, Austin, Texas, and are public records. The following is a summary of the changes in the balances of claims liabilities for the year ended June 30, 2019.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of the year	\$ 1,891,781	\$ 1,888,225
Incurred claims (including IBNRs)	36,870,972	37,298,204
Claim payments	<u>(36,357,830)</u>	<u>(37,294,648)</u>
Unpaid claims, end of the year	<u>\$ 2,404,923</u>	<u>\$ 1,891,781</u>

Worker's Compensation Coverage

For the year ended June 30, 2019, the District met its statutory worker's compensation obligations through participation in a Self-Funded Worker's Compensation Plan with TRISTAR Risk Management as the TPA (Third Party Administrator). This plan is authorized by Article 8309, Vernon's Annotated Texas Statutes. The District provides statutory worker's compensation benefits to its employees.

The District's and TRISTAR Risk Management are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the self-insured retention of \$450,000. For the year ended June 30, 2019, the fund purchased excess stop loss coverage from Midwest Employers Casualty Company. The fund uses an independent actuary to determine reserve adequacy and fully funds those reserves.

As of June 30, 2019, the District has reserved for estimated claims incurred, but not reported that do not exceed the required reserves. The liability reported at June 30, 2019 is based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not necessarily result in an exact amount.

	<u>2019</u>	<u>2018</u>
Beginning claims liability	\$ 645,036	\$ 514,430
Current year claims & changes in estimates	1,465,086	840,025
Claim payments	<u>(708,448)</u>	<u>(709,420)</u>
Ending claims liability	<u>\$ 1,401,674</u>	<u>\$ 645,035</u>

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

### M. CONSTRUCTION COMMITMENTS

At June 30, 2019, the District had the following construction commitments:

<u>Projects</u>	<u>Estimated Project Cost</u>	<u>Expended Through June 30,</u>	<u>Amount Committed</u>
Hanna High School - Athletic Facility & Gym/Band Practice Field	\$ 810,000	\$ 504,202	\$ 310,636
Hanna High School - HVAC Upgrade	6,402,000	5,159,412	1,922,741
Porter High School - Band & Choir Building	4,300,000	3,843,731	791,337
Porter High School - Design/Build Lighting	449,000	426,040	22,423
Porter High School - HVAC/Controls Upgrade	626,000	45,618	580,268
Pace High School - Design/Build Lighting	387,000	366,273	19,826
Pace High School - HVAC/Controls Upgrade	1,518,000	1,087,432	430,380
Pace High School - Chilled Water/Boiler Upgrade	1,291,000	443,725	847,253
Rivera High School - Mini Score Board	24,000	22,539	1,500
Lopez High School - Parking Lot Improvements	342,000	336,837	4,732
Lopez High School - Design/Build Lighting	386,000	366,322	19,278
Lopez High School - HVAC/Controls Upgrade	1,043,000	835,198	187,420
Lopez High School - Chilled Water/Boiler Upgrade	2,914,000	1,727,516	1,186,312
Faulk Middle School - New Canopies	20,000	8,093	10,971
Stell Middle School - New Canopies	20,000	8,093	10,908
Stell Middle School - Chiller Replacement	9,000	7,650	1,350
Oliveira Middle School - Design/Build Lighting	132,000	120,878	10,523
Oliveira Middle School - HVAC/Controls Upgrade	2,233,000	2,075,548	156,660
Vela Middle School - Four Lane Track Project *	500,000	6,150	493,850
Vela Middle School - Parking Lot Improvements	140,000	15,587	124,480
Besteiro Middle School - Design/Build Lighting	227,000	215,316	11,332
Besteiro Middle School - HVAC/Controls Upgrade	2,260,000	164,729	2,095,378
Besteiro Middle School - Mini Score Board	14,000	6,798	7,087
Lucio Middle School - Four Lane Track Project	670,000	657,741	4,835
Lucio Middle School - Design/Build Lighting	180,000	170,595	8,979
Lucio Middle School - HVAC/Controls Upgrade	1,423,000	103,677	1,318,765
Garcia Middle School - Design/Build Lighting (Design Stage)	166,000	16,185	149,548
Garcia Middle School - HVAC/Controls Upgrade	1,416,000	458,539	957,478
Stillman Middle School - Design/Build Lighting	214,000	209,892	3,922
Stillman Middle School - Chilled Water/Boiler Upgrade	1,312,000	718,784	593,056
Cummings CTE Renovations	1,285,000	944,665	339,792
Brownsville Learning Academy - HVAC/Controls Upgrade	894,000	836,773	56,913
Canales Elementary - New Canopies	25,000	11,544	13,456
Cromack Elementary - New Canopies	13,000	9,167	3,833
Longoria Elementary - New Canopies	25,000	14,577	10,423
Martin Elementary - New Canopies	25,000	11,018	13,983
El Jardin Elementary - New Canopies	19,000	5,465	13,535
El Jardin Elementary - Roof Replacement	22,000	16,896	5,064
Russell Elementary - Roof Replacement	10,000	7,200	2,775
Sharp Elementary - Roof Replacement	19,240	14,400	4,840
Victoria Height Elementary - New Canopies	25,000	11,018	13,983
Villa Nueva Elementary - New Canopies	19,000	8,093	10,908
Del Castillo Elementary - New Canopies	19,000	5,328	13,672
Del Castillo Elementary - Parking Lot Improvements	14,300	8,550	5,750
Del Castillo Elementary - Roof Replacement	715,000	46,872	668,744
Gonzalez Elementary - Parking Lot Improvements	19,000	14,044	4,800
Gonzalez Elementary - Roof Replacement	1,374,000	1,371,847	1,820
Southmost Elementary - Roof Replacement	948,000	505,304	442,139
Southmost Elementary - Design/Build Lighting	114,000	108,980	5,251
Southmost Elementary - HVAC/Controls Upgrade	558,000	177,159	380,873
Yturria Elementary - Roof Replacement	58,000	44,928	12,822
Aiken Elementary - New Canopies	13,000	10,770	2,230
Aiken Elementary - Design/Build Lighting	101,600	100,554	69
Benavides Elementary - Design/Build Lighting	100,400	95,050	5,362
Benavides Elementary - HVAC/Controls Upgrade	619,000	321,622	297,738
Paredes Elementary - Design/Build Lighting	156,000	19,634	136,453
Paredes Elementary - HVAC/Controls Upgrade	1,368,000	99,742	1,268,721
Ortiz Elementary - Chiller/RTU Replacement	23,000	19,550	3,450
Brite Elementary - Chiller Replacement	311,000	17,000	293,992
Keller Elementary - Chiller Replacement	21,000	17,850	3,150
Sam's Stadium - Renovation Improvement Projects	428,000	715	427,000
Aquatic Center - Design/Build Lighting	58,600	50,184	8,471
Aquatic Center - Movable Floor Upgrade	6,000	4,800	1,200
Food And Nutrition Department - Roof Replacement	32,000	5,195	27,500
Total Construction In Progress	<u>\$ 40,866,140</u>	<u>\$ 25,065,594</u>	<u>\$ 16,783,940</u>



**BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2019**

**N. UNEARNED REVENUE**

Unearned revenue at year-end consisted of the following:

Description	General Fund	Special Revenue Fund	Total
BISD-GED Testing	\$ 2,641	\$ -	\$ 2,641
BISD-Other	8,250	-	8,250
BISD-Rendition Fees	8,367	-	8,367
BISD-CCED Taxes	12,874	-	12,874
Food Service Receipts	71,440	-	71,440
Special Revenue Grants	-	1,079,426	1,079,426
Total Unearned Revenue	<u>\$ 103,572</u>	<u>\$ 1,079,426</u>	<u>\$ 1,182,998</u>

**O. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and/or disclosures of contingent 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.

**P. SHARED SERVICES AGREEMENTS**

The District is the fiscal agent for a Shared Service Arrangement (“SSA”), which provides special education services to the member districts listed below. The fiscal agent provides all services. The member districts provide the funds to the fiscal agent, who provides all services. According to guidance provided in TEA’s Resource Guide, the District has accounted for fiscal agent’s activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

Member Districts	Expenditures
Harlingen CISD	\$ 95,000
Los Fresnos CISD	20,000
Point Isabel ISD	22,500
Raymondville ISD	50,000
San Benito CISD	46,250
Rio Hondo ISD	7,500
Southwest Winners Foundation, Inc.	5,000
South Texas Educational Technologies, Inc.	2,500
IDEA Public Schools	17,500
Totals	<u>\$ 266,250</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

**Q. GENERAL FUND FEDERAL SOURCE REVENUES**

Federally financed programs are generally accounted for in the Special Revenue Funds of the District, except for indirect costs charged to federal programs which are accounted for in the General Fund as prescribed by TEA and certain direct revenues. The District recognized in the General Fund such revenues for the year ended June 30, 2019 from various federal sources as follows:

Program or Source	CFDA Number	Amount
U.S. Department of Treasury (Fed Share of QSCB)	N/A	\$ 863,155
R.O.T.C.	12.000	406,679
Child & Adult Care Food Program	10.558	4,520,914
National School Lunch Program	10.555	19,418,096
School Breakfast Program	10.553	10,969,768
Food Distribution (USDA Commodities)	10.555	901,682
School Health Related Services	N/A	11,334,473
Medicaid Administrative Claims	93.778	317,799
Total Programs		<u>48,732,566</u>
<i>Indirect Costs:</i>		
Federal Adult Ed English Literacy & Civics Ed	84.002A	6,939
Federal Adult Ed & Family Literacy	84.002A	37,298
ESEA Title I - Part A - 2018	84.010A	74,545
ESEA Title I - Part A - 2019	84.010A	812,389
ESEA Title I Part C - 2018	84.011A	2,836
ESEA Title I Part C - 2019	84.011A	47,220
IDEA B - Formula - 2018	84.027A	90,237
IDEA B - Formula - 2019	84.027A	239,310
IDEA B - Discretionary (DEAF) - 2019	84.027A	4,961
Carl Perkins Grant for Career & Technology Ed - 2019	84.048A	20,108
IDEA B - Preschool - 2018	84.173A	1,608
IDEA B - Preschool - 2019	84.173A	1,596
ESEA Title III Subtitle B-Ed. For the Homeless Children and Youth - 2018	84.196A	838
ESEA Title III Subtitle B-Ed. For the Homeless Children and Youth - 2019	84.196A	4,674
Project Literacy Innovations for Book Reading Opportunities (LIBRO)	84.215G	47,232
ESEA Title III - Part A - L.E.P. - 2019	84.365A	52,360
ESEA Title II - Part A - Supporting Effective Instruction - 2019	84.367A	94,128
Project RISE (Region One Incentive Strategies for Educators) - 2018	84.374A	14,290
Project RISE (Region One Incentive Strategies for Educators) - 2019	84.374A	41,896
Title IV, Part A, Subpart I - 2019	84.424A	29,904
Family Support Act AFDC Jobs - 2019	93.558	7,484
National School Lunch Program	10.555	<u>1,629,462</u>
Total Indirect Costs		<u>3,261,315</u>
Total General Fund		<u>\$ 51,993,881</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis - See Note III A)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 72,607,589	\$ 72,613,389	\$ 73,912,189	\$ 1,298,800
5800 State Program Revenues	345,650,868	348,565,302	347,908,980	(656,322)
5900 Federal Program Revenues	52,860,368	52,860,368	51,993,881	(866,487)
5020 Total Revenues	471,118,825	474,039,059	473,815,050	(224,009)
EXPENDITURES:				
Current:				
0011 Instruction	219,984,329	225,093,399	226,240,768	(1,147,369)
0012 Instructional Resources and Media Services	7,319,205	7,366,241	7,229,333	136,908
0013 Curriculum and Instructional Staff Development	10,107,290	10,429,948	9,387,771	1,042,177
0021 Instructional Leadership	5,725,151	5,725,778	5,345,140	380,638
0023 School Leadership	25,726,565	25,225,285	24,020,504	1,204,781
0031 Guidance, Counseling and Evaluation Services	17,335,978	18,021,919	17,971,859	50,060
0032 Social Work Services	729,693	744,390	639,180	105,210
0033 Health Services	4,568,413	4,564,379	4,291,260	273,119
0034 Student (Pupil) Transportation	12,021,775	16,544,236	15,478,064	1,066,172
0035 Food Services	42,824,147	43,251,285	35,599,576	7,651,709
0036 Extracurricular Activities	16,849,055	16,977,929	15,981,092	996,837
0041 General Administration	11,757,556	11,564,143	10,184,174	1,379,969
0051 Facilities Maintenance and Operations	51,087,431	48,111,899	46,242,030	1,869,869
0052 Security and Monitoring Services	7,766,015	8,173,473	7,776,946	396,527
0053 Data Processing Services	9,112,630	10,954,808	8,282,525	2,672,283
0061 Community Services	610,640	620,712	496,503	124,209
Debt Service:				
0071 Principal on Long-Term Debt	12,300,360	8,037,849	7,977,129	60,720
0072 Interest on Long-Term Debt	4,387,592	3,397,477	3,377,559	19,918
0073 Bond Issuance Cost and Fees	15,000	15,000	9,000	6,000
Capital Outlay:				
0081 Facilities Acquisition and Construction	8,538,628	100,393,186	29,374,196	71,018,990
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	225,000	225,000	31,144	193,856
0099 Other Intergovernmental Charges	875,000	895,000	876,102	18,898
6030 Total Expenditures	469,867,453	566,333,336	476,811,855	89,521,481
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	1,251,372	(92,294,277)	(2,996,805)	89,297,472
OTHER FINANCING SOURCES (USES):				
7913 Capital Leases	-	3,485,908	3,485,908	-
8911 Transfers Out (Use)	(1,251,372)	(14,925,375)	(14,925,375)	-
7080 Total Other Financing Sources (Uses)	(1,251,372)	(11,439,467)	(11,439,467)	-
1200 Net Change in Fund Balances	-	(103,733,744)	(14,436,272)	89,297,472
0100 Fund Balance - July 1 (Beginning)	216,032,309	216,032,309	216,032,309	-
3000 Fund Balance - June 30 (Ending)	\$ 216,032,309	\$ 112,298,565	\$ 201,596,037	\$ 89,297,472

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016
District's Proportion of the Net Pension Liability (Asset)	0.274723272%	0.279606459%	0.299623747%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 151,214,356	\$ 89,403,082	\$ 113,223,359
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	238,028,862	149,248,658	189,314,526
Total	<u>\$ 389,243,218</u>	<u>\$ 238,651,740</u>	<u>\$ 302,537,885</u>
District's Covered Payroll	\$ 294,068,154	\$ 297,005,183	\$ 306,121,247
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	51.42%	30.10%	36.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.74%	82.17%	78.00%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for 2015.

Note: In accordance with GASB 68, Paragraph 138, only five years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

FY 2016		FY 2015	
Plan Year 2015		Plan Year 2014	
	0.3215798%		0.2187937%
\$	113,674,179	\$	58,442,823
	185,685,560		161,268,352
\$	299,359,739	\$	219,711,175
\$	303,523,981	\$	300,405,258
	37.45%		19.45%
	78.43%		83.25%

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018	2017
Contractually Required Contribution	\$ 9,336,919	\$ 9,354,668	\$ 9,276,701
Contribution in Relation to the Contractually Required Contribution	9,336,919	9,354,668	9,276,701
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 297,341,313	\$ 294,632,402	\$ 299,915,515
Contributions as a Percentage of Covered Payroll	3.14%	3.18%	3.09%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding years.

Note: In accordance with GASB 68, Paragraph 138, the years of data presented this reporting period are those for which data is available. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

2016		2015	
\$	9,555,513	\$	8,873,119
	9,555,513		8,873,119
\$	-	\$	-
\$	306,661,990	\$	303,007,890
	3.12%		2.93%



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2019

	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.399702218%	0.407646941%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 199,574,976	\$ 177,270,362
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	233,931,132	214,270,036
Total	<u>\$ 433,506,108</u>	<u>\$ 391,540,398</u>
District's Covered Payroll	\$ 294,068,154	\$ 297,005,183
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	67.87%	59.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.57%	0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE YEAR ENDED JUNE 30, 2019

	2019	2018
Contractually Required Contribution	\$ 2,749,026	\$ 2,669,480
Contribution in Relation to the Contractually Required Contribution	2,749,026	2,669,480
Contribution Deficiency (Excess)	\$ -0-	\$ -0-
District's Covered Payroll	\$ 297,341,313	\$ 294,632,892
Contributions as a Percentage of Covered Payroll	0.92%	0.91%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

## **COMBINING STATEMENTS**

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **SPECIAL REVENUE FUNDS**

*The Special Revenue Funds generally account for state and federally financed programs where unused balances are returned to the grantors at the close of specified project periods. Project accounting is employed to maintain integrity for the various sources of funds. Funds included in the Special Revenue Funds are described in the following pages.*

#### **ESEA, TITLE X,PART C-EDUCATION FOR THE HOMELESS CHILDREN AND YOUTH (206)**

To account for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

#### **ESEA TITLE I PART A-IMPROVING BASIC PROGRAMS (211)**

To account for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

#### **ESEA, TITLE I PART C-EDUCATION OF MIGRATORY CHILDREN (212)**

To account for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

#### **ADULT EDUCATION (ABE) - FEDERAL (220)**

To account for funds granted to provide or support programs for adult education and literacy services to adults who are beyond compulsory school age attendance, and do not have a high school diploma, or lack sufficient mastery of basic educational skills to function effectively in society, or are unable to speak, read or write the English language; and are not enrolled in school.

#### **IDEA-PART B, FORMULA (224)**

To account for funds granted to operate educational programs for children with disabilities.

#### **IDEA PART B, PRESCHOOL (225)**

To account for funds granted for preschool children with disabilities.

#### **IDEA PART B, DISCRETIONARY (226)**

To account for funds used to support a regional education service center (ESC) special education and also: targeted support to districts, regional day school programs for the deaf, private residential placements, priority projects, and other emerging needs..

#### **CAREER AND TECHNICAL – BASIC GRANT (244)**

To account for funds granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment. Full participation in the basic grant is from individuals who are members of special populations, at (1) a limited number of campuses (sites) or (2) a limited number of program areas.

#### **ESEA TITLE II PART A TEACHER AND PRINCIPAL TRAINING AND RECRUITING (255)**

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

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **TITLE III, ENGLISH LANGUAGE ACQUISITION AND LANGUAGE ENHANCEMENT (263)**

To account for funds granted to improve the education of limited English proficient children, by assisting them to learn English and meet challenging State academic content and student academic achievement standards.

### **TITLE IV, PART B - 21<sup>ST</sup> CENTURY COMMUNITY LEARNING CENTERS (265)**

This fund classification is to be used to account, on a project basis, for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related educational development for families of students.

### **GAINING EARLY AWARENESS FOR COLLEGE READINESS: GEAR UP (274)**

To account for funds granted to provide services and support to low-income minority school districts to ensure that students are academically prepared for higher education, graduate from high school, and have access to higher education opportunities.

### **TITLE I SIP ACADEMY GRANT (276)**

This fund is to be used for campuses identified for improvement, corrective action, or restructuring. These funds will be used to provide adequate resources in order to substantially raise the achievement of students as to enable the schools to make adequate yearly progress and exit improvement status.

### **EDUCATION JOBS FUND (287)**

This fund is to be used for compensation and benefits that are not prohibited by Texas law or statute, and other expenses, such as support services, necessary to retain existing school-level employees, to recall or rehire former school-level employees, and to hire new school-level employees in order to provide early childhood, elementary, or secondary educational and related services .

### **FEDERALLY FUNDED SPECIAL REVENUE FUND – LOCALLY DEFINED (288)**

This fund classification is to be used to account and classify, on a project basis, for federally funded special revenue funds that have not been specified above.

### **FEDERALLY FUNDED SPECIAL REVENUE FUNDS (289)**

This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.

### **SHARED SERVICES ARRANGEMENTS-ADULT BASIC EDUCATION (ABE)-FEDERAL (309)**

To account for funds granted to provide or support programs for adult education and literacy services to adults age 16 and above, who do not have a high school diploma and are not enrolled in school.

### **SHARED SERVICES ARRANGEMENTS-TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) (312)**

To account for funds granted to provide education services to undereducated adult recipients of cash assistance under TANF.

### **SHARED SERVICES ARRANGEMENTS-IDEA PART B, DISCRETIONARY (315)**

To account for funds used to support an Education Service Center (ESC) basic special education component and also: targeted support to LEAs, Regional Day School Programs for the Deaf, private residential placements, priority projects, and other emerging needs.

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **SHARED SERVICES ARRANGEMENTS IDEA PART C,EARLY INTERVENTION(DEAF)(340)**

To account for funds granted to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers.

### **ADVANCED PLACEMENT INCENTIVES (397)**

To account for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.

### **STATE TEXTBOOK FUND (410)**

This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the textbook allotment.

### **STATE FUNDED SPECIAL REVENUE FUNDS (429)**

State funded special revenue funds not listed above are to be accounted for in this fund.

### **SHARED SERVICES ARRANGEMENTS-ADULT EDUCATION-STATE/EDUCATIONAL TECHNOLOGY (ED TECH) PILOT (431)**

To account for funds granted to provide or support programs for adult education and literacy services to adults age 16 and above who do not have a high school diploma and are out of school.

### **SHARED SERVICES ARRANGEMENTS- REGIONAL DAY SCHOOL FOR THE DEAF (435)**

To account for funds granted to account, on a project basis for funds allocated for staff and activities of the Regional Day School Program for the Deaf (RDSPD).

### **CAMPUS ACTIVITY FUNDS (461)**

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

### **LOCALLY FUNDED SPECIAL REVENUE FUNDS – LOCALLY DEFINED (498)**

These fund classifications are used, at the option of the school district to classify locally funded special revenue funds such as grants by corporations to specific campuses not define elsewhere.

### **LOCALLY FUNDED SPECIAL REVENUE FUNDS (499)**

Locally funded special revenue funds not listed above are to be accounted for in this fund.

### **DEBT SERVICE FUND (511)**

To account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **INTERNAL SERVICE FUNDS**

**The Internal Service Funds are used to account for activities where the District charges fees to internal users for goods or services.**

#### **SELF FUNDED INSURANCE (753)**

This fund is used to account for the operations of the District's self-funded insurance program, which started in October 2015.

#### **SELF FUNDED WORKERS COMPENSATION (792)**

This fund is used to account for the operations of the District's self-funded insurance program, which meets the state mandate that all District employees are covered by worker's compensation insurance. Premiums are collected from the various campuses and departments based on predetermined experience rates. Claim costs, administrative costs, and stop loss insurance premiums are paid from the premiums collected. Excess claims are covered by a stop loss carrier.

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

Data Control Codes		206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 562,870	\$ -	\$ -
1120	Investments - Current	-	100	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	41,658	6,814,357	273,190	16,029
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	2,978,309	15,601	83,094
1000	Total Assets	<u>\$ 41,658</u>	<u>\$ 10,355,636</u>	<u>\$ 288,791</u>	<u>\$ 99,123</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ 360	\$ 1,006,885	\$ 31,825	\$ -
2120	Short Term Debt Payable - Current	-	-	-	-
2160	Accrued Wages Payable	5,841	1,203,869	41,513	18,437
2170	Due to Other Funds	35,449	8,144,882	215,453	80,686
2180	Due to Other Governments	8	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>41,658</u>	<u>10,355,636</u>	<u>288,791</u>	<u>99,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3480	Retirement of Long-Term Debt	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 41,658</u>	<u>\$ 10,355,636</u>	<u>\$ 288,791</u>	<u>\$ 99,123</u>



224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	274 GEAR UP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,387,311	15,573	29,856	128,323	1,799,329	722,045	176,488	267,861
-	-	-	-	-	-	-	-
-	33,765	-	208,335	9,575	-	-	-
<u>\$ 3,387,311</u>	<u>\$ 49,338</u>	<u>\$ 29,856</u>	<u>\$ 336,658</u>	<u>\$ 1,808,904</u>	<u>\$ 722,045</u>	<u>\$ 176,488</u>	<u>\$ 267,861</u>
\$ -	\$ -	\$ -	\$ 51,430	\$ 6,910	\$ 94,164	\$ -	\$ 4,102
-	-	-	-	-	-	-	96
1,072,843	34,096	-	13,442	318,618	78,641	-	20,032
2,314,468	15,242	29,856	271,786	1,483,376	549,240	176,303	243,515
-	-	-	-	-	-	185	116
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>3,387,311</u>	<u>49,338</u>	<u>29,856</u>	<u>336,658</u>	<u>1,808,904</u>	<u>722,045</u>	<u>176,488</u>	<u>267,861</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,387,311</u>	<u>\$ 49,338</u>	<u>\$ 29,856</u>	<u>\$ 336,658</u>	<u>\$ 1,808,904</u>	<u>\$ 722,045</u>	<u>\$ 176,488</u>	<u>\$ 267,861</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

Data Control Codes		276 Title I - SIP Academy Grant	287 Education Jobs Fund	288 Federal Fund Special Rev. Loc. Define	289 Other Federal Special Revenue Funds
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	61,624	817,472	462,078
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	2,358	137,733	20	338,274
1000	Total Assets	<u>\$ 2,358</u>	<u>\$ 199,357</u>	<u>\$ 817,492</u>	<u>\$ 800,352</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 636,495	\$ 55,373
2120	Short Term Debt Payable - Current	-	-	92,123	-
2160	Accrued Wages Payable	-	11,003	-	153,551
2170	Due to Other Funds	-	188,354	88,874	312,852
2180	Due to Other Governments	2,358	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	278,576
2000	Total Liabilities	<u>2,358</u>	<u>199,357</u>	<u>817,492</u>	<u>800,352</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3480	Retirement of Long-Term Debt	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,358</u>	<u>\$ 199,357</u>	<u>\$ 817,492</u>	<u>\$ 800,352</u>

309 SSA Adult Basic Education	312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
414,048	81,970	85,150	-	4,769	-	21,964	69,795
-	-	-	-	-	-	-	-
38	-	-	62	168,259	364,393	212,738	4,636
<u>\$ 414,086</u>	<u>\$ 81,970</u>	<u>\$ 85,150</u>	<u>\$ 62</u>	<u>\$ 173,028</u>	<u>\$ 364,393</u>	<u>\$ 234,702</u>	<u>\$ 74,431</u>
\$ 554	\$ 350	\$ -	\$ -	\$ -	\$ 14,573	\$ -	\$ -
41,364	-	-	-	-	-	-	-
28,099	9,952	46,210	-	-	-	-	35,505
344,069	71,668	37,492	-	-	-	-	30,194
-	-	-	62	-	-	556	8,732
-	-	-	-	-	-	-	-
-	-	1,448	-	173,028	349,820	234,146	-
<u>414,086</u>	<u>81,970</u>	<u>85,150</u>	<u>62</u>	<u>173,028</u>	<u>364,393</u>	<u>234,702</u>	<u>74,431</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 414,086</u>	<u>\$ 81,970</u>	<u>\$ 85,150</u>	<u>\$ 62</u>	<u>\$ 173,028</u>	<u>\$ 364,393</u>	<u>\$ 234,702</u>	<u>\$ 74,431</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

Data Control Codes		435 SSA Regional Day School - Deaf	461 Campus Activity Funds	498 Other Local Special Revenue Funds	499 Other Local Special Revenue Funds
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ -	\$ 875,274	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	414,560	-	1,996	76
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	15,004	51,210
1000	Total Assets	<u>\$ 414,560</u>	<u>\$ 875,274</u>	<u>\$ 17,000</u>	<u>\$ 51,286</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2120	Short Term Debt Payable - Current	-	-	-	-
2160	Accrued Wages Payable	192,019	-	-	-
2170	Due to Other Funds	222,541	-	-	25,879
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	875,274	-	-
2300	Unearned Revenue	-	-	17,000	25,407
2000	Total Liabilities	<u>414,560</u>	<u>875,274</u>	<u>17,000</u>	<u>51,286</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance:					
3480	Retirement of Long-Term Debt	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 414,560</u>	<u>\$ 875,274</u>	<u>\$ 17,000</u>	<u>\$ 51,286</u>

Total Nonmajor Special Revenue Funds	511 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 1,438,144	\$ -	\$ 1,438,144
100	13,610,333	13,610,433
-	739,548	739,548
-	(22,186)	(22,186)
16,107,522	-	16,107,522
-	155,523	155,523
4,623,404	-	4,623,404
<u>\$ 22,169,170</u>	<u>\$ 14,483,218</u>	<u>\$ 36,652,388</u>
\$ 1,903,021	\$ 1	\$ 1,903,022
133,583	-	133,583
3,283,671	-	3,283,671
14,882,179	3,516,954	18,399,133
12,017	100,404	112,421
875,274	-	875,274
1,079,425	-	1,079,425
<u>22,169,170</u>	<u>3,617,359</u>	<u>25,786,529</u>
-	612,320	612,320
<u>-</u>	<u>612,320</u>	<u>612,320</u>
-	10,253,539	10,253,539
<u>-</u>	<u>10,253,539</u>	<u>10,253,539</u>
<u>\$ 22,169,170</u>	<u>\$ 14,483,218</u>	<u>\$ 36,652,388</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	128,043	20,602,421	1,162,747	168,359
5020 Total Revenues	128,043	20,602,421	1,162,747	168,359
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	13,805,693	443,506	154,579
0012 Instructional Resources and Media Services	-	1,303,058	-	-
0013 Curriculum and Instructional Staff Development	-	1,063,263	1,920	-
0021 Instructional Leadership	-	610,125	279,509	5,464
0023 School Leadership	-	189,720	-	-
0031 Guidance, Counseling and Evaluation Services	-	168,307	85,494	-
0033 Health Services	-	1,504,204	-	-
0051 Facilities Maintenance and Operations	-	88,290	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	128,043	1,869,761	352,318	8,316
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	128,043	20,602,421	1,162,747	168,359
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	274 GEAR UP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
7,654,982	74,391	56,024	471,253	2,249,354	1,389,051	360,125	460,169
7,654,982	74,391	56,024	471,253	2,249,354	1,389,051	360,125	460,169
6,230,557	74,391	12,020	409,145	2,185,458	1,151,458	360,125	111,243
-	-	-	-	-	-	-	-
-	-	-	62,108	58,137	152,518	-	112
-	-	-	-	5,759	54,036	-	-
-	-	-	-	-	22,102	-	5,204
1,424,425	-	44,004	-	-	4,891	-	338,387
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,046	-	5,223
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,654,982	74,391	56,024	471,253	2,249,354	1,389,051	360,125	460,169
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	276 Title I - SIP Academy Grant	287 Education Jobs Fund	288 Federal Fund Special Rev. Loc. Define	289 Other Federal Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ 554	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	1,305,134	1,149,937	927,454
5020 Total Revenues	-	1,305,688	1,149,937	927,454
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	555,952	-	662,272
0012 Instructional Resources and Media Services	-	4,400	1,096,726	-
0013 Curriculum and Instructional Staff Development	-	648,185	7,229	78,252
0021 Instructional Leadership	-	-	4,276	847
0023 School Leadership	-	41,377	-	1,375
0031 Guidance, Counseling and Evaluation Services	-	55,774	-	41,133
0033 Health Services	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	5,515	72,868
0052 Security and Monitoring Services	-	-	36,191	-
0053 Data Processing Services	-	-	-	65,760
0061 Community Services	-	-	-	4,947
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	-	1,305,688	1,149,937	927,454
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -



309 SSA Adult Basic Education	312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	340 SSA - IDEA C Deaf - Early Intervention	397 Advanced Placement Incentives	410 State Instructional Materials	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	1,800	256,779	27,145	171,412
944,871	187,146	118,030	484	-	-	-	-
944,871	187,146	118,030	484	1,800	256,779	27,145	171,412
669,546	154,473	118,030	484	-	256,484	8,344	118,043
-	-	-	-	-	-	16	-
29,229	-	-	-	1,800	-	14,988	-
3,322	3,010	-	-	-	-	-	-
-	-	-	-	-	-	3,367	-
-	-	-	-	-	-	430	-
-	-	-	-	-	-	-	-
-	-	-	-	-	295	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
242,774	29,663	-	-	-	-	-	53,369
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
944,871	187,146	118,030	484	1,800	256,779	27,145	171,412
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	435 SSA Regional Day School - Deaf	461 Campus Activity Funds	498 Other Local Special Revenue Funds	499 Other Local Special Revenue Funds
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 3,849
5800 State Program Revenues	613,554	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	613,554	-	-	3,849
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	552,713	-	-	3,057
0012 Instructional Resources and Media Services	-	-	-	792
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	60,841	-	-	-
0033 Health Services	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
6030 Total Expenditures	613,554	-	-	3,849
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7915 Transfers In	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

Total Nonmajor Special Revenue Funds	511 Debt Service Fund	Total Nonmajor Governmental Funds
\$ 4,403	\$ 6,571,531	\$ 6,575,934
1,070,690	8,701,955	9,772,645
39,409,975	-	39,409,975
40,485,068	15,273,486	55,758,554
28,037,573	-	28,037,573
2,404,992	-	2,404,992
2,117,741	-	2,117,741
966,348	-	966,348
263,145	-	263,145
2,223,686	-	2,223,686
1,504,204	-	1,504,204
166,968	-	166,968
36,191	-	36,191
65,760	-	65,760
2,698,460	-	2,698,460
-	9,259,999	9,259,999
-	6,507,643	6,507,643
-	1,750	1,750
40,485,068	15,769,392	56,254,460
-	(495,906)	(495,906)
-	1,251,372	1,251,372
-	755,466	755,466
-	9,498,073	9,498,073
\$ -	\$ 10,253,539	\$ 10,253,539

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 JUNE 30, 2019

	753 Insurance	792 Self Funded Workers' Compensation	Total Internal Service Funds
<b>ASSETS</b>			
Current Assets:			
Investments - Current	\$ 910,962	\$ 5,426,650	\$ 6,337,612
Accrued Interest	-	25,860	25,860
Due from Other Funds	-	2,850,000	2,850,000
	<u>910,962</u>	<u>8,302,510</u>	<u>9,213,472</u>
Total Assets			
	<u>910,962</u>	<u>8,302,510</u>	<u>9,213,472</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,172,690	98,523	1,271,213
Due to Other Funds	8,583,925	-	8,583,925
Accrued Expenses	2,404,923	1,401,674	3,806,597
	<u>12,161,538</u>	<u>1,500,197</u>	<u>13,661,735</u>
Total Liabilities			
	<u>12,161,538</u>	<u>1,500,197</u>	<u>13,661,735</u>
<b>NET POSITION</b>			
Unrestricted Net Position	(11,250,576)	6,802,313	(4,448,263)
	<u>(11,250,576)</u>	<u>6,802,313</u>	<u>(4,448,263)</u>
Total Net Position			
	<u><u>\$ (11,250,576)</u></u>	<u><u>\$ 6,802,313</u></u>	<u><u>\$ (4,448,263)</u></u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	753 Insurance	792 Self Funded Workers' Compensation	Total Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 45,308,828	\$ 147,945	\$ 45,456,773
Total Operating Revenues	<u>45,308,828</u>	<u>147,945</u>	<u>45,456,773</u>
OPERATING EXPENSES:			
Other Operating Costs	<u>57,459,406</u>	<u>2,676,212</u>	<u>60,135,618</u>
Total Operating Expenses	<u>57,459,406</u>	<u>2,676,212</u>	<u>60,135,618</u>
Income (Loss) Before Transfers	(12,150,578)	(2,528,267)	(14,678,845)
Transfer In	<u>13,674,003</u>	<u>-</u>	<u>13,674,003</u>
Change in Net Position	1,523,425	(2,528,267)	(1,004,842)
Total Net Position - July 1 (Beginning)	<u>(12,774,001)</u>	<u>9,330,580</u>	<u>(3,443,421)</u>
Total Net Position June 30 (Ending)	<u><u>\$ (11,250,576)</u></u>	<u><u>\$ 6,802,313</u></u>	<u><u>\$ (4,448,263)</u></u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	753 Insurance	792 Self Funded Workers' Compensation	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Payments for Services	\$ 60,164,549	\$ 3,171,051	\$ 63,335,600
Cash Payments for Insurance Claims	(60,164,549)	(3,171,051)	(63,335,600)
Net Cash Provided by Operating Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</u>			
Operating Income (Loss):	\$ (12,150,578)	\$ (2,528,267)	\$ (14,678,845)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Transfers In	13,674,002	-	13,674,002
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Current Investments	(899,066)	1,001,492	102,426
Decrease (increase) in Due from Other Funds	-	650,000	650,000
Decrease (increase) in Other Receivables	-	21,613	21,613
Increase (decrease) in Accounts Payable	(125,605)	98,524	(27,081)
Increase (decrease) in Due to Other Funds	(1,011,895)	-	(1,011,895)
Increase (decrease) in Accrued Expenses	513,142	756,638	1,269,780
Net Cash Provided by Operating Activities	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2019

	BALANCE JULY 1 2018	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2019
<b>STUDENT ACTIVITY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 491,311	\$ 2,173,761	\$ 2,012,299	\$ 652,773
Liabilities:				
Accounts Payable	\$ 101,938	\$ 16,046	\$ -	\$ 117,984
Due to Student Groups	389,373	2,157,715	2,012,299	534,789
Total Liabilities	\$ 491,311	\$ 2,173,761	\$ 2,012,299	\$ 652,773
<b>TOTAL AGENCY FUNDS</b>				
Assets:				
Cash and Temporary Investments	\$ 491,311	\$ 2,173,761	\$ 2,012,299	\$ 652,773
Liabilities:				
Accounts Payable	\$ 101,938	\$ 16,046	\$ -	\$ 117,984
Due to Student Groups	389,373	2,157,715	2,012,299	534,789
Total Liabilities	\$ 491,311	\$ 2,173,761	\$ 2,012,299	\$ 652,773

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 JUNE 30, 2019

	810 Crime Stoppers	816 Johnny & Nena Cavazos Athletic Fund	820 BISD Best Choice	821 Regional Tournaments
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 980	\$ 8,434	\$ 49,549	\$ 2,962
Due from Other Funds	-	-	1	-
Other Receivables	-	-	16	-
Total Assets	<u>980</u>	<u>8,434</u>	<u>49,566</u>	<u>2,962</u>
<b>LIABILITIES</b>				
Accounts Payable	-	-	180	249
Due to Other Funds	-	-	-	20
Total Liabilities	<u>-</u>	<u>-</u>	<u>180</u>	<u>269</u>
<b>NET POSITION</b>				
Unrestricted Net Position	<u>980</u>	<u>8,434</u>	<u>49,386</u>	<u>2,693</u>
Total Net Position	<u><u>\$ 980</u></u>	<u><u>\$ 8,434</u></u>	<u><u>\$ 49,386</u></u>	<u><u>\$ 2,693</u></u>



822 Mile of Hope	827 Student Ambassador Program	828 Filemon Vela Memorial Scholarship	829 Superintendent Scholarship Fund	Total Private Purpose Trust Funds
\$ 43,863	\$ 121	\$ 6,127	\$ 25,985	\$ 138,021
-	-	-	186	187
-	-	-	-	16
<u>43,863</u>	<u>121</u>	<u>6,127</u>	<u>26,171</u>	<u>138,224</u>
-	-	-	-	429
-	-	-	16,494	16,514
-	-	-	16,494	16,943
<u>43,863</u>	<u>121</u>	<u>6,127</u>	<u>9,677</u>	<u>121,281</u>
<u><u>\$ 43,863</u></u>	<u><u>\$ 121</u></u>	<u><u>\$ 6,127</u></u>	<u><u>\$ 9,677</u></u>	<u><u>\$ 121,281</u></u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	810 Crime Stoppers	816 Johnny & Nena Cavazos Athletic Fund	820 BISD Best Choice	821 Regional Tournaments
ADDITIONS:				
Local and Intermediate Sources	\$ -	\$ 3,321	\$ 17	\$ 14,522
Total Additions	-	3,321	17	14,522
DEDUCTIONS:				
Payroll Costs	-	-	-	1,781
Professional and Contracted Services	-	-	-	4,839
Supplies and Materials	-	-	632	-
Other Operating Costs	-	62,000	8,416	7,031
Total Deductions	-	62,000	9,048	13,651
Change in Net Position	-	(58,679)	(9,031)	871
Total Net Position - July 1 (Beginning)	980	67,113	58,417	1,822
Total Net Position - June 30 (Ending)	\$ 980	\$ 8,434	\$ 49,386	\$ 2,693

822 Mile of Hope	827 Student Ambassador Program	828 Filemon Vela Memorial Scholarship	829 Superintendent Scholarship Fund	Total Private Purpose Trust Funds
\$ 17,521	\$ -	\$ 249	\$ 72,917	\$ 108,547
<u>17,521</u>	<u>-</u>	<u>249</u>	<u>72,917</u>	<u>108,547</u>
-	-	-	-	1,781
-	-	-	6,950	11,789
-	-	-	-	632
<u>3,500</u>	<u>-</u>	<u>-</u>	<u>58,297</u>	<u>139,244</u>
<u>3,500</u>	<u>-</u>	<u>-</u>	<u>65,247</u>	<u>153,446</u>
14,021	-	249	7,670	(44,899)
<u>29,842</u>	<u>121</u>	<u>5,878</u>	<u>2,007</u>	<u>166,180</u>
<u>\$ 43,863</u>	<u>\$ 121</u>	<u>\$ 6,127</u>	<u>\$ 9,677</u>	<u>\$ 121,281</u>

**TEXAS EDUCATION AGENCY  
REQUIRED SCHEDULES**

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED JUNE 30, 2019

Last 10 Years		(1)	(2)	(3)
		Tax Rates		Assessed/Appraised Value for School Tax Purposes
		Maintenance	Debt Service	
2010	and prior years	Various	Various	\$ Various
2011		1.019100	0.073200	5,009,567,679
2012		1.019100	0.073200	5,051,924,932
2013		1.019100	0.073200	5,209,962,063
2014		1.040000	0.102155	5,373,232,460
2015		1.040000	0.105666	5,501,477,818
2016		1.152500	0.000000	5,287,358,457
2017		1.152500	0.000000	5,506,653,073
2018		1.152500	0.112500	5,673,933,416
2019	(School year under audit)	1.152500	0.112500	5,877,214,172
1000	TOTALS			

(10) Beginning Balance 7/1/2018	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2019
\$ 2,038,855	\$ -	\$ 78,587	\$ 5,277	\$ (84,985)	\$ 1,870,006
253,111	-	14,463	1,039	(2,717)	234,892
258,398	-	16,799	1,207	(2,941)	237,451
316,847	-	31,644	2,273	(2,180)	280,750
393,996	-	61,996	6,090	4,206	330,116
456,622	-	119,606	12,152	22,667	347,531
726,159	-	263,094	-	39,358	502,423
1,182,422	-	598,555	-	32,683	616,550
4,371,517	-	2,817,949	275,071	(8,176)	1,270,321
-	72,811,142	61,956,930	6,047,856	(403,823)	4,402,533
<u>\$ 9,997,927</u>	<u>\$ 72,811,142</u>	<u>\$ 65,959,623</u>	<u>\$ 6,350,965</u>	<u>\$ (405,908)</u>	<u>\$ 10,092,573</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2019

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	\$ 869,001	\$ 873,801	\$ 1,337,065	\$ 463,264
5800 State Program Revenues	200,000	200,000	171,411	(28,589)
5900 Federal Program Revenues	40,992,146	40,992,146	35,810,460	(5,181,686)
5020 Total Revenues	42,061,147	42,065,947	37,318,936	(4,747,011)
EXPENDITURES:				
Current:				
0035 Food Services	42,061,147	42,492,285	34,815,712	7,676,573
6030 Total Expenditures	42,061,147	42,492,285	34,815,712	7,676,573
1200 Net Change in Fund Balances	-	(426,338)	2,503,224	2,929,562
0100 Fund Balance - July 1 (Beginning)	10,034,531	10,034,531	10,034,531	-
3000 Fund Balance - June 30 (Ending)	\$ 10,034,531	\$ 9,608,193	\$ 12,537,755	\$ 2,929,562

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED JUNE 30, 2019

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP Basis - See Note III A)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 6,099,379	\$ 6,099,379	\$ 6,571,531	\$ 472,152
5800 State Program Revenues	8,509,180	8,509,180	8,701,955	192,775
5020 Total Revenues	14,608,559	14,608,559	15,273,486	664,927
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	9,260,000	9,260,000	9,259,999	1
0072 Interest on Long-Term Debt	6,591,931	6,591,931	6,507,643	84,288
0073 Bond Issuance Cost and Fees	8,000	8,000	1,750	6,250
6030 Total Expenditures	15,859,931	15,859,931	15,769,392	90,539
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,251,372)	(1,251,372)	(495,906)	755,466
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	1,251,372	1,251,372	1,251,372	-
1200 Net Change in Fund Balances	-	-	755,466	755,466
0100 Fund Balance - July 1 (Beginning)	9,498,073	9,498,073	9,498,073	-
3000 Fund Balance - June 30 (Ending)	\$ 9,498,073	\$ 9,498,073	\$ 10,253,539	\$ 755,466



## **STATISTICAL SECTION**

# **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

## **STATISTICAL SECTION OVERVIEW**

*This part of the District's comprehensive annual financial report presents detailed information to provide the readers of the District's financial information with a background for a better understanding of the information in the financial statements, note disclosures, and required supplementary information.*

The statistical section is organized in the following sections:

**Government-Wide Information** – This section contains schedules that reflect current year and past years amounts on the District's government-wide financial statements.

**Fund Information** – This section contains schedules that reflect current year and past years amounts on the District's fund financial statements.

**Revenue Capacity Information** – This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.

**Debt Capacity Information** – This section contains schedules that provide information on the District's current levels of outstanding debt, the District's ability to repay the debt, and to issue additional debt in the future.

**Demographic and Economic Information** – This section contains schedule that provide an understanding of the environment within which the District's financial activities take place.

**Operating Information** – This section contains schedules that provide information about the services the District provides and the activities it performs; such as, employees and facilities of the District.

SCHEDULE 1  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
NET ASSETS BY COMPONENT

LAST TEN YEARS

(Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Governmental Activities</b>					
Invested in Capital Assets Net of Related Debt	\$ 238,605,572	\$ 239,341,909	\$ 249,760,978	\$ 265,298,588	\$ 245,196,911
Restricted	59,471,394	50,582,763	47,257,800	33,977,469	31,502,648
Unrestricted	86,283,358	73,922,111	65,775,797	54,465,766	78,378,086
<b>Total Net Position</b>	<b>\$ 384,360,324</b>	<b>\$ 363,846,783</b>	<b>\$ 362,794,575</b>	<b>\$ 353,741,823</b>	<b>\$ 355,077,645</b>

Source: The District's Statement of Activities (Exhibit A-1)

2015	2016	2017	2018	2019
\$ 241,038,741	\$ 242,011,460	\$ 250,292,029	\$ 242,478,407	\$ 244,779,566
36,394,229	27,924,319	27,287,962	27,752,414	28,364,878
24,425,409	52,915,830	45,017,349	(178,492,441)	(156,571,626)
\$ 301,858,379	\$ 322,851,609	\$ 322,597,340	\$ 91,738,380	\$ 116,572,818

SCHEDULE 2  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities:				
11 Instruction	\$ 280,044,296	\$ 283,753,243	\$ 265,301,523	\$ 269,902,260
12 Instructional Resources & Media Services	9,091,704	9,145,005	8,150,501	8,990,567
13 Curriculum & Staff Development	15,554,587	19,505,830	13,284,303	15,764,951
21 Instructional Leadership	8,002,797	7,834,698	8,226,349	8,593,985
23 School Leadership	24,551,960	25,044,466	24,028,022	26,014,428
31 Guidance, Counseling & Evaluation Services	18,234,605	18,254,355	16,840,314	18,886,458
32 Social Work Services	764,709	765,569	621,835	1,091,761
33 Health Services	5,427,344	5,705,521	5,781,101	5,853,598
34 Student (Pupil) Transportation	14,715,541	13,509,625	12,927,507	12,463,068
35 Food Services	30,062,988	29,764,725	31,627,859	32,839,664
36 Cocurricular/Extracurricular Activities	10,084,446	16,653,137	14,485,042	15,765,298
41 General Administration	12,138,098	12,670,295	17,182,090	17,589,088
51 Plant Maintenance & Operations	50,388,704	51,408,170	46,452,947	46,463,990
52 Security & Monitoring Services	5,904,597	6,350,712	6,400,024	6,005,965
53 Data Processing Services	2,908,275	3,661,103	4,036,884	4,319,976
61 Community Services	5,270,769	5,750,327	5,111,489	5,096,028
72 Debt Service - Interest on Long Term Debt	9,800,715	10,357,075	10,552,122	10,779,656
73 Debt Service - Bond Issuance Cost & Fees	31,947	686,668	-	988,081
Facilities Acquisition & Construction	-	-	-	-
95 Payments to Juvenile Justice Alternative Ed. Prg	227,879	209,466	183,264	106,194
99 Other Intergovernmental Charges	-	-	-	-
<b>Total Governmental Activities</b>				
<b>Expenses</b>	503,205,961	521,029,990	491,193,176	507,515,016
<b>Program Revenues</b>				
Charges for Services				
Instruction	1,606,651	1,884,347	2,748,811	3,888,758
Instructional Resources & Media Services	-	-	-	-
Curriculum & Staff Development	-	-	-	-
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Guidance, Counseling & Evaluation Services	-	-	-	-
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student (Pupil) Transportation	-	-	-	-
Food Services	1,238,788	1,422,678	1,270,219	1,304,284
Cocurricular/Extracurricular Activities	367,206	452,862	443,271	479,685
General Administration	-	-	-	-
Plant Maintenance & Operations	-	-	-	-
Security & Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	117,487	105,954	118,182	101,226
Debt Service - Interest on Long Term Debt	-	-	-	-
Debt Service - Bond Issuance Cost & Fees	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Operating Grants and Contributions	98,592,857	137,170,598	130,857,311	120,198,708
<b>Total Governmental Activities</b>				
<b>Program Revenues</b>	101,922,989	141,036,439	135,437,794	125,972,661
<b>Net Governmental Activities</b>				
<b>Revenue/(Expense)</b>	\$ (401,282,972)	\$ (379,993,551)	\$ (355,755,382)	\$ (381,542,355)

Source: The District's Statement of Activities (Exhibit B-1)

	2014	2015	2016	2017	2018	2019
\$	266,811,175	\$ 269,621,870	\$ 287,873,697	\$ 278,511,438	\$ 182,103,482	\$ 271,410,031
	8,638,437	8,524,749	11,059,978	9,016,634	6,221,852	10,124,421
	16,609,958	16,372,545	18,957,388	15,575,422	8,653,579	12,371,030
	8,628,654	9,441,697	9,925,641	7,337,758	4,622,505	6,843,445
	26,274,889	24,656,388	26,546,046	26,088,958	17,686,003	26,022,856
	19,030,826	19,622,388	21,524,208	21,174,072	13,398,951	21,806,268
	1,077,700	888,315	616,251	655,648	597,763	659,409
	5,735,067	5,957,244	6,549,128	6,328,533	4,762,955	6,274,127
	14,171,985	12,081,900	12,450,463	12,847,622	9,608,687	12,565,355
	34,282,243	36,715,450	42,353,653	39,523,074	27,141,885	37,828,274
	16,364,024	16,421,932	17,243,179	17,268,627	13,882,079	16,711,178
	12,286,474	10,962,498	16,528,266	18,027,037	13,834,611	25,380,642
	48,694,091	51,688,106	55,522,684	53,015,451	45,423,458	47,051,437
	6,813,018	6,321,054	6,982,218	7,041,332	5,248,861	7,997,248
	6,786,646	6,355,529	8,552,804	9,755,101	9,046,205	6,879,860
	4,084,484	3,403,224	3,076,921	3,436,211	2,340,438	3,440,450
	6,672,801	8,134,579	7,372,455	7,040,836	7,553,530	4,138,014
	9,225	424,851	10,305	10,750	618,078	10,750
	-	-	-	-	-	-
	85,173	36,656	10,842	54,762	24,588	31,144
	497,968	683,723	703,868	692,050	806,984	876,102
	503,554,838	508,314,698	553,859,995	533,401,316	373,576,494	518,422,041
	1,462,492	1,152,958	881,329	627,368	660,519	297,015
	-	-	148,493	-	52,943	201,605
	-	-	-	51,749	-	273,606
	-	-	-	51,749	-	-
	-	-	-	-	52,943	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	230,405
	-	-	-	51,749	-	-
	1,378,468	1,012,548	1,335,619	1,015,698	960,346	1,058,486
	452,846	457,270	657,785	702,960	667,003	516,806
	-	1,314,255	296,986	310,493	330,893	-
	-	-	5,345,744	983,226	52,943	144,003
	-	-	-	-	-	-
	-	-	7,721,630	3,001,428	52,943	115,203
	121,786	38,034	327,820	175,027	119,053	213,539
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	123,197,536	112,183,338	111,274,366	98,077,724	18,573,532	76,466,939
	126,613,128	116,158,403	127,989,772	105,049,171	21,523,118	79,517,607
\$	(376,941,710)	\$ (392,156,295)	\$ (425,870,223)	\$ (428,352,145)	\$ (352,053,376)	\$ (438,904,434)

SCHEDULE 3  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Net Governmental Activities</b>					
<b>Revenue /(Expense)</b>	\$ (401,282,972)	\$ (379,993,551)	\$ (355,755,382)	\$ (381,542,355)	\$ (376,941,710)
<b>General Revenues:</b>					
Property Taxes -General	\$ 49,108,507	\$ 49,247,771	\$ 50,847,039	\$ 51,667,559	\$ 54,502,908
Property Taxes - Debt Service	5,713,455	3,480,992	3,541,802	3,628,836	5,232,438
State Aid	273,485,573	280,086,312	276,148,038	274,519,456	302,120,081
Grants & Contributions not Restricted	47,456,785	29,720,120	29,414,332	41,819,943	23,079,786
Investment Earnings	576,057	327,543	424,833	255,274	113,084
Miscellaneous	-	606,897	1,083,845	1,256,425	1,083,375
<b>Total General Revenues</b>	<u>\$ 376,340,377</u>	<u>\$ 363,469,635</u>	<u>\$ 361,459,889</u>	<u>\$ 373,147,493</u>	<u>\$ 386,131,672</u>
<b>Special and Extraordinary Item-Resource:</b>					
Special Item	\$ -	\$ -	\$ -	\$ -	\$ -
Special - (Use)	-	-	-	-	-
Extraordinary Item - resource	-	-	-	-	-
<b>Total Special and Extraordinary Item-Resource</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Change in Net Position</b>	<u>\$ (24,942,595)</u>	<u>\$ (16,523,916)</u>	<u>\$ 5,704,507</u>	<u>\$ (8,394,862)</u>	<u>\$ 9,189,962</u>

Source: The District's Statement of Activities (Exhibit B-1)

2015	2016	2017	2018	2019
\$ (392,156,295)	\$ (425,870,223)	\$ (428,352,145)	\$ (352,053,376)	\$ (438,904,434)
\$ 55,754,451	\$ 60,003,866	\$ 61,915,126	\$ 64,271,317	\$ 65,415,281
5,564,404	324,381	107,373	5,899,596	6,252,570
301,400,912	339,056,325	322,099,125	325,928,319	327,749,035
35,977,053	32,345,650	34,993,209	33,229,095	58,482,078
151,314	483,591	1,452,734	2,942,963	5,345,300
5,044,713	780,304	597,581	105,940	494,608
\$ 403,892,847	\$ 432,994,117	\$ 421,165,148	\$ 432,377,230	\$ 463,738,872

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

\$ 11,736,552	\$ 7,123,894	\$ (7,186,997)	\$ 80,323,854	\$ 24,834,438
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SCHEDULE 4  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

( Unaudited )

	2010	2011	2012	2013	2014
<b>General Fund</b>					
Reserved Fund Balances:					
Investments in Inventory	\$ 4,893,251	\$ -	\$ -	\$ -	\$ -
Retirement of Long-Term Debt	3,919	-	-	-	-
Outstanding Encumbrances	25,960,333	-	-	-	-
Food Service	2,613	-	-	-	-
Other Purposes	4,806,460	-	-	-	-
Unreserved Designated For:					
Construction	5,803,488	-	-	-	-
Unreserved and Undesignated:					
Reported in the General Fund	76,111,051	-	-	-	-
Nonspendable Fund Balances:					
Inventories	-	4,422,662	3,580,179	3,621,302	3,834,039
Restricted Fund Balances:					
Federal or State Funds Grant Restrictior	-	11,326,313	18,914,624	24,422,165	24,380,252
Retirement of Long Term Debt	-	-	-	-	-
Regional School for the Deaf	-	222,229	354,719	361,540	246,734
Committed Fund Balances:					
Construction	-	22,364,837	2,285,678	1,245,498	1,170,648
Capital Outlay & Supplies	-	541,141	2,142,090	2,231,900	1,659,405
Assigned Fund Balance:					
Construction	-	-	-	-	-
Repairs, Maintenance & Other	-	-	6,311,320	6,311,320	3,283,320
Unassigned Fund Balance:	-	60,435,774	58,087,083	60,430,454	62,776,227
<b>Total General Fund Balance</b>	<b>117,581,115</b>	<b>99,312,956</b>	<b>91,675,693</b>	<b>98,624,179</b>	<b>97,350,625</b>
<b>All Other Governmental Funds</b>					
Special Revenues					
Outstanding Encumbrances	2,129,059	-	-	-	-
Other Restricted Fund Balance	-	-	-	-	-
Other Reserves	451,609	-	-	-	-
Debt Service					
Retirement of Long Term Debt	6,340,788	-	-	-	-
Capital Projects					
Outstanding Encumbrances	3,099,866	-	-	-	-
Other Purposes	5,074,657	-	-	-	-
Unreserved and Undesignated:					
Reported in the Capital Projects funds	4,552,631	-	-	-	-
Reported in Special Revenue funds	(2,046,805)	-	-	-	-
Restricted Fund Balances:					
Capital Acquisition and Contractual Obligation	-	-	9,590,034	8,507,993	6,281,065
Retirement of Long Term Debt	-	5,027,732	4,079,156	1,047,311	841,331
Other Restricted Fund Balance	-	5,516,459	-	-	-
Committed Fund Balances:					
Construction	-	1,161,390	-	-	-
Unassigned Fund Balance	-	4,927,512	-	-	-
Total All Other Governmental Fund Balance:	19,601,805	16,633,093	13,669,190	9,555,304	7,122,396
<b>Total Government Funds - Fund Balance</b>	<b>\$ 137,182,920</b>	<b>\$ 115,946,049</b>	<b>\$ 105,344,883</b>	<b>\$ 108,179,483</b>	<b>\$ 104,473,021</b>
<b>Government Funds</b>					
Beginning Fund Balance	\$ 197,069,728	\$ 137,182,920	\$ 115,946,049	\$ 105,344,883	\$ 108,179,483
Net Change in Fund Balance	(59,886,808)	(21,236,871)	(10,601,166)	2,834,600	(3,706,462)
<b>Ending Balance</b>	<b>\$ 137,182,920</b>	<b>\$ 115,946,049</b>	<b>\$ 105,344,883</b>	<b>\$ 108,179,483</b>	<b>\$ 104,473,021</b>

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditure and Changes in Fund Balances. The District implemented GASB 54 in fiscal year 2011

2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
3,725,535	4,635,881	4,402,682	4,225,941	4,209,382
24,575,107	18,942,877	18,104,266	18,254,341	18,111,339
5,000,000	-	-	-	-
218,038	139,669	43,855	57,536	131,771
6,392,528	5,834,327	3,138,904	71,785,833	49,894,741
2,369,146	5,589,167	3,743,744	3,425,057	1,675,133
-	18,252,345	22,271,058	24,358,270	32,669,491
3,304,675	7,819,744	11,282,089	14,815,494	11,288,505
66,871,373	69,346,794	75,436,502	79,109,837	83,615,675
112,456,402	130,560,803	138,423,100	216,032,309	201,596,037
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,543,109	-	-	-	-
1,276,013	8,981,442	9,183,696	9,498,073	10,253,539
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,819,122	8,981,442	9,183,696	9,498,073	10,253,539
\$ 119,275,524	\$ 139,542,245	\$ 147,606,796	\$ 225,530,382	\$ 211,849,576
\$ 104,473,021	\$ 119,275,524	\$ 139,542,245	\$ 147,606,796	\$ 225,530,382
14,802,503	20,266,721	8,064,551	77,923,586	(13,680,806)
\$ 119,275,524	\$ 139,542,245	\$ 147,606,796	\$ 225,530,382	\$ 211,849,576

SCHEDULE 5  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Local and Intermediate Sources			State Programs			Federal Programs	Total
	Property Tax	Tuition	Other	Per Capital and Foundation	On-behalf TRS Payments	Other		
2010	\$ 53,895,159	\$ 593,297	\$ 3,969,433	\$ 282,771,446	\$ 14,192,422	\$ 16,337,762	\$ 106,233,585	\$ 477,993,104
2011	53,675,683	590,133	3,606,080	309,960,900	14,611,309	3,767,198	118,637,623	504,848,926
2012	55,593,851	531,514	4,475,483	287,696,627	15,503,634	19,497,233	113,720,690	497,019,032
2013	56,749,224	407,491	5,631,672	295,951,155	15,058,467	14,101,730	111,416,620	499,316,359
2014	60,692,413	491,150	3,214,341	313,983,308	17,721,025	16,008,349	100,640,073	512,750,659
2015	63,245,041	422,740	8,055,993	313,364,195	14,605,756	23,020,183	98,465,742	521,179,651
2016	61,717,061	386,110	16,910,067	347,071,720	14,260,807	7,768,744	102,723,505	550,838,014
2017	62,735,983	334,899	8,103,261	339,209,198	14,011,862	7,283,800	90,345,670	522,024,672
2018	70,012,429	316,593	5,592,225	334,795,510	18,583,924	12,569,475	90,605,806	532,475,962
2019	72,087,652	267,380	8,133,091	327,749,035	18,323,640	11,608,950	91,403,856	529,573,604

Source: The District's Governmental Funds Statements of Revenues, Expenditures,  
and Changes in Fund Balances, Exhibits J-1; and Notes to Financial Statements

SCHEDULE 6  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based	Ancillary Services
2010	\$ 296,935,894	\$ 31,721,644	\$ 79,251,845	\$ 11,742,923	\$ 58,180,291	\$ 5,113,327
2011	299,253,743	31,400,841	81,062,008	12,060,545	58,972,563	5,491,028
2012	274,860,076	30,971,427	79,014,692	12,189,912	54,785,063	4,899,149
2013	282,773,835	33,216,052	83,561,653	13,069,858	54,821,958	4,882,569
2014	281,731,329	33,530,581	90,438,173	12,256,430	61,794,211	4,054,267
2015	286,338,153	33,178,190	91,425,262	10,848,462	64,381,586	3,348,237
2016	293,376,597	33,492,956	95,392,172	12,128,094	69,604,799	2,822,065
2017	282,515,570	30,996,737	95,642,235	11,058,621	68,270,012	3,168,242
2018	274,275,240	31,527,518	92,886,193	10,776,126	65,289,292	3,293,599
2019	275,418,178	30,595,136	93,688,921	10,184,174	62,570,420	3,194,964

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Balances.

Note: Operating expenditures excludes capital outlay (Function 81)

Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter- Governmental Charges	Total Governmental Fund Expenditures	Ratio of Debt Service to Operating Expenditures
\$ 7,095,000	\$ 10,752,816	\$ 47,440,171	\$ 227,879	\$ 548,461,792	3.56%
10,930,000	11,163,563	37,181,977	209,467	547,725,735	4.33%
10,530,000	10,697,044	19,224,060	183,265	497,354,688	4.44%
10,950,000	11,342,447	1,619,259	106,194	496,343,825	4.51%
13,385,000	6,707,718	4,561,151	583,141	509,042,001	3.99%
12,260,000	8,420,352	1,818,006	720,379	512,738,627	4.05%
13,075,000	7,483,243	3,994,366	714,710	532,084,002	3.90%
13,813,017	7,154,050	7,438,072	746,812	520,803,368	4.08%
12,851,420	8,989,398	7,141,510	831,572	507,861,868	4.36%
17,237,128	9,895,952	29,374,196	907,246	533,066,315	5.39%

SCHEDULE 7  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

	2010	2011	2012	2013	2014
Excess of Revenues Over (Under) Expenditures	\$ (70,468,683)	\$ (42,876,175)	\$ (310,543)	\$ 2,973,684	\$ 3,708,654
Other Financing Sources (Uses)					
Issuance of Bonds	-	-	-	122,710,000	-
Capital-Related Debt Issued	15,400,000	25,770,000	-	-	-
Sale of Real and Personal Property	-	-	-	-	-
Non-Current Loans	-	-	-	-	-
Transfers In	7,386,260	7,563,785	12,088,180	11,692,351	3,000,000
Premium or Discount on Issuance of Bonds	(3,080,000)	-	-	20,075,278	-
Other Resources	-	-	-	-	-
Transfers Out	(7,386,260)	(7,563,785)	(12,088,180)	(11,692,351)	(3,000,000)
Other Uses	-	-	-	(141,659,928)	-
Total Other Financing Sources (Uses)	12,320,000	25,770,000	-	1,125,350	-
Special Items	-	-	-	-	-
Net Change in Fund Balances	\$ (58,148,683)	\$ (17,106,175)	\$ (310,543)	\$ 4,099,034	\$ 3,708,654

Source: The District's Governmental Funds Balance Sheet and Combined Statements of Revenues  
Expenditures and Changes in Fund Balance

	2015		2016		2017		2018		2019
\$	8,441,025	\$	18,754,011	\$	1,221,302	\$	24,614,092	\$	(3,492,711)
	13,895,000		-		-		54,370,000		-
	-		-		2,249,419		-		-
	-		-		-		-		-
	-		-		-		-		3,485,908
	3,000,000		22,386,086		10,988,211		1,113,127		1,251,372
	875,136		-		-		4,439,863		-
	-		-		-		-		-
	(3,000,000)		(22,386,086)		(10,988,211)		(1,113,127)		(14,925,375)
	(10,665,750)		-		-		(5,500,369)		-
	4,104,386		-		2,249,419		53,309,494		(10,188,095)
	-		-		-		-		-
\$	12,545,411	\$	18,754,011	\$	3,470,721	\$	77,923,586	\$	(13,680,806)

SCHEDULE 8  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Attendance*	Instruction and Instructional Related Services	Instructional and School Leadership	Support Services Student (Pupil)	Administrative Support Services	Support Services Nonstudent Based
2010	45,097	6,584	703	1,757	260	1,290
2011	45,869	6,524	685	1,767	263	1,286
2012	45,672	6,018	678	1,730	267	1,200
2013	45,393	6,189	733	1,827	287	1,208
2014	45,385	6,208	739	1,993	270	1,362
2015	44,451	6,442	746	2,057	244	1,448
2016	43,898	6,683	763	2,173	276	1,586
2017	43,129	6,550	719	2,218	256	1,583
2018	41,602	6,593	758	2,233	259	1,569
2019	40,287	6,836	759	2,326	253	1,553

Source: Average Daily Attendance provided by the District's PEIMS, A.E.I.S. reports & District's Summary of Finance (TEA).

Note: \*Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.



Ancillary Services	Debt Service Principal	Debt Service Interest and Other	Capital Outlay	Inter- Governmental Charges	Total
113	157	238	1,052	5	12,162
120	238	243	811	5	11,941
107	231	234	421	4	10,890
108	241	250	36	2	10,881
89	295	148	100	13	11,217
75	276	189	41	16	11,535
64	297	170	91	16	12,119
73	320	166	172	17	12,075
79	309	216	172	20	12,208
79	428	246	729	23	13,232

SCHEDULE 9  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

Fiscal Year	Assessed Value			Estimated Actual Value	Ratio of Total Assessed To Total Estimated Actual Value	*Total Direct Tax Rate
	Real Property	Personal Property	Total			
2010	\$ 4,338,417,565	\$ 655,290,494	\$ 4,993,708,059	\$ 6,135,315,186	81.39%	1.092300
2011	4,377,167,600	632,400,079	5,009,567,679	6,113,416,912	81.94%	1.092300
2012	4,433,212,093	618,712,839	5,051,924,932	6,214,354,595	81.29%	1.092300
2013	4,573,692,652	636,269,411	5,209,962,063	6,343,330,587	82.13%	1.092300
2014	4,659,456,875	713,775,585	5,373,232,460	6,543,041,297	82.12%	1.142155
2015	4,788,620,905	712,856,913	5,501,477,818	6,711,375,439	81.97%	1.145666
2016	4,608,516,654	678,841,803	5,287,358,457	6,754,535,129	78.28%	1.152500
2017	4,796,521,548	710,131,525	5,506,653,073	7,022,222,876	78.42%	1.152500
2018	4,921,883,465	752,049,951	5,673,933,416	7,168,346,586	79.15%	1.265000
2019	5,096,094,169	781,120,003	5,877,214,172	7,417,022,413	79.24%	1.265000

Source: Cameron County Appraisal District  
\*Per \$100 of assessed value

SCHEDULE 10  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 53,382,448	\$ 48,693,877	91.22%	\$ 4,416,191	\$ 53,110,068	99.49%
2011	53,617,610	48,836,611	91.08%	4,289,373	53,125,984	99.08%
2012	54,109,128	49,935,751	92.29%	3,866,771	53,802,522	99.43%
2013	55,837,551	51,176,905	91.65%	3,827,156	55,004,061	98.51%
2014	60,188,474	55,499,749	92.21%	3,821,061	59,320,810	98.56%
2015	61,793,473	57,727,162	93.42%	3,422,575	61,149,736	98.96%
2016	59,728,676	56,897,913	95.26%	3,355,652	60,253,565	100.88%
2017	62,358,030	58,215,304	93.36%	3,235,999	61,451,303	98.55%
2018	70,330,581	65,564,161	93.22%	2,814,698	68,378,859	97.22%
2019	72,811,142	67,782,029	93.09%	-	67,782,029	93.09%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

SCHEDULE 11  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Rates (Per \$100 of Assessed Value)			Tax Levies		
	General Fund	Debt Service Fund	Total	General Fund	Debt Service Fund	Original Levy Total
2010	\$ 1.012273	\$ 0.080027	\$ 1.092300	\$ 49,471,399	\$ 3,911,049	\$ 53,382,448
2011	1.019100	0.073200	1.092300	50,024,447	3,593,163	53,617,610
2012	1.019100	0.073200	1.092300	50,483,026	3,626,102	54,109,128
2013	1.019100	0.073200	1.092300	52,095,620	3,741,931	55,837,551
2014	1.040000	0.102155	1.142155	54,805,181	5,383,293	60,188,474
2015	1.040000	0.105666	1.145666	56,094,193	5,699,280	61,793,473
2016	1.152500	-	1.152500	59,728,676	-	59,728,676
2017	1.152500	-	1.152500	62,358,030	-	62,358,030
2018	1.152500	0.112500	1.265000	64,075,886	6,254,696	70,330,581
2019	1.152500	0.112500	1.265000	66,335,843	6,475,299	72,811,142

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is \$100 assessed valuation.

SCHEDULE 12  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

Fiscal Year	Tax Year	Direct Tax Rate	Overlapping Tax Rates						Total Direct and Overlapping Tax Rate
		Brownsville Independent School District	South Texas ISD	City of Brownsville	Brownsville Navigation District	Cameron County	Drainage District #1	Texas Southmost College	
2010	2009	\$ 1.092300	\$ 0.049200	\$ 0.654189	\$ 0.048253	\$ 0.363191	\$ 0.031535	\$ 0.161924	\$ 2.400592
2011	2010	1.092300	0.049200	0.657556	0.047828	0.364291	0.031400	0.162423	2.404998
2012	2011	1.092300	0.049200	0.700613	0.046830	0.384291	0.031100	0.164026	2.468360
2013	2012	1.092300	0.049200	0.700613	0.045200	0.384291	0.030600	0.162935	2.465139
2014	2013	1.142155	0.049200	0.700613	0.043000	0.384291	0.029700	0.162935	2.511894
2015	2014	1.145666	0.049200	0.700613	0.042000	0.399291	0.029500	0.164094	2.530364
2016	2015	1.152500	0.049200	0.700613	0.040667	0.399291	0.030450	0.164094	2.536815
2017	2016	1.152500	0.049200	0.700613	0.035920	0.407743	0.030450	0.158224	2.534650
2018	2017	1.265000	0.049200	0.700613	0.035920	0.410803	0.032000	0.162407	2.655943
2019	2018	1.265000	0.049200	0.700613	0.035920	0.416893	0.033000	0.162407	2.663033

Source: Tony Eyzaguirre, Jr., Tax Assessor-Collector and City of Brownsville, Texas

SCHEDULE 13  
Brownsville Independent School District  
Principal Property Taxpayers

Current Year and Nine Years Prior

Taxpayer	Type of Business	Fiscal Year 2019	
		Tax Year 2018 Assessed Valuation	Percentage of Total Assessed Valuation
CBL/Sunrise Commons LP	Real Estate/Shopping Mall	42,662,896	0.75%
TRICO Products Corp.	Manufacturer	16,202,639	0.29%
Columbia Valley Healthcare Systems LP	Hospital	28,504,265	0.50%
Southwestern Bell Telephone	Telephone Utility	-	
Rich-Seapak Co	Retail Store	-	
KIMCO Brownsville LP	Land/ Improvements	16,630,425	0.29%
Wal-Mart Real Estate Business TR	Real Estate/Retail Store	-	
Wal-Mart Stores Inc.	Retail Store	-	
H E Butt Grocery Co	Grocery	17,391,933	0.31%
Sharyland Utilities	Utilities	24,193,000	0.43%
Morrison Crossing LTD	Home Improvements	-	
Columbia Valley Healthcare Systems LP	Medical	16,501,535	0.29%
AEP Texas Central Co	Utilities	22,495,801	0.40%
VHS Brownsville Hospital Company LLC	Hospital	26,816,830	0.47%
Brownsville Housing Opportunity Corp.	Housing	16,573,698	0.29%
Totals		<u>\$ 227,973,022</u>	4.02%

Source: Cameron Appraisal District

Fiscal Year 2010	
Tax Year 2009 Assessed Valuation	Percentage of Total Assessed Valuation
38,904,042	0.79%
16,585,431	0.34%
31,461,407	0.64%
21,112,460	0.43%
14,617,304	0.30%
19,810,133	0.40%
14,818,513	0.30%
17,880,973	0.36%
13,968,376	0.28%
-	
14,478,270	0.29%
-	
-	
-	
-	
<u>\$ 203,636,909</u>	4.15%

SCHEDULE 14  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

Fiscal Year		General Obligation Bonds	Refunding Bonds	Notes Payable	Capital Appreciation Bonds	Discounts/ Premiums and Other Adj.
2010	\$	118,395,000	\$ 71,570,000	\$ 5,655,000	\$ 15,400,000	\$ -
2011		111,985,000	70,600,000	5,040,000	38,235,000	-
2012		106,200,000	68,620,000	4,400,000	36,110,000	-
2013		17,030,000	146,940,000	3,735,000	33,940,000	-
2014		10,725,000	142,605,000	3,045,000	31,885,000	-
2015		5,490,000	138,460,000	5,925,000	29,595,000	-
2016		-	134,155,000	5,180,000	27,060,000	-
2017		-	124,000,000	4,405,000	24,640,000	18,055,689
2018		-	114,670,000	52,740,000	22,068,000	16,768,615
2019		-	105,410,000	48,440,000	19,369,200	13,910,260

Source: Brownsville Independent School District Annual Financial and Compliance Reports



	Total Debt	Ratio of Total Debt to Estimated Actual Property Value	Total Debt Per Average Daily Membership
\$	211,020,000	3.44%	4292
	225,860,000	3.69%	4518
	215,330,000	3.47%	4332
	201,645,000	3.18%	4085
	188,260,000	2.88%	3813
	179,470,000	2.67%	3709
	166,395,000	2.46%	3485
	171,100,689	2.44%	3265
	206,246,615	2.88%	4157
	187,129,460	2.52%	3901

SCHEDULE 15  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

As of June 30, 2019

(Unaudited)

<u>Political Subdivision</u>	<u>Net Debt Amounts</u>		<u>As of</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Brownsville Navigation District	\$ 2,105,000	*	6/30/2019	75.25%	\$ 1,584,013
City of Brownsville	155,525,000	*	6/30/2019	86.80%	134,995,700
Cameron County	159,505,000	*	6/30/2019	34.73%	55,396,087
Paseo De La Resaca MUD #1	1,947,813	*	6/30/2019	100.00%	1,947,813
Paseo De La Resaca MUD #2	3,199,688	*	6/30/2019	100.00%	3,199,688
Paseo De La Resaca MUD #3	3,402,500	*	6/30/2019	100.00%	3,402,500
Rancho Viejo, Town of	3,237,000	*	6/30/2019	60.94%	1,972,628
Texas Southmost College	38,900,000	*	6/30/2019	52.82%	20,546,980
Valley MUD #2	8,766,000	*	6/30/2019	65.02%	5,699,653
Total Overlapping Debt:					<u>228,745,062</u>
Brownsville ISD			6/30/2019		<u>153,850,000 *</u>
Total Direct and Overlapping Debt					<u>\$ 382,595,062</u>
Total Direct and Overlapping Debt % of A.V.:					6.49%
Total Direct and Overlapping Debt per Capita:					\$ 2,388

\* Gross Debt. Please note that some debt may be supported by other revenues and thus be considered self supporting debt. Using gross debt may overstate the actual amount of debt supported by ad valorem taxes.

Sources:

Municipal Advisory Council of Texas - Last Revised: 2/08/2019

SCHEDULE 16  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

	2010	2011	2012	2013	2014
Assessed Valuation	\$ 4,993,708,059	\$ 5,009,567,679	\$ 5,051,924,932	\$ 5,209,962,063	\$ 5,373,232,460
Debt Limit - 10% of Assessed Valuation	\$ 499,370,806	\$ 500,956,768	\$ 505,192,493	\$ 520,996,206	\$ 537,323,246
General Obligation Bonds	205,365,000	220,820,000	210,930,000	197,910,000	185,215,000
Deduct Amount Available in Debt Service Fund	6,340,788	5,027,732	4,079,156	1,047,311	(4,158,669)
Applicable Debt	199,024,212	215,792,268	206,850,844	196,862,689	189,373,669
Legal Debt Margin	\$ 300,346,594	\$ 285,164,500	\$ 298,341,649	\$ 324,133,517	\$ 347,949,577
Debt Margin as a Percentage of the Debt Limit	60.15%	56.92%	59.06%	62.21%	64.76%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

	2015		2016		2017		2018		2019	
	\$	5,501,477,818	\$	5,287,358,457	\$	5,506,653,073	\$	5,673,933,416	\$	5,877,214,172
	\$	550,147,782	\$	528,735,846	\$	550,665,307	\$	567,393,342	\$	587,721,417
		173,545,000		161,215,000		148,640,000		136,738,000		124,779,200
		1,276,013		8,981,442		9,183,696		9,498,073		10,253,538
		172,268,987		152,233,558		139,456,304		127,239,927		114,525,662
	\$	377,878,795	\$	376,502,288	\$	411,209,003	\$	440,153,414	\$	473,195,756
		68.69%		71.21%		74.67%		77.57%		80.51%

SCHEDULE 17  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

Fiscal Year	Average Daily Membership	Estimated Actual Value	Total Bonded Debt	Discounts / Premiums and Other Adj	Debt Service Fund Balance	Net Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Average Daily Membership
2010	49,155	\$ 6,135,315,186	\$ 211,020,000	\$ -	\$ 6,340,788	\$ 204,679,212	3.34%	\$ 4,164
2011	49,991	6,113,416,912	225,860,000	-	5,027,732	220,832,268	3.61%	4,417
2012	49,703	6,214,354,595	215,330,000	-	4,079,156	211,250,844	3.40%	4,250
2013	49,361	6,343,330,587	201,645,000	-	1,047,311	200,597,689	3.16%	4,064
2014	49,370	6,543,041,297	188,260,000	-	(4,158,669)	192,418,669	2.94%	3,897
2015	48,388	6,711,375,439	179,470,000	-	1,276,013	178,193,987	2.66%	3,683
2016	47,749	6,754,535,129	166,395,000	-	8,981,442	157,413,558	2.33%	3,297
2017	46,880	7,022,222,876	153,045,000	18,055,689	9,183,696	161,916,993	2.31%	3,454
2018	45,578	7,168,346,586	189,478,000	16,768,615	9,498,073	196,748,542	2.74%	4,317
2019	44,402	7,417,022,413	173,219,200	13,910,260	10,253,538	176,875,922	2.38%	3,984

Note: Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note: Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population.

SCHEDULE 18  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Principal	Interest*	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service To General Fund Expenditures
2010	\$ 7,690,000	\$ 9,832,436	\$ 17,522,436	\$ 418,646,603	4.19%
2011	10,930,000	10,357,263	21,287,263	436,446,846	4.88%
2012	10,530,000	10,664,565	21,194,565	399,397,970	5.31%
2013	10,950,000	10,234,547	21,184,547	406,605,978	5.21%
2014	13,385,000	6,698,494	20,083,494	430,958,479	4.66%
2015	12,260,000	8,159,105	20,419,105	436,307,577	4.68%
2016	13,075,000	7,472,938	20,547,938	456,046,053	4.51%
2017	13,350,000	7,139,128	20,489,128	453,921,223	4.51%
2018	12,420,000	8,322,520	20,742,520	448,602,997	4.62%
2019	16,058,800	9,845,798	25,904,598	476,811,855	5.43%

Source: Brownsville Independent School District Annual Financial and Compliance Reports

Note: \*Excludes Other Fees

SCHEDULE 19  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Brownsville ISD	6,842	1	9.77%	7,434	1	6.04%
Maximus	1,867	2	2.67%	-	-	-
UT Brownsville	-	-	-	2,386	2	1.94%
Cameron County	1,753	3	2.50%	2,076	3	1.69%
City of Brownsville	1,200	4	1.71%	1,178	5	0.96%
Walmart	-	-	-	1,174	6	0.95%
Convergys Corp.	-	-	-	1,000	7	0.81%
HEB	-	-	-	975	8	0.79%
Valley Baptist Medical Center	827	5	1.18%	717	10	0.58%
Valley Regional Medical Center	754	6	1.08%	757	9	0.62%
Brownsville PUB	577	7	0.82%	-	-	-
Texas Southmost College	280	8	0.40%	-	-	-
Texas Pack Inc.	230	9	0.33%	-	-	-
Keppel Amfels	220	10	0.31%	1,695	4	1.38%
Total	<u>14,550</u>		<u>8.46%</u>	<u>19,392</u>		<u>15.77%</u>

Sources:

City of Brownsville, Texas

Texas Workforce Commission

SCHEDULE 20  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

Fiscal Year	Number of Permits	Construction Value	Total Property Value
2010	2,458	74,048,534	6,113,416,912
2011	1,949	75,141,255	6,214,354,595
2012	2,199	99,224,922	6,346,048,820
2013	2,253	102,828,701	6,545,060,836
2014	2,250	127,653,569	6,718,176,451
2015	2,126	135,824,830	6,880,163,964
2016	2,276	99,859,788	7,033,870,915
2017	2,812	82,403,486	7,176,681,883
2018	2,603	88,629,362	7,420,534,222
2019	1,922	104,678,992	7,914,031,955

Source: Cameron County Appraisal District Certified Entity Totals Report



SCHEDULE 21  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

(Unaudited)

Year	Population *	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Levels In Years of Formal Schooling	Personal School Enrollment	Unemployment Rate
2010	175,023	2,069,472	11,824	27.0	59.5% - High School 15.2% - Bachelor's Degree	49,835	11.60%
2011	175,023	2,260,772	12,917	29.5	60.2% - High School 15.6% - Bachelor's Degree	49,587	12.40%
2012	175,023	2,257,797	12,900	29.5	60.3% - High School 15.0% - Bachelor's Degree	49,271	10.50%
2013	180,097	2,441,395	13,556	29.5	61.8% - High School 15.7% - Bachelor's Degree	49,274	10.30%
2014	181,860	2,576,411	14,167	29.3	64.3% - High School 18.4% - Bachelor's Degree	48,248	8.10%
2015	183,046	2,585,342	15,597	29.8	63.1% - High School 17.2% - Bachelor's Degree	48,269	7.10%
2016	183,887	2,638,592	14,770	29.8	63.1% - High School 17.2% - Bachelor's Degree	47,749	7.30%
2017	183,823	2,669,073	14,489	30.6	64.1% - High School 17.5% - Bachelor's Degree	46,880	7.30%
2018	183,299	2,691,379	14,683	30.7	63.8% - High School 18.0% - Bachelor's Degree	45,578	6.20%
2019	183,392	2,756,382	15,030	30.3	64.1% - High School 18.8% - Bachelor's Degree	44,402	6.30%

\*Population Estimates - U.S. Census Bureau

Sources:

City of Brownsville, Texas

Texas Workforce Commission

U.S. Census Bureau

Brownsville Independent School District: PEIMS Department

SCHEDULE 22  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

Classification	2010	2011	2012	2013	2014
<b>Number of Employees</b>					
Teachers	3,365	3,425	3,303	3,199	3,157
Professional Support	639	665	619	648	654
Campus Administration	197	203	191	195	192
Central Administration	8	9	12	9	10
Educational Aides	910	875	840	784	763
Auxiliary Staff	2,425	2,536	2,459	2,419	2,407
Total Employees	7,544	7,713	7,424	7,254	7,183
<b>Percent of Total</b>					
Teachers	44.6%	44.4%	44.5%	44.1%	44.0%
Professional Support	8.5%	8.6%	8.3%	8.9%	9.1%
Campus Administration	2.6%	2.6%	2.6%	2.7%	2.7%
Central Administration	0.1%	0.1%	0.2%	0.1%	0.1%
Educational Aides	12.1%	11.3%	11.3%	10.8%	10.6%
Auxiliary Staff	32.1%	32.9%	33.1%	33.3%	33.5%
	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Brownsville Independent School District: PEIMS Department

2015	2016	2017	2018	2019
3,251	3,177	3,022	2,953	2,908
683	660	617	617	626
205	205	206	190	190
11	10	9	9	9
788	794	681	775	772
2,503	2,402	2,304	2,108	2,108
7,441	7,214	6,840	6,652	6,613

44.0%	44.0%	44.20%	44.40%	44.00%
9.1%	9.2%	9.00%	9.30%	9.50%
2.7%	2.8%	3.00%	2.90%	2.90%
0.1%	0.1%	0.10%	0.10%	0.10%
10.6%	10.5%	10.00%	11.70%	11.70%
33.5%	33.3%	33.70%	31.70%	31.90%
100.00%	100.00%	100.00%	100.00%	100.00%

SCHEDULE 23  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Bachelor's Degree		Master's Degree		Doctorate		Average Teacher's Salary
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum	
2010	40,350	59,638	43,350	62,138	44,100	62,888	48,412
2011	40,350	59,638	43,350	62,138	44,100	62,888	49,629
2012	40,350	58,952	43,350	61,452	44,100	62,202	49,104
2013	40,350	58,266	43,350	60,766	44,100	61,516	49,104
2014	41,056	58,086	44,056	61,086	44,806	61,836	50,331
2015	41,056	58,586	44,056	61,086	44,806	61,836	49,537
2016	41,672	60,329	44,672	62,829	45,422	63,579	49,536
2017	41,950	62,058	44,950	64,558	45,700	65,308	49,976
2018	42,260	64,822	43,760	66,322	46,010	67,072	52,759
2019	43,119	66,135	44,619	68,635	46,869	69,385	55,814

Souces:

Brownsville Independent School District: Human Resources Department

Brownsville Independent School District: PEIMS Department

Note: Minimum and Maximum salaries are based on the BISD Hiring Schedule from each applicable year.  
Bachelor's Degree Maximum is with 15+ hours of Graduate Work.  
Master's Degree Minimum is with a Master's in a non-approved teaching field. Master's Degree Maximum is with a Master's in an approved teaching field.  
Minimum and Maximum are based on zero years of experience to 33 years.

Avg. Teacher Salary, Avg. Years of Experience, % Bachelor Education, and % Master's Education are based on TSDS reports from the Brownsville Independent School District's PEIMS Department.

Average Years of Experience	Bachelor's Education	Master's Education
11.9	82.6%	12.1%
11.9	87.4%	11.9%
12.5	86.4%	12.7%
12.5	86.4%	12.7%
13.4	81.8%	16.7%
13.1	82.0%	16.3%
13.3	86.5%	16.7%
14.0	80.0%	18.4%
14.4	79.5%	18.8%
14.8	79.5%	18.9%

SCHEDULE 24  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Attendance *</u>	<u>Average Daily Membership</u>	<u>Percentage of Attendance</u>
2010	45,097	49,155	91.75%
2011	45,869	49,991	91.75%
2012	45,676	49,703	91.90%
2013	45,393	49,361	91.96%
2014	45,385	49,370	91.93%
2015	44,451	48,388	91.86%
2016	43,898	47,749	91.93%
2017	43,129	46,880	92.00%
2018	41,602	45,578	91.28%
2019	40,287	44,402	90.73%

Source: Brownsville Independent School District: PEIMS Department

Percentage of Daily Attendance was calculated by dividing Average Daily Attendance by Average Daily Membership  
Average Daily Membership is our Peak Number of Students annually

SCHEDULE 25  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

( Unaudited )

Fiscal Year	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percent Change	Operating Expenses	Cost per Pupil	Percent Change
2009	44,666	385,289,218	8,626	2.47%	468,895,742	10,498	4.81%
2010	45,097	398,542,579	8,837	2.45%	493,145,420	10,935	4.17%
2011	45,869	400,333,335	8,728	-1.24%	509,776,781	11,114	1.63%
2012	45,676	379,025,453	8,298	-4.91%	480,457,790	10,519	-5.35%
2013	45,393	401,453,099	8,846	6.57%	495,641,085	10,919	3.80%
2014	45,385	423,742,859	9,337	5.55%	496,289,671	10,935	0.15%
2015	44,451	429,896,609	9,671	3.58%	499,034,889	11,227	2.67%
2016	43,898	446,526,807	10,172	5.18%	545,762,525	12,433	9.36%
2017	43,129	445,736,339	10,335	1.60%	525,602,918	12,187	-1.98%
2018	41,602	434,772,271	10,451	1.12%	364,573,314	8,763	-28.09%
2019	40,287	435,166,725	10,802	3.36%	513,366,031	12,743	45.41%

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.

SCHEDULE 26  
BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

Fiscal Year	Teacher / Student Ratio	%age of Free and Reduced Lunch	No. of Economically Disadvantaged Students	%age of Economically Disadvantaged Students
2010	14.6	90%	46,909	95.6%
2011	14.5	90%	47,499	95.4%
2012	15.0	90%	47,633	96.0%
2013	15.0	90%	47,633	96.0%
2014	15.4	90%	47,152	96.0%
2015	15.6	90%	47,403	96.1%
2016	14.8	90%	45,732	94.7%
2017	15.0	90%	45,133	94.7%
2018	15.5	90%	44,912	96.0%
2019	15.4	90%	43,618	95.8%

Source: 2017-2018 Texas Academic Performance Reports  
Prior to the 2012-13 school year, TAPR was known as the Academic Excellence Indicator System (AEIS) reports. Reports for school years 2008-09 through 2011-12 are available in the AEIS Archives.

%age of Free and Reduce Lunch is based on our Food Services Dept. This is en estimate. Actual %'s still pending



## (Unaudited)

Source: BISD Facilities Studies August/September 2011 ( Reviewed and updated October 2019)

## **BROWNSVILLE INDEPENDENT SCHOOL DISTRICT**

### **MISCELLANEOUS STATISTICS**

The Brownsville Independent School District has, as part of its efforts to serve all of its students, expanded its educational off campus to serve specific student needs. Some off campus educational programs are staffed with District teachers and teacher assistants.

As of June 30, 2019, it included such programs as follows:

#### **Adult Continuing Education**

BISD Adult Education is a department of Brownsville Independent School District and the fiscal agent for Cameron County Co-op, which includes Los Fresnos, Port Isabel, Rio Hondo, San Benito, Santa Rosa and Santa Maria. BISD Adult Education provides services to a multicultural population who are educationally and economically and educationally disadvantaged adults, 17 years and older.

#### **Brownsville Academic Center (BAC)**

The BISD Brownsville Academic Center is an alternative education program which has as its goal to provide a meaningful educational experience for assigned students in grades sixth to twelfth in a well disciplined environment that provides consistency, structure, intense academics, and supportive related services so that each student will grow intellectually, socially, emotionally, and psychologically. Upon exiting the program, BISD BAC students will be effective communicators, competent problem solvers, self-directed learners, and responsible citizens.

#### **Brownsville Learning Academy (BLA)**

The BISD Brownsville Learning Academy is an alternative educational program that offers academic options for students who want to complete the necessary requirements for obtaining a high school diploma. The BLA is a competency-based learning system with flexible scheduling for young adults who are not successfully completing a traditional high school program. The student's commitment and desire to earn a high school diploma, combined with a caring, positive learning climate, determines the student's degree of success.

#### **Juvenile Justice Alternative Education Programs (JJAEP)**

Cameron County Juvenile Probation is required by state law to provide a Juvenile Justice Alternative Education Program (J.J.A.E.P.) to those students who have been expelled by one of the schools in Cameron County and who have been adjudicated, or are pending adjudication, as a delinquent by a juvenile court. In addition, the school districts may, in its discretion, order or, by agreement, refer students who continue to have serious and persistent misbehavior.

#### **Lincoln Park School**

Lincoln Park School is a "school of choice" alternative high school. The school serves sixth to twelfth grade students from all middle and high schools in BISD. A variety of programs are offered that meet the individual needs of students in the Teen Parenting Accelerated Program (TPAP). Lincoln Park School has a day care center for birth – 17 month old babies for the enrolled teen parents. The primary goal is to provide an opportunity for teen-aged parents to obtain a high school diploma and develop work skills in their area of interest. The school operates differently from traditional high schools, because of the individualized, self-paced, performance based, accelerated curriculum.

## **FEDERAL AWARDS SECTION**



# Cascos & Associates, PC

Certified Public Accountants  
Audit/Accounting/Tax/Consulting

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

To the Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Brownsville Independent School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Brownsville Independent School District's basic financial statements, and have issued our report thereon dated November 18, 2019.

### Internal Control over Financial Reporting

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Brownville 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*. We noted certain matters that we have reported to management of Brownsville Independent School District in a separate letter dated November 18, 2019

## **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.

A handwritten signature in cursive script that reads "Cascos & Associates, PC".

Cascos & Associates, PC  
Brownsville, Texas  
November 18, 2019



# Cascos & Associates, PC

Certified Public Accountants

Audit/Accounting/Tax/Consulting

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees  
Brownsville Independent School District  
Brownsville, Texas

### Report on Compliance for Each Major Federal Program

We have audited the Brownsville Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Brownsville Independent School District's major federal programs for the year ended June 30, 2019. Brownsville 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the Brownsville 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Brownsville 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 the Brownsville Independent School District's compliance.

### Opinion on Each Major Federal Program

In our opinion, the Brownsville 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 June 30, 2019.



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## Report on Internal Control over Compliance

Management of the Brownsville 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 the Brownsville 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Brownsville 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Cascos & Associates, PC  
Brownsville, Texas  
November 18, 2019

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT K-1

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<i>Direct Programs:</i>			
R.O.T.C.	12.000	N/A	\$ 406,679
Total U.S. Department of Defense			<u>406,679</u>
<b>U.S. DEPARTMENT OF THE INTERIOR</b>			
<i>Passed Through Bureau of Reclamation:</i>			
WaterSMART (Sustain and Manage America's Resources for Tomorrow)	15.507	R17AP00172	<u>72,868</u>
Total U.S. Department of the Interior			<u>72,868</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
<i>Passed Through COPS Office STOP School Violence: School Violence Prevention Program (SVPP):</i>			
Public Safety Partnership and Community Policing Grants	16.710	2018SVWX0050	<u>36,191</u>
Total U.S. Department of Justice			<u>36,191</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>Passed Through WIOA Adult Program:</i>			
P-Tech and ICIA Planning Grant	17.258	183925017110003	<u>3,882</u>
P-Tech and ICIA Planning Grant	17.258	183925017110004	<u>22,778</u>
Total U.S. Department of Labor			<u>26,660</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Texas Workforce Commission:</i>			
Family Support Act AFDC Jobs 2019	93.558	2418ALA000	<u>194,631</u>
Total Passed Through Texas Workforce Commission			<u>194,631</u>
<i>Passed Through Texas Dept of Human Services:</i>			
Medical Administrative Claiming Program - MAC	93.778	529-07-0157-00061	<u>317,799</u>
Total Passed Through Texas Dept of Human Services			<u>317,799</u>
Total U.S. Department of Health and Human Services			<u>512,430</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Texas Workforce Commission:</i>			
Federal Adult Education English Literacy & Civics Education 2019	84.002A	2418ALA000	<u>175,298</u>
Federal Adult Education & Family Literacy 2018	84.002A	2418ALA000	<u>982,169</u>
Total Passed Through Texas Workforce Commission			<u>1,157,467</u>
<i>Passed Through Texas Education Agency:</i>			
ESEA Title I, Part A 2018	84.010A	18610101031901	<u>1,806,129</u>
ESEA Title I, Part A 2019	84.010A	19610101031901	<u>19,683,226</u>
Total CFDA Number 84.010A			<u>21,489,355</u>
ESEA Title I, Ed. For Migrant Child 2018	84.011A	18615001031901	<u>68,715</u>
ESEA Title I, Ed. For Migrant Child 2019	84.011A	19615001031901	<u>1,144,088</u>
Total CFDA Number 84.011A			<u>1,212,803</u>
IDEA B - Formula 2018	84.027A	186600010319016000	<u>2,186,328</u>
IDEA B - Formula 2019	84.027A	196600010319016600	<u>5,798,201</u>
IDEA B - Discretionary (DEAF) 2018	84.027A	186600110319016673	<u>2,796</u>
IDEA B - Discretionary (DEAF) 2019	84.027A	196600110319016673	<u>120,195</u>
Total Special Education Cluster (IDEA)			<u>8,107,520</u>
Carl Perkins Grant for Career & Technology Education 2018	84.048A	18420006031901	<u>4,163</u>
Carl Perkins Grant for Career & Technology Education 2019	84.048A	19420006031901	<u>487,199</u>
Total CFDA Number 84.048A			<u>491,362</u>



BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT K-1

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
IDEA B - Preschool 2018	84.173A	186610010319016610	38,956
IDEA B - Preschool 2019	84.173A	196610010319016610	38,637
Total CFDA Number 84.173A			<u>77,593</u>
IDEA C - Early Intervention 2019	84.181A	193911010319013911	484
Total CFDA Number 84.181A			<u>484</u>
ESEA Title III-Limited English Proficiency (LEP) 2018	84.365A	18671001031901	172,800
ESEA Title III-Limited English Proficiency (LEP) 2019	84.365A	19671001031901	1,268,612
Total CFDA Number 84.365A			<u>1,441,412</u>
ESEA Title II, Part A-Supporting Effective Instruction 2018	84.367A	18694501031901	62,864
ESEA Title II, Part A-Supporting Effective Instruction 2019	84.367A	19694501031901	2,280,619
Total CFDA Number 84.367A			<u>2,343,483</u>
Summer School LEP	84.369A	69551802	62,581
Total CFDA Number 84.369A			<u>62,581</u>
Title IV, Part A, Subpart I	84.424A	19680101031901	790,302
Total CFDA Number 84.424A			<u>790,302</u>
Texas Hurricane Homeless Youth	84.938B	19513701031901	4,945
Total CFDA Number 84.938B			<u>4,945</u>
Total Passed Through Texas Education Agency			<u>36,021,840</u>
<i>Passed Through Education Service Center Region 10:</i>			
ESEA Title III Subtitle B - Ed. for the Homeless Children & Youth 2018	84.196A	13-062	20,306
ESEA Title III Subtitle B - Ed. for the Homeless Children & Youth 2019	84.196A	194600057110011	113,249
Total CFDA Number 84.196A			<u>133,555</u>
Total Passed Through Education Service Center Region 10			<u>133,555</u>
<i>Passed Through University of Texas Rio Grande Valley</i>			
Engaging History and Citizenship (EHC)-2019	84.422B	U422B180065(2)	11,082
Total CFDA Number 84.422B			<u>11,082</u>
GEAR UP 2019	84.334A	P334A170097(02)	460,169
Total CFDA Number 84.334A			<u>460,169</u>
Total Passed Through University of Texas Rio Grande Valley			<u>471,251</u>
<i>Passed Through Texas Southmost College:</i>			
21ST Century Community Learning Center, Cycle 10 Year 1	84.287C	196950267110052	360,125
Total CFDA Number 84.287C			<u>360,125</u>
Total Passed Through Texas Southmost College:			<u>360,125</u>
<i>Passed Through Education Service Center (ESC-20):</i>			
Evaluation Capacity Award-2019	84.027A		56,024
Total CFDA Number 84.027A			<u>56,024</u>
Total Passed Through Education Service Center (ESC-20):			<u>56,024</u>
<i>Passed Through Education Service Center (ESC-1):</i>			
Project RISE (Region One Incentive Strategies for Educators)-2018	84.374A	U374A160002-17	346,224
Project RISE (Region One Incentive Strategies for Educators)-2019	84.374A	U374A160002-18	1,015,096
Total CFDA Number 84.374A			<u>1,361,320</u>
Total Passed Through Education Service Center (ESC-1):			<u>1,361,320</u>
<i>Discretionary:</i>			
Project Literacy Innovations for Book Reading Opportunities (LIBRO)	84.215G	S215G180018	1,149,897
Total Discretionary			<u>1,149,897</u>
Total U.S. Department of Education			<u>40,711,479</u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2019

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Texas Education Agency:</i>			
School Breakfast Program <sup>1</sup>	10.553	71401601	10,969,768
National School Lunch Program <sup>1</sup>	10.555	71301601	21,047,558
Total Passed Through Texas Education Agency			<u>32,017,326</u>
<i>Passed Through Texas Department of Agriculture:</i>			
National School Lunch Program - Non-cash assistance <sup>1</sup>	10.555	-	901,682
Child and Adult Care Food Program	10.558	-	4,520,913
Total Passed Through Texas Department of Agriculture			<u>5,422,595</u>
Total U.S. Department of Agriculture			<u>37,439,921</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 79,206,228</u>

<sup>1</sup> Total Child Nutrition Cluster - \$ 32,919,118

# BROWNSVILLE INDEPENDENT SCHOOL DISTRICT

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

### 1. GENERAL

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

In accordance with TEA instructions, federal funds for the School Health and Related Services (SHARS) have been excluded from the Schedule of Expenditures of Federal Awards.

Federal funds for R.O.T.C, the Child Nutrition Cluster, the Child and Adult Care Food Program, School Health and Related Services (SHARS), Medicaid Administrative Claims (MAC), and revenues for indirect costs are reported in the General Fund. All other federal programs are accounted for and reported in Special Revenue Funds.

### 2. BASIS OF ACCOUNTING AND PRESENTATION

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The District's significant accounting policies, including the modified accrual basis of accounting, are presented in Note 1 of the basic financial statements.

The Schedule of Expenditures of Federal Awards is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some of the amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### 3. PASS-THROUGH EXPENDITURES

None of the federal programs expended by the District were provided to subrecipients.

### 4. INDIRECT COSTS

The District has received a negotiated indirect cost rate from TEA and may not elect to use a de minimis cost rate of 10% as described at 2 CFR §200.414(f)—Indirect (F&A) costs.

### 5. RECONCILIATION OF FEDERAL REVENUES AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal revenues per the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (Exhibit C-3)	\$ 91,403,856
School health and related services revenue	( <u>12,197,628</u> )
Federal expenditures per the Schedule of Expenditures of Federal Awards (Exhibit K-1)	\$ <u><u>79,206,228</u></u>

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2019

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

<b><i>Financial Statements</i></b>			
	Type of auditors’ report issued:	Unmodified	
	Internal control over financial reporting:		
	• Material weakness(es) identified?	____ Yes	___X___ No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	____ Yes	___X___ None Reported
	Noncompliance material to financial statements noted?	____ Yes	___X___ No

<b><i>Federal Awards</i></b>			
	Internal control over major programs:		
	• Material weakness(es) identified?	____ Yes	___X___ No
	• Significant deficiency(ies) identified not considered to be material weaknesses?	____ Yes	___X___ None Reported
	Type of auditors’ report issued on compliance for major programs	Unmodified	
	Any audit findings disclosed that are required to be reported accordance with 2 CRF 200.516(a)?	____ Yes	___X___ No

<b><i>Identification of Major Programs</i></b>			
	<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>	
	84.002A 84.010A 10.558	Adult Education Title I, Part A Child and Adult Care Food Program	
	Dollar threshold used to distinguish between Type A and Type B programs:	\$2,371,751	
	Auditee qualified as low-risk auditee?	___X___ Yes	____ No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None Noted

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None Noted

BROWNSVILLE INDEPENDENT SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2019

None.