

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2013

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

ANNUAL FINANCIAL REPORT
For the Year Ended August 31, 2013

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INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

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INTRODUCTORY SECTION

CERTIFICATE OF BOARD

Snyder Consolidated
Independent School District
Name of School District

Scurry
County

208-902
Co.- Dist Number

We, the undersigned, certify that the attached ~~annual~~ annual financial reports of the above named school district were reviewed and approved ___ disapproved (check one) for the year ended August 31, 2013 at a meeting of the Board of Trustees of such school district on the 16th day of January, 2014.


Signature of Board Secretary


Signature of Board President

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

(attach list as necessary):

FINANCIAL SECTION

Terry & King, CPAs, P.C.

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P.O. Box 93550
Lubbock, TX 79493-3550

Randel J. Terry, CPA
Ryan R. King, CPA

Telephone - (806) 698-8858 – Fax – (866) 288-6490

Independent Auditors' Report on Financial Statements

Board of Trustees
Snyder Consolidated
Independent School District
2901 37th Street
Snyder, Texas 79549

Members of the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Snyder Consolidated Independent School District, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Snyder Consolidated Independent School District, as of August 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, identified as Required Supplementary Information 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 Snyder Consolidated Independent School District's financial statements. The accompanying other schedules listed in the table of contents as Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

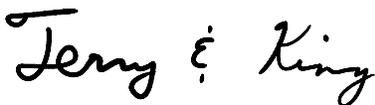
This information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information, except for that portion marked "unaudited" on which we express no opinion, has been subjected 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, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Fund Balance and Cash Flow Calculation Worksheet-General Fund has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the Snyder Consolidated Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Snyder Consolidated Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Terry & King". The signature is written in black ink and is positioned above the typed name of the firm.

Terry & King, CPAs, P.C.
Lubbock, Texas
December 19, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Snyder Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2013. This section provides additional insight into the District and should be read in conjunction with the independent auditor's report on page 2 and the basic financial statements that begin on page 13.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$64,102,627 at August 31, 2013.
- During the year, the District's expenses (including depreciation expense) were \$3,894,181 less than the \$44,763,560 generated in taxes and other revenues for governmental activities prior to special items.
- The total cost of the District's programs increased 7% primarily due to expenditures for contracted instructional services between schools.
- The general fund balance decreased from \$29,285,735 to \$29,263,408 between fiscal years 2012 and 2013. A total of \$15,085,914 in fund balance was committed for construction and other capital expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and *other supplementary information* that presents TEA required schedules.

The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The following table summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of the District's Government-Wide and Fund Financial Statements				
Type of Statement	Government-wide	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is the trustee or agent for someone else's accounts
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balances	Statement of revenues, expenses and changes in fund net assets	Statement of changes in fiduciary net assets, when applicable
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources measurement focus	Accrual accounting and economic resources measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term, the District's funds do not currently contain capital assets, although they can
Type of in flow/out flow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Statements

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

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

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

The government-wide financial statements of the District include:

- *Governmental activities* – Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- *Proprietary funds*- The District uses internal service funds to account for the District's employee health and workers' compensation claims. Because these services solely benefit the District rather than business-type functions, the assets have been included within governmental activities in the government-wide financial statements.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

There are two key components to net position of the District. The first component is net investment in capital assets. This portion of net position reflects the District's investment in capital assets, less any related debt used to acquire those assets that remain outstanding. The District utilizes these assets to provide its services; consequently, these assets are not available to provide for day-to-day operations. In addition, 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 capital assets themselves cannot be used to liquidate these liabilities. This amount totals \$27,572,904 or 43% of total net position for the fiscal year ended August 31, 2013.

The second component of net position is unrestricted net position. This portion of net position is used by the District to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. This amount totals \$29,625,919 or 46% of total net position as of August 31, 2013. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$60,754,924 at August 31, 2013. (See Table A-1).

Table A-1
Snyder Consolidated Independent School District's Net Position

	Governmental Activities		Percentage Change
	August 31, 2013	August 31, 2012	
Current assets:			
Cash and cash equivalents	44,944,136	35,295,591	27%
Due from other governments	577,812	862,558	-33%
Taxes Receivable, net	234,516	189,628	24%
Inventories	17,869	30,677	-42%
Prepaid Expense or Expenditures	43,475	43,475	0%
Capitalized Bond & Other Issuance Costs	-	395,832	-100%
Other Receivables	106,493	227,402	-53%
Total current assets:	45,924,301	37,045,163	24%
Noncurrent assets:			
Land	411,273	408,073	1%
Construction in Progress	-	-	0%
Buildings & Improvements	71,386,647	68,597,255	4%
Less accumulated depreciation, buildings & improvements	(20,445,868)	(18,326,893)	12%
Vehicles	2,789,030	2,467,160	13%
Less accumulated depreciation, vehicles	(1,862,997)	(1,653,680)	13%
Furniture & Equipment	6,207,839	5,946,299	4%
Less accumulated depreciation, furniture & equipment	(5,207,185)	(4,655,144)	12%
Total noncurrent assets	53,278,739	52,783,070	1%
Total Assets	99,203,040	89,828,233	10%
Current liabilities:			
Accounts Payable	275,660	217,399	27%
Interest Payable	41,811	42,961	-3%
Accrued Wages Payable	903,269	823,104	10%
Due to Other Governments	1,311,452	1,439	91036%
Accrued Expenditures/Expenses	245,761	267,918	-8%
Unavailable Revenue	6,375,560	524,026	1117%
Total current liabilities	9,153,513	1,876,847	388%
Long-term liabilities:			
Compensated Absences - due in more than one year	241,066	262,049	-8%
Premium on Bond Issuance	825,834	874,413	-6%
Bonds and Notes - Due within one year	1,205,000	1,180,000	2%
Bonds and Notes - Due in more than one year	23,675,000	24,880,000	-5%
Total long-term liabilities	25,946,900	27,196,462	-5%
Total Liabilities	35,100,413	29,073,309	21%
Net Position:			
Net investment in capital assets	27,572,904	26,244,489	5%
Restricted for Food Service	475,172	271,346	75%
Restricted for Debt Service	6,428,632	4,295,352	50%
Unrestricted	29,625,919	29,943,737	-1%
Total Net Position	64,102,627	60,754,924	6%

The \$29,625,919 of unrestricted net position represents resources available to fund the programs of the District next year.

Changes in net position. The District's total revenues were \$44,763,560. (See table "Changes in the District's Net Position"). A significant portion (79%) of the District's revenue comes from local property taxes, 19% comes from grants and contributions. Property tax revenue increased 24% from the prior year. Grants and contributions decreased approximately 43%.

**CHANGES IN NET POSITION
TOTAL REVENUES**

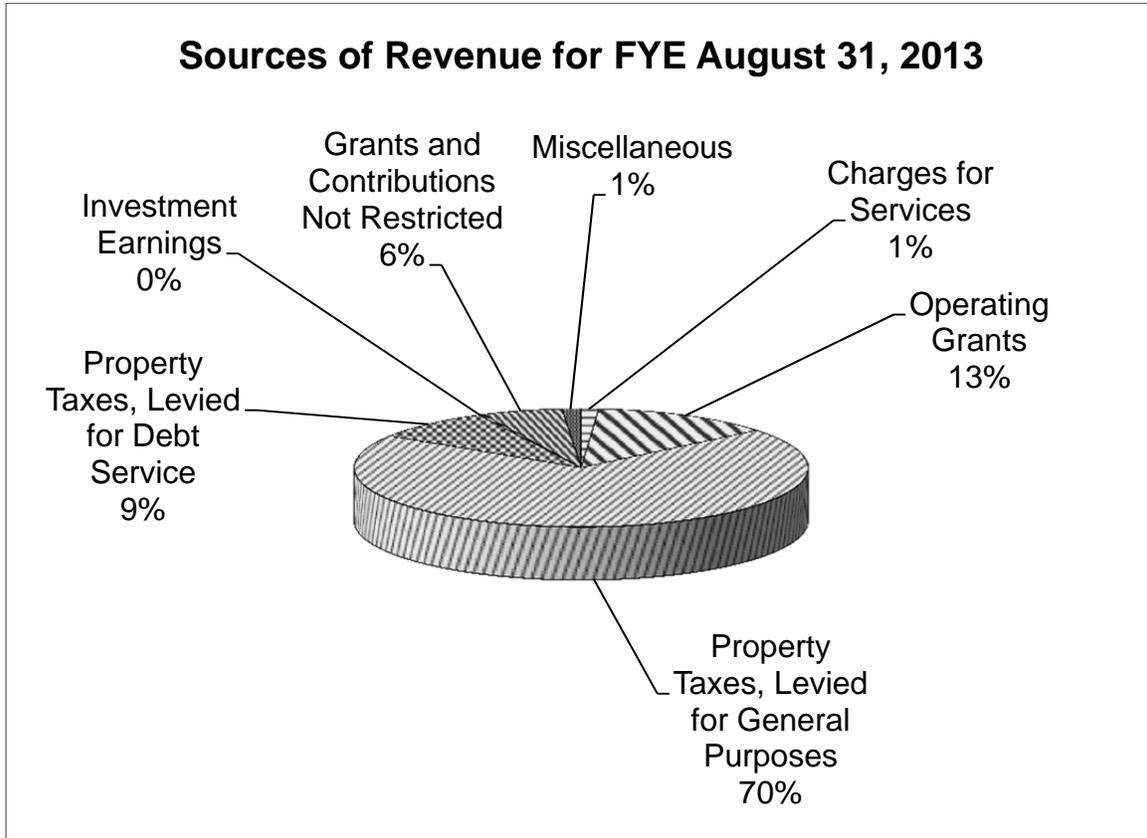


Table A-2
Changes in Snyder Consolidated Independent School District's Net Position

	Governmental Activities		Percentage Change
	<u>2013</u>	<u>2012</u>	
Program Revenues:			
Charges for Services	552,898	667,429	-17%
Operating Grants and Contributions	5,752,087	5,556,320	4%
General Revenues:			
Property Taxes, Levied for General Purposes	31,304,837	25,213,488	24%
Property Taxes, Levied for Debt Service	3,815,131	3,135,570	22%
Grants and Contributions not restricted	2,578,914	8,985,654	-71%
Investment Earnings	157,443	132,560	19%
Other	602,250	853,888	-29%
Total Revenues	<u>44,763,560</u>	<u>44,544,909</u>	<u>0%</u>
Instruction	16,835,353	16,021,284	5%
Instructional Resources and Media Services	659,734	572,303	15%
Curriculum Development and Instructional Staff Development	295,481	251,602	17%
Instructional Leadership	665,445	548,945	21%
School Leadership	1,599,200	1,634,145	-2%
Guidance, Counseling and Evaluation Services	793,956	833,877	-5%
Social Work Services	14,417	19,884	-27%
Health Services	81,400	80,184	2%
Student (Pupil) Transportation	846,988	807,610	5%
Food Services	1,503,986	1,497,296	0%
Curricular/Extracurricular Activities	1,402,047	1,344,231	4%
General Administration	1,028,979	1,190,892	-14%
Plant Maintenance & Operation	3,115,757	3,334,319	-7%
Security & Monitoring Services	38,180	37,642	1%
Data Processing Services	332,039	415,791	-20%
Community Services	122,174	158,695	-23%
Interest on Long-Term Debt	962,448	981,426	-2%
Bond Issuance Costs and Fees	1,631	17,789	-91%
Contracted instructional services between schools	9,701,917	7,643,775	27%
Payments to Fiscal Agent	17,092	43,623	-61%
Payments to Tax Increment Fund	220,024	227,777	-3%
Other Intergovernmental Charges	631,131	398,136	59%
Total Expenses	<u>40,869,379</u>	<u>38,061,226</u>	<u>7%</u>
Excess (Deficiency) Before Special Items	3,894,181	6,483,683	-40%
Gain on Sale of Assets	-	2,000	-100%
Demolition of Buildings	(150,646)	-	-100%
Increase (Decrease) in Net Position	3,743,535	6,485,683	-42%
Net Position - Beginning	60,754,924	54,269,241	12%
Prior Period Adjustment	(395,832)	-	-100%
Net Position - Ending	<u>64,102,627</u>	<u>60,754,924</u>	<u>6%</u>

The following table presents the cost of each of the District's largest programs as well as each program's *net cost* (total cost less fees generated by the program's activities and intergovernmental aid). The net cost shows the financial burden that was placed on the District's taxpayers and state aid funding by each of these functions.

	Total Cost of Services	Program Revenues	Net Costs	
			2013	2012
Instruction	\$ 16,835,353	\$ 3,578,239	\$ 13,257,114	\$ 12,577,048
Plant maintenance & operations	3,115,757	107,613	3,008,144	3,208,870
General administration	1,028,979	66,337	962,642	1,155,301
Food service	1,503,986	1,613,954	(109,968)	69,138
Extracurricular activities	1,402,047	265,895	1,136,152	958,683
Contracted instruction services between schools	9,701,917	0	9,701,917	7,643,775
Other programs	7,281,340	672,947	6,608,393	6,224,662
Total	\$ 40,869,379	\$ 6,304,985	\$ 34,564,394	\$ 31,837,477

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Revenues from governmental fund types totaled \$44,715,646 an increase of \$111,658 from 2012. Local revenues increased \$6,530,768 primarily due to increased property tax collections. State program revenues decreased \$6,249,380.

General Fund Budgetary Highlights

Actual revenues in the general fund were \$280,398 less than the final budgeted revenues. Actual expenditures were \$256,354 below final budget amounts.

The Board adopted a budget with an estimated increase in fund balance of \$1,713. The actual net change in fund balance for the general fund was a decrease of \$22,327.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2013, the District had invested \$80,794,789 in a broad range of capital assets, including buildings, equipment and vehicles. (See table below).

District's Capital Assets

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Land	\$ 411,273	\$ 408,073
Buildings & Improvements	71,386,647	68,597,255
Vehicles	2,789,030	2,467,160
Furniture & Equipment	<u>6,207,839</u>	<u>5,946,299</u>
Total Capital Assets	80,794,789	77,418,787
Less: Accumulated Depreciation	<u>(27,516,050)</u>	<u>(24,635,717)</u>
Due in one year or more	<u>\$ 53,278,739</u>	<u>\$ 52,783,070</u>

Long-term Debt

District's Long-Term Debt

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Compensated absences payable	\$ 241,066	\$ 262,049
2005 Unlimited Tax School Building Bonds	19,200,000	19,905,000
2011 Maintenance Tax Note	5,680,000	6,155,000
Premium on bond issuance	<u>825,834</u>	<u>874,413</u>
Total long-term debt	25,946,900	27,196,462
Less: Due within one year	<u>(1,205,000)</u>	<u>(1,180,000)</u>
Due in one year or more	<u>\$ 24,741,900</u>	<u>\$ 26,016,462</u>

At year-end the District had \$25,946,900 in long-term debt outstanding. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND BUDGET FOR 2013-2014

The District's elected and appointed officials considered many factors when setting the fiscal year 2013-2014 budget and tax rate. The budget process begins with identifying needs and maintaining quality staff, supplies, and facilities. First and foremost, the District's instructional needs were identified at the District Planning Retreat. Other areas including maintenance, transportation, food service, and administration were also reviewed. All campuses and departments have significant input into the budget process. The District's budget is based on a compilation of this data and the amount of funding from the state and local property taxes. The tax rate and tax base dictates how much local funding the District will receive. The District's economy is based on oil and gas production and related industries.

There are several reasons to view the District's future with optimistic caution. The funding formula used by the state is stagnant in nature and therefore does not allow for increases in costs to operate a school district. As utility, fuel, and other support service costs continue to increase, more funds will be diverted from instruction and instruction related areas to support these operations. The District continues to use a portion of the general operating budget to fund much needed renovations and construction. Other funding sources will be evaluated to see if additional repairs and renovations can be made.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances as well as demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Snyder I.S.D., 2901 37th St., Snyder, Texas, 79549-5226.

BASIC FINANCIAL STATEMENTS

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF NET POSITION
August 31, 2013

<u>Data Control Codes</u>		1 <u>Governmental Activities</u>
	ASSETS:	
1110	Cash and Cash Equivalents	\$ 44,944,136
1225	Taxes Receivable, Net	234,516
1240	Due from Other Governments	577,812
1290	Other Receivables	106,493
1300	Inventories	17,869
1410	Prepaid Expenses	43,475
	Capital Assets:	
1510	Land	411,273
1520	Buildings & Improvements, net	50,940,779
1530	Furniture & Equipment, net	<u>1,926,687</u>
1000	TOTAL ASSETS	<u>\$ 99,203,040</u>
	LIABILITIES:	
	Current Liabilities:	
2110	Accounts Payable	\$ 275,660
2140	Interest Payable	41,811
2160	Accrued Wages Payable	903,269
2180	Due to Other Governments	1,311,452
2210	Accrued Expenses	245,761
2300	Unavailable Revenue	6,375,560
	Noncurrent Liabilities:	
2501	Bonds -Due within one year	1,205,000
2502	Bonds - Due in more than one year	23,675,000
2530	Compensated absences payable	241,066
2590	Premium on bond issuance	<u>825,834</u>
2000	<u>Total Liabilities</u>	<u>35,100,413</u>
	NET POSITION:	
3200	Net investment in capital assets	27,572,904
	Restricted for:	
3450	Food Service	475,172
3850	Debt Service	6,428,632
3900	Unrestricted	<u>29,625,919</u>
3000	<u>TOTAL NET POSITION</u>	<u>\$ 64,102,627</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2013

Data Control		1	3		4	Net (Expense)
			Program Revenues			
Codes	Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Operating	Revenue and Changes in Net Position
	Government Activities:					
11	Instruction and Instruction-Related Services	\$ 16,835,353	\$ 4,275	\$ 3,573,964		\$ (13,257,114)
12	Instructional Resources and Media Services	659,734	-	24,601		(635,133)
13	Curriculum Development and Instructional Staff Development	295,481	-	172,597		(122,884)
21	Instructional Leadership	665,445	-	163,719		(501,726)
23	School Leadership	1,599,200	-	68,053		(1,531,147)
31	Guidance, Counseling, & Evaluation Services	793,956	-	77,280		(716,676)
32	Social Work Services	14,417	-	944		(13,473)
33	Health Services	81,400	-	10,215		(71,185)
34	Student (Pupil) Transportation	846,988	-	27,003		(819,985)
35	Food Services	1,503,986	470,040	1,143,914		109,968
36	Extracurricular Activities	1,402,047	76,398	189,497		(1,136,152)
41	General Administration	1,028,979	-	66,337		(962,642)
51	Plant Maintenance and Operations	3,115,757	2,185	105,428		(3,008,144)
52	Security and Monitoring Services	38,180	-	-		(38,180)
53	Data Processing	332,039	-	7,137		(324,902)
61	Community Services	122,174	-	121,398		(776)
72	Interest on Long-Term Debt	962,448	-	-		(962,448)
73	Bond Issuance Costs and Fees	1,631	-	-		(1,631)
91	Contracted instructional services between schools	9,701,917	-	-		(9,701,917)
93	Payments to Member Districts of SSA	17,092	-	-		(17,092)
97	Payments to Tax Increment Fund	220,024	-	-		(220,024)
99	Other Ingovernmental Charges	631,131	-	-		(631,131)
TG	<u>Total Government Activities</u>	<u>40,869,379</u>	<u>552,898</u>	<u>5,752,087</u>		<u>(34,564,394)</u>
TP	Total Primary Government	<u>40,869,379</u>	<u>552,898</u>	<u>5,752,087</u>		<u>(34,564,394)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					31,304,837
DT	Property Taxes, Levied for Debt Service					3,815,131
IE	Investment Earnings					157,443
GC	Grants and Contributions Not Restricted to Specific Programs					2,578,914
MI	Miscellaneous					602,250
	Special and Extraordinary Items:					
S1	Demolition of Buildings					(150,646)
TR	Total General Revenues and Special Items					<u>38,307,929</u>
CN	Change in Net Position					3,743,535
NB	Net Position -- Beginning					60,754,924
PA	Prior Period Adjustment					<u>(395,832)</u>
NE	Net Position -- Ending					<u>\$ 64,102,627</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

BALANCE SHEET - GOVERNMENTAL FUNDS
August 31, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
ASSETS:					
1110	Cash and Cash Equivalents	\$ 37,222,973	\$ 6,438,710	\$ 630,257	\$ 44,291,940
1225	Taxes Receivable, Net	209,533	24,983	-	234,516
1240	Due from Other Governments	-	-	577,812	577,812
1260	Due from Other Funds	459,169	-	-	459,169
1290	Other Receivables	99,743	6,750	-	106,493
1300	Inventories	17,869	-	-	17,869
1410	Prepaid Expenditures	43,475	-	-	43,475
1000	<u>TOTAL ASSETS</u>	<u>\$ 38,052,762</u>	<u>\$ 6,470,443</u>	<u>\$ 1,208,069</u>	<u>\$ 45,731,274</u>
LIABILITIES:					
Current Liabilities:					
2110	Accounts Payable	\$ 232,225	\$ -	\$ 31,043	\$ 263,268
2160	Accrued Wages Payable	813,802	-	89,467	903,269
2170	Due to Other Funds	-	-	459,169	459,169
2180	Due to Other Governments	1,311,452	-	-	1,311,452
2300	Unavailable Revenue	6,431,875	24,983	153,218	6,610,076
2000	<u>Total Liabilities</u>	<u>8,789,354</u>	<u>24,983</u>	<u>732,897</u>	<u>9,547,234</u>
FUND BALANCES:					
Nonspendable Fund Balances:					
3410	Investments in Inventory	17,870	-	-	17,870
Restricted Fund Balances:					
3450	Food Service	-	-	475,172	475,172
3480	Retirement of Long-Term Debt	-	6,445,460	-	6,445,460
Committed Fund Balances:					
3510	Construction and Land Purchase	13,585,914	-	-	13,585,914
3590	Other Committed	1,500,000	-	-	1,500,000
3600	Unassigned	14,159,624	-	-	14,159,624
3000	<u>Total Fund Balance</u>	<u>29,263,408</u>	<u>6,445,460</u>	<u>475,172</u>	<u>36,184,040</u>
4000	<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 38,052,762</u>	<u>\$ 6,470,443</u>	<u>\$ 1,208,069</u>	<u>\$ 45,731,274</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
August 31, 2013

Total Fund Balances -- Governmental Funds Balance Sheet	\$ 36,184,040
Amounts reported for governmental activities in the statement of net position (A-1) are different because:	
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	53,278,738
2 Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	234,516
3 Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(25,162,877)
4 The amount of premium/discount on bonds is required to be recognized in the statement of net position.	(825,834)
5 Internal Service Funds are used by management to charge the costs of certain activities 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 an increase in net position.	<u>394,044</u>
Net Position of Governmental Activities -- Statement of Net Position	<u>\$ 64,102,627</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES--
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Governmental Funds	98 Total Governmental Funds	
REVENUES:					
5700	Local and Intermediate Sources	\$ 32,085,216	\$ 3,837,190	\$ 670,377	\$ 36,592,783
5800	State Program Revenues	3,420,573	-	272,332	3,692,905
5900	Federal Program Revenues	215,499	-	4,214,459	4,429,958
5020	<u>Total Revenues</u>	<u>35,721,288</u>	<u>3,837,190</u>	<u>5,157,168</u>	<u>44,715,646</u>
EXPENDITURES:					
Current:					
0011	Instruction and Instruction-Related Services	12,297,873	-	2,904,053	15,201,926
0012	Instructional Resources and Media Services	594,983	-	-	594,983
0013	Curriculum Development and Instructional Staff Development	101,813	-	164,667	266,480
0021	Instructional Leadership	465,544	-	134,589	600,133
0023	School Leadership	1,442,155	-	88	1,442,243
0031	Guidance, Counseling, & Evaluation Services	669,506	-	46,525	716,031
0032	Social Work Services	14,418	-	-	14,418
0033	Health Services	200,262	-	-	200,262
0034	Student (Pupil) Transportation	1,054,137	-	-	1,054,137
0035	Food Services	-	-	1,356,374	1,356,374
0036	Cocurricular/Extracurricular Activities	1,105,182	-	159,257	1,264,439
0041	General Administration	889,108	-	38,879	927,987
0051	Plant Maintenance and Operations	2,809,893	-	31,715	2,841,608
0052	Security and Monitoring Services	38,180	-	-	38,180
0053	Data Processing Services	391,934	-	-	391,934
0061	Community Services	4,979	-	117,195	122,174
0071	Principal on Long-Term Debt	475,000	705,000	-	1,180,000
0072	Interest on Long-Term Debt	8,702	1,003,475	-	1,012,177
0073	Bond Issuance Costs and Fees	-	1,631	-	1,631
0081	Capital Outlay	2,959,136	-	-	2,959,136
0091	Contracted instructional services between schools	9,701,917	-	-	9,701,917
0093	Payments to Member Districts of SSA	17,092	-	-	17,092
0097	Payments to Tax Increment Fund	220,024	-	-	220,024
0099	Other Ingovernmental Charges	631,131	-	-	631,131
6030	<u>Total Expenditures</u>	<u>36,092,969</u>	<u>1,710,106</u>	<u>4,953,342</u>	<u>42,756,417</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(371,681)	2,127,084	203,826	1,959,229
Other Financing Sources and (Uses):					
7915	Transfers In	500,000	-	-	500,000
	<u>Total Other Financing Sources and (Uses)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Special Item:					
8912	Demolition of Buildings	(150,646)	-	-	(150,646)
	<u>Total Special Items</u>	<u>(150,646)</u>	<u>-</u>	<u>-</u>	<u>(150,646)</u>
1200	Net Change in Fund Balances	(22,327)	2,127,084	203,826	2,308,583
0100	Fund Balances -- Beginning	29,285,735	4,318,376	271,346	33,875,457
3000	<u>Fund Balances -- Ending</u>	<u>\$ 29,263,408</u>	<u>\$ 6,445,460</u>	<u>\$ 475,172</u>	<u>\$ 36,184,040</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2013

Net Change in Fund Balances -- Total Governmental Funds	\$ 2,308,583
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital outlays during the current period.	3,376,002
The depreciation of capital assets is not reported in the funds. This is the amount of current depreciation on these assets.	(2,880,333)
Certain property tax revenues are unavailable in the funds. These are the amounts that have not been collected and are therefore do not provide current financial resources. This is the amount that these accounts changed during the current period.	44,887
Repayment of debt principal is an expenditure in the governmental funds, but is a reduction of long-term debt in the statement of net position. This amount is the total debt principal repaid for capital leases, loans & bonded indebtedness.	1,180,000
The amount of interest which is accrued but not yet paid for bond payments is recognized in the governmental funds. This is the change in interest payable.	1,150
Premiums received from the issuance of bonds is recorded in the governmental funds as an other source of current resources. For the statement of net position, these premiums are amortized and a portion recognized as revenue over the life of the bonds.	48,579
Certain costs associated with the accrual of sick leave are recognized as expenditures in the governmental funds when established. This is the change in sick leave accrual.	20,983
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>(356,316)</u>
Change in Net Position of Governmental Activities -- Statement of Activities	<u>\$ 3,743,535</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
August 31, 2013

<u>Data Control Codes</u>		<u>Nonmajor Internal Service Fund</u>
	ASSETS:	
	Current Assets:	
1110	Cash and Cash Equivalents	\$ 652,196
1260	Due from Other Funds	-
	Total Assets	<u>\$ 652,196</u>
	LIABILITIES:	
2110	Accounts Payable	\$ 12,391
2170	Due to Other Funds	-
2210	Accrued Expenses	<u>245,761</u>
2000	Total Liabilities	<u>\$ 258,152</u>
	NET POSITION:	
3900	Unrestricted Net Position	<u>\$ 394,044</u>
3000	Total Net Position	<u>\$ 394,044</u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUND
For the Year Ended August 31, 2013

Data Control Codes		Nonmajor Internal Service Fund
	OPERATING REVENUES:	
5700	Local & Intermediate Sources	\$ 2,327,746
	Total Operating Revenues	2,327,746
	OPERATING EXPENSES:	
6200	Professional and Contracted Services	2,119,595
6300	Supplies & Materials	1,330
6400	Other Operating Costs	66,164
6030	Total Expenses	2,187,089
	Operating Income (Loss)	140,657
	NONOPERATING REVENUES (EXPENSES):	
	Interest Income	3,027
	Transfers Out	(500,000)
	Total Nonoperating Revenues (Expenses)	(496,973)
1300	Change in Net Position	(356,316)
0100	Total Net Position - Beginning	750,360
3300	Total Net Position - Ending	\$ 394,044

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended August 31, 2013

	<u>Nonmajor Internal Service Fund</u>
<u>Cash Flows from Operating Activities:</u>	
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	\$ 2,327,746
Cash Payments to Other Suppliers for Goods and Services	<u>(2,207,392)</u>
Net Cash Provided (Used) by Operating Activities	<u>120,354</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>	
Transfers to Primary Government	<u>(500,000)</u>
Net Cash Used by Non-Capital Financing Activities	<u>(500,000)</u>
<u>Cash Flows from Investing Activities:</u>	
Interest Earned on Investments	<u>3,027</u>
Net Cash Provided (Used) by Investing Activities	<u>3,027</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(376,619)
Cash and Cash Equivalents at Beginning of Year	<u>1,028,815</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 652,196</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>	
Operating Income (Loss)	\$ 140,657
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	-
Increase (Decrease) in Liabilities	<u>(20,303)</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ 120,354</u></u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
August 31, 2013

<u>Data Control Codes</u>		<u>Agency Funds</u>
	ASSETS:	
1110	Cash and Cash Equivalents	<u>\$ 235,792</u>
1000	TOTAL ASSETS	<u><u>\$ 235,792</u></u>
	LIABILITIES:	
2190	Due to Student Groups	<u>\$ 235,792</u>
2000	TOTAL LIABILITIES	<u><u>\$ 235,792</u></u>

The accompanying notes are an integral part of this statement.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

The Board of School Trustees ("Board"), a seven member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The basic financial statements of the District include all activities for which the Board exercises these governance responsibilities.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government. Eliminations have been made to minimize the over-reporting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non exchange transactions.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 2
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

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

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

The District reports the following major governmental funds:

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

Debt Service Fund: This is the District's fund for the collection of revenues from property taxes and state grants for the specific purpose of retiring loans and bonded indebtedness.

In addition, the District reports the following fund types:

Special Revenue Funds: These funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal financial assistance generally is accounted for in a special revenue fund. Except for the food service fund, any unused balances are returned to the grantor at the close of specific project periods. The food service fund is the only required budgeted special revenue fund. For all other funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 3
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. The District uses an internal service fund to account for the operation of its partially self-funded insurance plan on a cost-reimbursement basis.

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

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

b. Measurement Focus, Basis of Accounting

Government-wide Financial Statements: These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 4
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

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. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, the revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received.

Grant funds are considered 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.

Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, and judgments, which are recognized as expenditures to the extent they have matured. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 5
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

c. Fund Balance Classification

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 formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

Unassigned: This classification includes the residual fund balance for the General Fund.

The District would typically use Restricted fund balances first, followed by Committed resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

3. Financial Statement Amounts

a. Deposits and Investments

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

State statutes authorize the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and State Treasurer's Investment Pool.

Investments for the District are reported at fair value. The State Treasurer's Investment Pools are operated in accordance with appropriate state laws and regulations. The reported value of the pools are the same as the fair value of the pool shares.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 6
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

b. Property Taxes

Property taxes are levied by October 1 on assessed value listed as of the prior January 1st for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period. It is the District's policy to record property tax revenue in the fund financial statements when collected within the current period or collected within 60 days of the end of the current fiscal period.

Allowances for uncollectible tax receivables are based upon historical experience in collecting property taxes. As of August 31, 2013, the amount deemed uncollectible by this estimate was \$406,265. 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.

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide. Certain payments to vendors reflect the cost applicable to future periods and are recorded as prepaid items.

d. Receivable and Payable Balances

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

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

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 7
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

e. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair market value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	5-15
Office Equipment and Furniture	3-15
Computer Equipment	3

f. Interfund Activity

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

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 8
Year Ended August 31, 2013

A. Summary of Significant Accounting Policies (Continued)

g. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

h. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The Texas Education Agency requires the display of these codes in the financial statements filed with the Agency in order to insure accuracy in building a Statewide database for policy development and funding plans.

B. Stewardship, Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

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

<u>Violation</u>	<u>Action Taken</u>
None Reported	Not Applicable

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 9
Year Ended August 31, 2013

B. Stewardship, Compliance and Accountability (continued)

2. Budgetary Information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting and Reporting module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Child Nutrition Fund. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles.

C. Deposits and Investments

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

Cash Deposits

At August 31, 2013, the carrying amount of the District's deposits (cash, certificates of deposit, and interest bearing savings accounts included in temporary investments) was \$45,179,928 and the bank balance was \$45,777,645. The District's cash deposits at August 31, 2013 and during the period then ended, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 10
Year Ended August 31, 2013

C. Deposits and Investments (Continued)

Investments

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

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

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of state, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 3) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas; 4) obligations of the state of Texas or its agencies; 5) other obligations guaranteed by the U.S. or the state of Texas or their agencies and instrumentalities; 6) fully collateralized repurchase agreements; and 7) public funds investment pools. Temporary investments are reported at cost, which approximates market, and are secured, when necessary, by the FDIC or obligations of items 1-4 above at 102% of the investment's market value.

SNYDER CONSOLIDATED
 INDEPENDENT SCHOOL DISTRICT
 Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 11
 Year Ended August 31, 2013

C. Deposits and Investments (Continued)

The District's investments at August 31, 2013 included demand deposits in the amount of \$18,560,464 and Investment Pool accounts of \$3,998,278.

The District's investment pools at August 31, 2013 are shown below:

<u>Investment Pool</u>	<u>Account Name</u>	<u>Fund Rating (Standard & Poor's)</u>	<u>Amount</u>
TexasDAILY	General Fund	AAAm	\$ 3,123,249
TexPool	General Fund	AAAm	7,745
TexStar	Debt Service	AAAm	83,104
TexPool	Debt Service	AAAm	733,392
TexStar	Internal Service Fund	AAAm	<u>50,788</u>
	Total Investment Pools		<u>\$ 3,998,278</u>

These investment pools are local government investment pools organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

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INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 12
Year Ended August 31, 2013

C. Deposits and Investments (Continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 13
Year Ended August 31, 2013

D. Capital Assets

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

<u>Government Activities</u>	<u>Balance</u> <u>09/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>08/31/13</u>
Land	\$ 408,073	\$ 3,200	\$ -	\$ 411,273
Buildings & Improvements	68,597,255	2,789,392	-	71,386,647
Vehicles	2,467,160	321,870	-	2,789,030
Furniture & Equipment	<u>5,946,299</u>	<u>261,540</u>	<u>-</u>	<u>6,207,839</u>
Total Capital Assets	<u>77,418,787</u>	<u>3,376,002</u>	<u>-</u>	<u>80,794,789</u>
<u>Less Accumulated</u>				
<u>Depreciation:</u>				
Buildings & Improvements	18,326,893	2,118,975	-	20,445,868
Vehicles	1,653,680	209,317	-	1,862,997
Furniture & Equipment	<u>4,655,144</u>	<u>552,041</u>	<u>-</u>	<u>5,207,185</u>
Total Accum. Depreciation	<u>24,635,717</u>	<u>2,880,333</u>	<u>-</u>	<u>27,516,050</u>
Net Capital Assets	<u>\$ 52,783,070</u>	<u>\$ 495,669</u>	<u>\$ -</u>	<u>\$ 53,278,739</u>

Depreciation was charges to functions as follows:

11-Instructions	\$ 1,654,410
12-Instructional Resources & Media Services	64,751
13-Curriculum Development	29,001
21-Instructional Leadership	65,312
23-School Leadership	156,958
31-Guidance, Counseling & Evaluation Services	77,925
33-Health Services	21,794
34-Student (Pupil) Transportation	114,720
35-Food Service	147,613
36-Cocurricular/Extracurricular Activities	137,608
41-General Administration	100,992
51-Plant Maintenance & Operations	<u>309,249</u>
	<u>\$ 2,880,333</u>

SNYDER CONSOLIDATED
 INDEPENDENT SCHOOL DISTRICT
 Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 14
 Year Ended August 31, 2013

E. Interfund Balances and Activities

Interfund balances at August 31, 2013 consisted of the following individual fund balances:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>General Fund:</u>		
Special Revenue Funds	\$ 459,169	\$ -
<u>Total General Fund</u>	<u>\$ 459,169</u>	<u>\$ -</u>
<u>Special Revenue Funds:</u>		
General Fund	-	459,169
<u>Total</u>	<u>\$ 459,169</u>	<u>\$ 459,169</u>

These interfund receivables and payables were recorded to eliminate cash flow deficits of special revenue funds and to record interfund balances not paid as of year-end.

F. Short-Term Debt Activity

The District accounts for short-term debts for maintenance purposes through the General Fund. The proceeds from loans are shown in the financial statements as Other Resources.

G. Long-Term Obligations

On March 1, 2005, the District issued \$24,170,000 in Unlimited Tax School Building Bonds in order to purchase necessary sites for school buildings and District facilities; to construct, renovate and equip school buildings; and to pay costs of issuance related to the bonds. The interest rates range from 3.0% to 5.25% and the bonds mature on February 15, 2030.

On November 15, 2011, the District issued a Qualified School Construction Maintenance Tax Note in the amount of \$6,155,000. The note will be used for capital improvement within the District. This note carries an interest rate of 3.25%, but the interest is paid by the federal government. The District does not recognize interest expense on this note. The note matures on August 15, 2025 and is accounted for in the General Fund.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 15
Year Ended August 31, 2013

H. Long-Term Obligations (continued)

During each year while bonds are outstanding, the District is required to levy and collect sufficient ad valorem taxes to provide for the payment of principal and interest as it becomes due. The District complied with all significant limitations and restrictions contained in the bond indentures. Interest costs of \$1,003,475 were paid during the year ended August 31, 2013 on bonded indebtedness. In addition, the District paid interest of \$8,702 on the Qualified School Construction Maintenance Tax Note due to an 8.7% reduction in funding for Qualified School Construction Bonds as a result of the federal sequestration in the current fiscal year.

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

<u>Governmental Activities:</u>	<u>Beginning Balance</u>	<u>Increases/ Accretion</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Unlimited Tax Building Bonds-Series 2005	19,905,000	-	705,000	19,200,000	730,000
Qualified School Construction Maintenance Tax Note-2011	6,155,000	-	475,000	5,680,000	475,000
Unamortized Premium on Bond Issuance	<u>874,413</u>	<u> </u>	<u>48,579</u>	<u>825,834</u>	<u>-</u>
<u>Total Governmental Activities</u>	<u>\$ 26,934,413</u>	<u>\$ -</u>	<u>\$ 1,228,579</u>	<u>\$ 25,705,834</u>	<u>\$ 1,205,000</u>

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

<u>Governmental Activities</u>			
<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,205,000	\$ 974,775	\$ 2,179,775
2015	1,235,000	944,975	2,179,975
2016	1,270,000	908,906	2,178,906
2017	1,315,000	865,988	2,180,988
2018	1,360,000	820,706	2,180,706
2019-2023	7,560,000	3,333,619	10,893,619
2024-2028	7,700,000	1,773,187	9,473,187
2029-2030	<u>3,235,000</u>	<u>172,069</u>	<u>3,407,069</u>
Total	<u>\$ 24,880,000</u>	<u>\$ 9,794,225</u>	<u>\$ 34,674,225</u>

SNYDER INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 16
Year Ended August 31, 2013

I. Pension Plan

1. Plan Description

The District contributes to the Teacher Retirement System of Texas (TRS), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. TRS provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish or amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing the TRS Communications Department, 1000 Red River Street, Austin, TX 78701-2698.

2. Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system. (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary for fiscal years 2013, 2012, and 2011, and the State of Texas contributes an amount equal to 6.4% of the District's covered payroll for fiscal year 2013, 6.0% for fiscal year 2012 and 6.644% for fiscal year 2011. In certain instances the reporting district is required to make all or a portion of the state's contribution. The District's employees' contributions to the System for the years ending August 31, 2013, 2012, and 2011 were \$1,005,415, \$976,938, and \$1,034,367, respectively, and were equal to the required contributions for each year. Other contributions made from federal and private grants and from the District for salaries above the statutory minimum for the years ending August 31, 2013, 2012 and 2011 were \$260,261, \$211,829, and \$229,419, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$799,929.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 17
Year Ended August 31, 2013

J. Health Care Coverage

The District sponsors a fully insured health insurance plan to provide health care benefits to staff members and their dependents. The District paid premiums of \$338 per month for staff members participating in the plan. Staff members, at their option, authorized payroll deductions to pay premiums for their dependents. All premiums were paid to a licensed insurer.

K. Workers' Compensation Pool

The District participates in a modified self-funded workers' compensation insurance pool with other districts which are located in the state of Texas. The District's contributions to the pool are based on the loss experience of the District and the other districts in the pool. Creative Risk Funding is the third party administrator for the pool. The District's maximum loss under the agreement for 2012 was set at \$90,582. The pool has purchased reinsurance to protect the member districts against the risk of large or unexpected losses. The stop loss policy covers individual claims in excess of \$300,000 per incident. The District accounts for its costs associated with the pool through an internal service fund.

Changes in the balance of workers' compensation claim liabilities during the past year are as follows.

	<u>Period Ended August 31, 2013</u>
Unpaid claims at September 1, 2012	\$ 18,688
Incurred claims	43,011
Total payments	<u>(39,220)</u>
Total Unpaid Claims at August 31, 2013	<u>\$ 22,479</u>
Claims Incurred But Not Reported (IBNR)	<u>\$ 245,761</u>

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE FINANCIAL STATEMENTS, Page 18
Year Ended August 31, 2013

L. School District Retiree Health Plan

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

Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. The State of Texas and active public school employee contribution rates were 0.50%, and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2013, 2012, and 2011. For the years ended August 31, 2013, 2012, and 2011, the State's contributions to TRS-Care were \$78,548, \$152,637, and \$161,620, respectively, the active member contributions were \$102,113, \$99,221, and \$105,053, respectively, and the school district's contributions were \$86,403, \$83,956, and \$88,887, respectively, which equaled the required contributions each year.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 19
Year Ended August 31, 2013

M. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug expenditures for eligible TRS-Care participants. The District's portion of subsidy reimbursements received by TRS for the years ended August 31, 2013, 2012, and 2011 were \$41,730, \$40,014, and \$37,568, respectively.

N. Litigation

There was no litigation pending or in progress against the District at August 31, 2013.

O. Vacation and Sick Leave Benefits

Upon retirement, the District pays employees \$50 per day accumulated unused sick leave. The estimated liability at August 31, 2013, 2012, and 2011 was \$241,066, \$262,049, and \$233,511, respectively. This liability is included in the government-wide financial statements.

P. Commitments and Contingencies

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

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
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NOTES TO THE FINANCIAL STATEMENTS, Page 20
Year Ended August 31, 2013

Q. Shared Service Arrangements

The District participates in a shared services arrangement for pregnancy education and parenting services with several other school districts, including Blackwell, Hermleigh, Roby, Roscoe, Rotan, Sweetwater, and Trent Independent School Districts. The District paid \$17,092 to the cooperative as the District's share of the operating costs of the cooperative. These expenditures are reflected in Function 93 in the accompanying financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Sweetwater ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Snyder Consolidated Independent School District. The fiscal agent manager is responsible for all financial activities of the share services arrangement. Separate financial statements of the shared services arrangement may be obtained from Sweetwater ISD, the fiscal agent of the cooperative.

R. Prior Period Adjustment

In accordance with GASB Statement No. 65, bond issuance costs are no longer capitalized. Therefore, a prior period adjustment decreasing the net position of Governmental Activities in the amount of \$395,832 has been recorded to reflect the expense of bond issuance costs in a prior period.

REQUIRED SUPPLEMENTARY INFORMATION

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2013

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
REVENUES:					
5700	Local and Intermediate Sources	\$ 30,774,500	\$ 31,911,500	\$ 32,085,216	\$ 173,716
5800	State Program Revenues	4,783,186	3,903,186	3,420,573	(482,613)
5900	Federal Program Revenues	65,000	187,000	215,499	28,499
5020	Total Revenues	<u>35,622,686</u>	<u>36,001,686</u>	<u>35,721,288</u>	<u>(280,398)</u>
EXPENDITURES:					
Current:					
0011	Instruction	13,091,092	12,303,092	12,297,873	5,219
0012	Instructional Resources and Media Services	579,403	616,403	594,983	21,420
0013	Curriculum Dev. & Instructional Staff Dev.	126,091	126,091	101,813	24,278
0021	Instructional Leadership	476,813	476,813	465,544	11,269
0023	School Leadership	1,571,673	1,451,673	1,442,155	9,518
0031	Guidance, Counseling & Evaluation Services	602,823	686,823	669,506	17,317
0032	Social Work Services	1,000	15,000	14,418	582
0033	Health Services	200,770	205,770	200,262	5,508
0034	Student (Pupil) Transportation	1,103,697	1,073,697	1,054,137	19,560
0036	Curricular/Extracurricular Activities	1,158,561	1,109,561	1,105,182	4,379
0041	General Administration	1,102,237	895,237	889,108	6,129
0051	Plant Maintenance and Operations	2,948,612	2,822,612	2,809,893	12,719
0052	Security and Monitoring Services	67,410	57,410	38,180	19,230
0053	Data Processing Services	416,767	429,767	391,934	37,833
0061	Community Services	8,000	8,000	4,979	3,021
0071	Principal Payment on Long-Term Debt	475,000	475,000	475,000	-
0072	Interest Payment on Long-Term Debt	-	9,000	8,702	298
0081	Capital Outlay	680,000	2,984,350	2,959,136	25,214
0091	Contracted instructional services between schools	9,000,000	9,725,000	9,701,917	23,083
0093	Payments to Member Districts of SSA	18,000	18,000	17,092	908
0097	Payments to Tax Increment Fund	-	220,024	220,024	-
0099	Other Ingovernmental Charges	410,000	640,000	631,131	8,869
6030	Total Expenditures	<u>34,037,949</u>	<u>36,349,323</u>	<u>36,092,969</u>	<u>256,354</u>
Other Financing Sources (Uses):					
7915	Transfers In	-	500,000	500,000	-
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Special Item:					
	Demolition of Buildings	-	(150,650)	(150,646)	4
	Total Special Items	<u>-</u>	<u>(150,650)</u>	<u>(150,646)</u>	<u>4</u>
1200	Net Change in Fund Balance	1,584,737	1,713	(22,327)	(24,044)
0100	Fund Balance - Beginning	<u>29,285,735</u>	<u>29,285,735</u>	<u>29,285,735</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 30,870,472</u>	<u>\$ 29,287,448</u>	<u>\$ 29,263,408</u>	<u>\$ (24,044)</u>

OTHER SUPPLEMENTARY INFORMATION

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
For the Year Ended August 31, 2013

Last Ten Years Ended	1	2				10	20	31	32	40	50
	Tax Rates		Assessed/Appraised Value for School Tax Purposes	Beginning Balance 09/01/12	Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance 08/31/13		
	Maintenance	Debt Service									
August 31*											
2004 and Prior Years	Various	Various	Various	--	\$ 185,157	\$ -	\$ 14,285	\$ -	\$ (13,152)	\$ 157,720	
2005	1.50000	0.00000	1.5000	1,117,003,820	21,381	-	2,579	-	(777)	18,025	
2006	1.50000	0.11070	1.6107	1,629,270,510	25,629	-	3,307	244	(769)	21,309	
2007	1.37000	0.09000	1.4600	1,962,328,014	26,980	-	5,127	337	(1,244)	20,272	
2008	1.04000	0.07500	1.1150	2,322,506,816	26,100	-	6,131	442	(925)	18,602	
2009	1.04000	0.06150	1.1015	2,805,255,197	33,080	-	9,018	533	(609)	22,920	
2010	1.04000	0.12400	1.1640	2,336,995,275	46,559	-	17,147	2,045	(505)	26,862	
2011	1.04000	0.12400	1.1640	2,394,664,519	87,306	-	42,822	5,106	(431)	38,947	
2012	1.04000	0.12400	1.1640	2,438,465,206	188,334	-	21,932	2,615	(89,875)	73,912	
2013-School Year Under Audit	1.04000	0.12400	1.1640	3,008,928,866	-	35,023,932	31,005,530	3,696,813	(79,379)	242,210	
1000	TOTALS				\$ 640,526	\$ 35,023,932	\$ 31,127,878	\$ 3,708,135	\$ (187,666)	\$ 640,779	

Columns 10 + 20 - 30 - 30a + 40 Equals Column 50

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

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

Columns 30 and 30a - These are the total collections net of adjustments described in Column 40, according to each year of tax levy, and do NOT include penalties and interest.

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

Column 50 - Ending Balance 08/31/13

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

EXHIBIT J-2

SCHEDULE OF EXPENDITURES FOR COMPUTATION ON INDIRECT COST FOR 2014-2015
GENERAL AND SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2013

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number	Account Name	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (Other) Miscellaneous	7 Total
611X-6146	Payroll Costs	\$ -	\$ -	\$ 209,570	\$ 415,789	\$ -	\$ 1,272	\$ 626,631
6149	Fringe Benefits (Unused Leave for Seperating Employees in Function 41and Related 53)				-			-
6149	Fringe Benefits (Unused Leave for Seperating Employees in all Functions except Function 41and Related 53)				-			-
6211	Legal Services	-	-	48,074	-	-	-	48,074
6212	Audit Services				20,850			20,850
6213	Tax Appraisal and Collection		631,131					631,131
621X	Other Prof. Services	800	-	250	75,677	-	-	76,727
6220	Tuition and Transfer Payments							-
6230	Education Service Centers							-
6240	Contr. Maint. And Repair							-
6250	Utilities							-
6260	Rentals	-	-	1,034	10,412	-	-	11,446
6290	Miscellaneous Contr.	-	-	-	-	-	-	-
6310	Operational Supplies, Materials	-	-	-	-	-	-	-
6320	Textbooks and Reading	-	-	39	-	-	-	39
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies, Materials	555	-	3,449	82,476	-	-	86,480
6410	Travel, Subsistence, Stipends	9,075	-	6,793	17,426	-	-	33,294
6420	Ins. and Bonding Costs	-	-	-	11,419	-	-	11,419
6430	Election Costs	2,961						2,961
6490	Miscellaneous Operating	2,373	-	1,507	28,369	-	-	32,249
6500	Debt Service							-
6600	Capital Outlay							-
6000	TOTAL	\$ 15,764	\$ 631,131	\$ 270,716	\$ 662,418	\$ -	\$ 1,272	\$ 1,581,301

Total expenditures for General and Special Revenue Funds (9) 41,046,311

LESS: Deductions of Unallowable Costs:

FISCAL YEAR

Total Capital Outlay (6600)	(10)	3,376,002	
Total Debt & Lease (6500)	(11)	483,702	
Plant Maintenance (Function 51, 6100-6400)	(12)	2,806,507	
Food (Function 35, 6341 and 6499)	(13)	196	
Stipends (6413)	(14)	-	
Column 4 (above) - Total Indirect Cost		662,418	
			<u>7,328,825</u>

Net Allowed Direct Cost \$ 33,717,486

CUMULATIVE

Total Cost of Buildings Before Depreciation	(15)	71,386,647
Historical Cost of Buildings over 50 Years Old	(16)	8,851,190
Amount of Federal Money in Building Cost (Net of #16)	(17)	-
Total Cost of Furniture & Equipment Before Depreciation (1530 & 1540)	(18)	8,996,869
Historical Cost of Furniture & Equipment Over 16 Years Old	(19)	1,441,012
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	567,939

(8) Note A - \$22,183 of Function 53 expenditures and \$631,131 in Fund 99 expenditures are included in this report for administrative costs.

SNYDER INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET
GENERAL FUND AS OF AUGUST 31, 2013

Data Control Code	Explanation	Amount
1	Total General Fund Balance 8/31/13 (Exhibit C-1 object 3000 for the General Fund Only)	<u>\$ 29,263,408</u>
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund Only)	<u>17,870</u>
3	Total General Fund Restricted Fund Balance (from Exhibit C-1- total of object 345X-349X for the General Fund only)	<u>-</u>
4	Total General Fund Committed Fund Balance (from Exhibit C-1- total of object 351X-354X for the General Fund only)	<u>15,085,914</u>
5	Total General Fund Assigned Fund Balance (from Exhibit C-1- total of object 355X-359X for the General Fund only)	<u>-</u>
6	Estimated amount needed to cover fall cash flow deficits in General Fund (net of borrowed funds and funds representing deferred revenues)	<u>8,020,660</u>
7	Estimate of two month's average cash disbursements during the fiscal year	<u>6,015,495</u>
8	Estimate of delayed payments from state sources (58XX)	<u>2,500,000</u>
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	<u>-</u>
10	Estimate of delayed payments from federal sources (59XX)	<u>450,000</u>
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>-</u>
12	Optimum Fund Balance and Cash Flow (2 + 3 + 4 + 5 + 6 + 7 + 8 + 9 + 10 + 11)	<u>\$ 32,089,939</u>
13	Excess/(Deficit) Unassigned General Fund Fund Balance (1 - 12)	<u>\$ (2,826,531)</u>

If item 13 is a positive number

Explanation of need for and/or projected use of net positive Unassigned General Fund Fund Balance:

(UNAUDITED)

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

EXHIBIT J-4

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2013

Data Control Codes	1	2	3	
	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)	
REVENUES:				
5700	Local and Intermediate Sources	\$ 3,837,000	\$ 3,837,190	\$ 190
5020	Total Revenues	<u>3,837,000</u>	<u>3,837,190</u>	<u>190</u>
EXPENDITURES:				
Current:				
Debt Service				
0071	Principal on Long-Term Debt	705,000	705,000	-
0072	Interest on Long-Term Debt	1,003,475	1,003,475	-
0073	Bond Issuance Costs and Fees	3,000	1,631	1,369
	Total Debt Service	<u>1,711,475</u>	<u>1,710,106</u>	<u>1,369</u>
6030	Total Expenditures	<u>1,711,475</u>	<u>1,710,106</u>	<u>1,369</u>
Other Financing Sources (Uses):				
7915	Operating Transfers In	-	-	-
8911	Operating Transfers Out	-	-	-
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	2,125,525	2,127,084	1,559
0100	Fund Balance - Beginning	<u>4,318,376</u>	<u>4,318,376</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 6,443,901</u>	<u>\$ 6,445,460</u>	<u>\$ 1,559</u>

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

EXHIBIT J-5

NATIONAL SCHOOL BREAKFAST/LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
For the Year Ended August 31, 2013

Data Control Codes	1	2	3 Variance Positive (Negative)	
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>	
REVENUES:				
5700	\$ 424,376	\$ 472,241	\$ 47,865	
5800	7,265	7,142	(123)	
5900	1,033,133	1,080,817	47,684	
5020	<u>1,464,774</u>	<u>1,560,200</u>	<u>95,426</u>	
EXPENDITURES:				
Current:				
Support Services-Student (Pupil):				
0035	Food Services	<u>1,364,774</u>	<u>1,356,374</u>	<u>8,400</u>
	Total Support Services - Student (Pupil)	<u>1,364,774</u>	<u>1,356,374</u>	<u>8,400</u>
6030	Total Expenditures	<u>1,364,774</u>	<u>1,356,374</u>	<u>8,400</u>
Other Financing Sources (Uses):				
7915	Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balance	100,000	203,826	103,826
0100	Fund Balance - Beginning	<u>271,346</u>	<u>271,346</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 371,346</u>	<u>\$ 475,172</u>	<u>\$ 103,826</u>

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Independent Auditors' Report

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

Board of Trustees
Snyder Consolidated
Independent School District
2901 37th Street
Snyder, Texas 79549

Members of the Board of Trustees:

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Snyder Consolidated Independent School District, as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the Snyder Consolidated Independent School District's basic financial statements and have issued our report thereon dated December 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Snyder Consolidated 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Snyder Consolidated 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.

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Independent Auditors' Report
Page 2

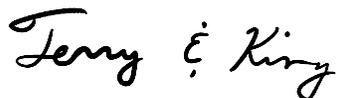
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "Terry E. King". The signature is written in a cursive style with a large initial "T" and a distinct "E" and "K".

Terry & King, CPAs, P.C.
Lubbock, Texas
December 19, 2013

Terry & King, CPAs, P.C.

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Independent Auditors' Report

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

Board of Trustees
Snyder Consolidated
Independent School District
2901 37th Street
Snyder, Texas 79549

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

We have audited the Snyder Consolidated Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2013. Snyder Consolidated Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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



Opinion on Each Major Federal Program

In our opinion, Snyder Consolidated Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

Report on Internal Control Over Compliance

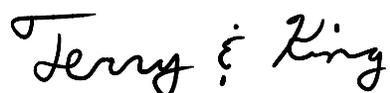
Management of Snyder Consolidated Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal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

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

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

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

Respectfully submitted,



Terry & King, CPAs, P.C.
Lubbock, Texas
December 19, 2013

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2013

A. Summary of Auditors' Results

1. Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? Yes X No

Significant deficiencies identified that
are not considered to be material
weaknesses? Yes X None Reported

Noncompliance material to financial
Statements noted? Yes X No

2. Federal Awards

Internal control over major programs:
Material weakness(es) identified? Yes X No

Significant deficiencies identified that
are not considered to be material
weaknesses? Yes X None Reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
To be reported in accordance with section
510(a) of Circular A-133? Yes X No

Identification of major programs:
CFDA Number(s) Name of Federal Program or Cluster
84.287 21st Century Community Learning Centers

Dollar threshold used to distinguish between
type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

SUMMARY OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2013

<u>Findings/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation if Not Implemented</u>
Not Applicable - None		

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

CORRECTIVE ACTION PLAN
For the Year Ended August 31, 2013

Not Applicable – None Required

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<u>U.S. Department of Education</u>			
Passed Through State Department of Education:			
ESEA Title 1, Part A - Improving Basic Programs	84.010A	13610101208902	694,156
ESEA Title I, Part C - Migrant	84.011A	13615001208902	61,291
IDEA-B Formula*	84.027A	136600012089026600	929,732
Title II - Basic Grants - Vocational Education	84.048	13420006208902	29,136
IDEA-B, Preschool*	84.173A	136610012089026610	38,191
21st Community Learning Centers CY 4 Yr 2	84.287C	136950167110037	1,205,049
Title VI, Part B, Subpart 2 - Rural and Low-Income School:	84.358B	13696001208902	96,209
Medicare/Medicaid Reimbursement	93.778	--	<u>165,506</u>
Total Passed Through State Department of Education			<u>3,219,270</u>
Passed Through Region 14 Education Service Center:			
Title II, Part A	84.367	13694501221950	<u>129,872</u>
Total Passed Through Region 14 Education Service Center			<u>129,872</u>
Total U.S. Department of Education			<u>3,349,142</u>
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education:			
National School Lunch Program*	10.555	71301301	672,864
School Breakfast Program*	10.553	71401301	336,569
Commodity Supplemental Food Program	10.565	--	<u>71,384</u>
Total U.S. Department of Agriculture			<u>1,080,817</u>
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>			<u>\$ 4,429,959</u>

* - Indicates a cluster program under OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

SNYDER CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2013

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Snyder Independent School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SNYDER CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
Snyder, Texas

SCHOOLS FIRST QUESTIONNAIRE
For the Year Ended August 31, 2013

SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations?	No
SF4	Did the District receive a clean audit? Was there an unqualified opinion on the Annual Financial Report?	Yes
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?	No
SF9	Were there any disclosures in the Annual Financial Report of material noncompliance?	No