

CLINT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2010



CLINT INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2010

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CLINT INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION

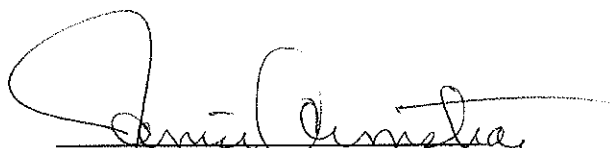
CERTIFICATE OF BOARD

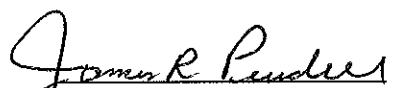
Clint Independent School District
Name of School District

El Paso County
County

071-901
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) X approved _____ disapproved for the year ended August 31, 2010, at a meeting of the board of trustees of such school district on the 19th day of January 2011.


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)

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FINANCIAL SECTION

UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION
AND OTHER SUPPLEMENTARY INFORMATION INCLUDING THE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditor's Report

Board of Trustees
Clint Independent School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clint Independent School District (District) as of and for the year ended August 31, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 District as of August 31, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2011 on our consideration of the District's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on page 7 through 16 and 64 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clint Independent School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements. The combining and individual nonmajor fund financial statements and the expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section 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 them.

The required TEA schedules are presented for purposes of additional analysis and are not required a part of the financial statements. We have applied certain limited procedures to the compliance schedules required by the Texas Education Agency, with the exception of Exhibit J-3 (Cash Flows and the Optimum Fund Balance Calculation Schedule), which consisted principally of inquiries of management regarding the methods of measurement and presentation of this information. However, we did not audit this information and express no opinion on it. Exhibit J-3, which is marked UNAUDITED, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Ch Ruddock" followed by a stylized flourish.

El Paso, Texas
January 7, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

In this section of the Annual Financial and Compliance Report, we, the management of the Clint Independent School District, discuss and analyze the District's financial performance for the fiscal year ended August 31, 2010. Please read this discussion in conjunction with the independent auditor's report and the District's financial statements, which follow this section.

Financial Highlights

- The District's total combined net assets were \$71.0 million, increasing by almost \$3.2 million or 4.8% as a result of this year's operations.
- The District's total governmental fund balances are \$74.1 million.
- During the year, the District had expenses that were relatively even to the \$80.1 million generated in tax and other revenues for the general fund.
- The General Fund ended the year with a fund balance of \$21.2 million, or 26.0 percent of the total general fund expenditures.
- The District's total long term liabilities decreased by \$4.4 million.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Clint Independent School District's basic financial statements. The Clint Independent School District's basic financial statements are comprised of three components: 1) governmental-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Clint Independent School District's finances, in a manner similar to that of a private sector business. The government-wide fund financial statements can be found on pages 18-19 of this report.

The *statement of net assets* presents information on all the Clint Independents School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., uncollected taxes).

Both the *statement of net assets* and the *statement of activities* distinguish functions of the Clint Independent School District that are primarily supported by property taxes and federal and state revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through fees and charges. The *governmental activities* of the Clint Independent School District included education, bus transportation, food service and other services. The District does not have any business-type activities.

Fund Financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Clint Independent School District, like other school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Clint Independent School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near term financing decisions. Both the governmental fund balance sheets and the governmental fund statements of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Clint Independent School District maintains five individual governmental fund types. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balance for the general fund, debt service fund and capital projects fund. The final funds are comprised of the special revenue funds and permanent fund and such is listed in the "other funds" column.

The Clint Independent School District adopts an annual appropriated budget for its general, food service and debt service funds individually. The governmental fund financial statements can be found on pages 21-28 of the report.

Proprietary funds

The Clint Independent School District maintains only one type of proprietary fund-an Internal Service Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District’s partially self funded workers’ compensation fund. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the District’s workers’ compensation fund. The proprietary fund financial statements can be found on page 29-32 of this report.

Fiduciary funds

Fiduciary funds are used for resources held in trust for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those are not available to support the Clint Independent School District’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements can be found on page 33-35 of this report.

Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

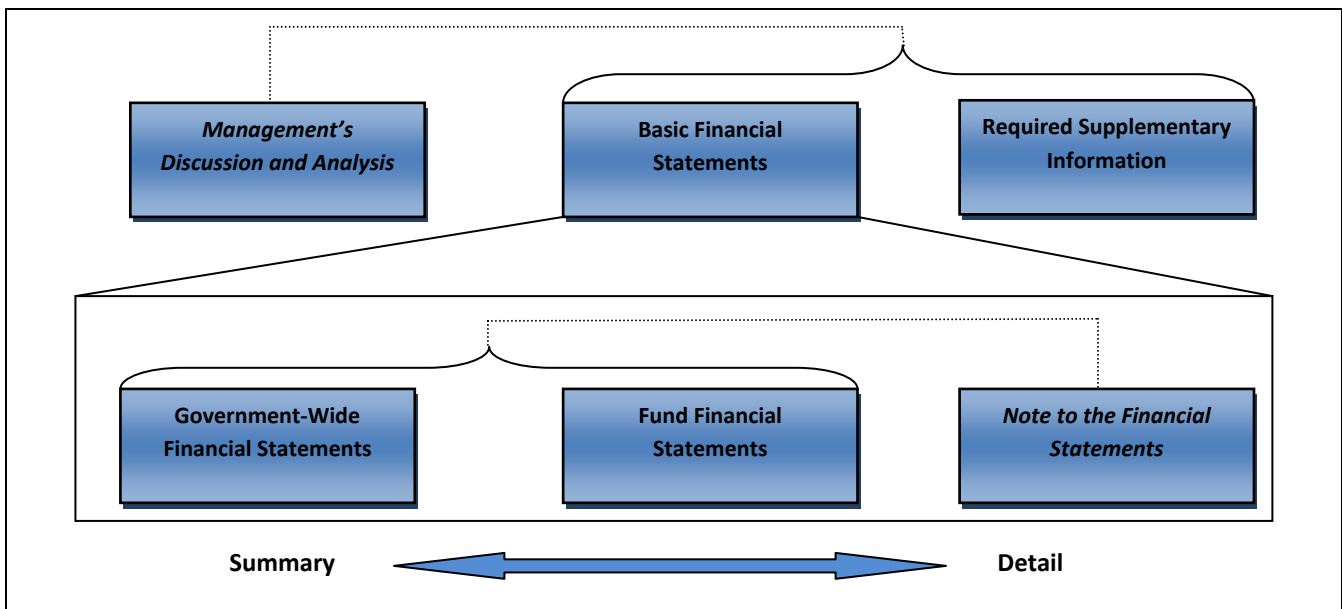


Figure A-1. Required Components of the District’s Annual Financial Report

Figure A-2 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.

Type of Statements	Government-wide	----- Government Funds	----Fund Statements---- Proprietary Funds	----- Fiduciary Funds
<i>Scope</i>	Entire District’s government (except fiduciary fund) and the District’s component units (no component units exist for District)	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses; self insurance	Instances in which the district is the trustee or agent for someone else’s resources
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenues, Expenses and changes in Fund Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Changes in Fiduciary Net Assets
<i>Accounting basis & measurement Focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of Asset/liability Information</i>	All assets and liabilities, both financial and capital; short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and 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
<i>Type of Inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

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

Government-wide Financial Analysis

Net assets of the District’s governmental activities increased from \$67,766,697 to \$70,999,985. Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$14,468,314 and \$22,044,396 at August 31, 2010 and August 31, 2009 respectively. The District completed the construction of a new Junior High School and other campus renovations this year. This coupled with lower interest rates reduced available cash balances, which in turn relates to the decrease in net assets.

Our analysis of comparative balances and changes therein focuses on the net assets (Table 1) and changes in net assets (Table II) of the District's governmental activities.

Table I

**Clint Independent School District
NET ASSETS**

	August 31, 2010	August 31, 2009
	Governmental	Governmental
	Activities	Activities
Current and other Assets	\$ 83,546,104	\$ 97,130,147
Capital Assets	143,251,106	131,791,717
Total Assets	226,797,210	228,921,864
Current Liabilities	6,448,880	7,515,021
Long-Term Liabilities	149,348,345	153,640,146
Total Liabilities	155,797,225	161,155,167
 Net Assets:		
Invested in Capital Assets Net of Related Debt	51,111,940	41,631,770
Restricted	5,419,731	4,090,531
Unrestricted	14,468,314	22,044,396
Total Net Assets	\$ 70,999,985	\$ 67,766,697

Table II
Clint Independent School District
NET ASSETS

		August 31, 2010	August 31, 2009
		Governmental	Governmental
		Activities	Activities
Revenues			
Program Revenues			
	Charges for Services	\$ 640,717	\$ 545,582
	Operating Grants and Contributions	37,432,304	28,752,490
General Revenues			
	Property Taxes Levied for General Purposes	9,611,699	8,975,533
	Property Taxes Levied for Debt Services	2,742,504	2,560,996
	State Aid-Formula grants	58,333,459	60,396,576
	Grants and Contributions Not Restricted to a Specific Program(s)	-	84,324
	Investment Earnings	188,449	1,728,512
	Miscellaneous Revenue	140,915	662,455
Expenses			
Function 11, 12 & 13	Instructional and Instructional-Related Services	59,356,408	54,024,636
Function 21 & 23	Instructional and School Leadership	8,164,176	7,717,670
Function 31, 32, 33, 34, 35 & 36	Support Services –Student	15,742,729	14,709,314
Function 41	Administrative Support Services	3,077,906	3,413,807
Function 51, 52, & 53	Support Services – Nonstudent Based	12,249,190	12,052,495
Function 61	Community Services	301,472	198,022
Function 72, 73	Debt Service – Interest on Long-Term Debt	7,051,400	7,114,981
Function 81	Facilities Acquisition and Construction	402,846	191,626
Function 99	Other Intergovernmental Charges	199,803	207,832
Special Item	E-Rate	544,196	-
Special Item	Disposal of Equipment	(126,963)	(101,574)
Increase in net assets		2,961,350	3,974,511
Net Assets, beginning		67,766,697	63,792,186
Prior Period Adjustment		271,938	-
Net assets, ending		\$70,999,985	\$ 67,766,697

The cost of all governmental activities this year was \$106.5 million compared to \$99.6 million last year. However, as shown in the statement of Activities on page 19, the amount that taxpayers ultimately financed for these activities through District Taxes was only \$12.3 million, approximately 12 percent, because the majority of the costs were funded by State equalization funding. Capital expenditures were funded through the issuance of bonded debt.

The addition of the American Recovery Reinvestment ACT (ARRA) increased revenues approximately \$8.5 million. The funds contributed to the District’s effort and progress to institute rigorous post secondary standards and high quality assessments, ensure teacher improvement and effectiveness, enhance pre-kindergarten to post-secondary data systems, support student interventions, and equip campus kitchens. The District used these new funds for new positions to promote and increase the above efforts, but did not use the funds to supplement current staffing positions or the number of positions. The increases to funding can be noted in Table II as increases to instruction and student support.

Capital Asset and Debt Administration

Capital Assets

At the end of 2009, the District had \$191.7 million invested in a broad range of capital assets, including land, facilities, vehicles and other equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of over \$15.4 million, or 9 percent, over last year. The District’s new junior high and Phase I projects were completed during the year of 2009-2010. Expenditures capitalized in prior years for projects completed this year are reported in the reclassification column in Note F.

This year’s major additions included:

Buildings and Building Improvements	\$ 7,505,701
Equipment and Furniture	1,473,463
Construction in Progress	6,542,631
 Totaling	 \$15,521,795

More detailed information about the District’s capital assets and construction commitments of \$41,505,629 is presented in Note F and V, respectively.

Debt

At year-end, the District had \$149.3 million in bonds and notes outstanding, a decrease of \$4.5. million. The district has issued \$90,000 million in bonds for new schools, renovations and additions over the last five years.

During the rating updates for the sale and refunding of bonds, the District’s credit rating stayed constant from both Standard & Poor’s and Fitch Ratings. The district still carries an A-rating from both parties with stable financial outlooks which is significant as it allows the District to sell and refund bonds in a more competitive market and realize potential interest rate savings, which are considered during budget and tax rate preparations and lessens the burden of the taxpayers.

More detailed information about the District’s long-term liabilities is presented in Note I and J.

The District's Funds

As the District completed the year, its general fund (as presented in the balance sheet on pages 22-23) reported a fund balance of \$21.2 million, which is slightly greater than last year's general fund balance. The increase in federal revenues is attributed to campuses opting to utilize the breakfast in the classroom program, for more days during the week as compared to the prior year, and the District was also awarded an ARRA-Equipment Assistance Grant, both of which increased food service expenditures. The District also experienced increases in ADA which resulted in increases in state aid revenue, but also increased instructional and food service expenditures. Other changes in fund balances should also be noted. An amount of \$11.4 million was paid for bond principal and interest through this year. Capital expenditures totaled \$13.1 million. Capital expenditures were related to the completion of the new Junior High School, Phase I bond projects, and the start of Phase II bond projects, which includes a new High School. The remaining fund balance of \$49.9 million, in the capital projects fund, will be utilized for planned capital projects of a new High School and other facility upgrades.

Budgetary Highlights

The District continues to use an allocation based budgeting process. Allocation based budgeting has provided the District with consistent expenditures per pupil populations, attendance zones, and provides the District with an equitable and efficient budgeting process. The District has chosen this process to insure budgeting practices enhance the evaluation of the budget and educational performance. Budgets are monitored and reviewed on a monthly basis. Guidelines and procedures are in place to insure federal, state and local budget requirements are reviewed, monitored and met.

The Child Nutrition Program Budget was amended during the budget year. Due to increased meal participation, the introduction of an after school snack program, and maintenance modifications and improvements, the budget was amended and increased by \$720,000 or approximately 12% for food services expenditures. In addition, the District was awarded the ARRA-Equipment Assistance Grant and federal revenues for the Child Nutrition Budget were increased by \$863,977.

The Facilities Acquisition and Construction portion of the budget, function 81, was also increased during the fiscal year by \$1.3 million. The District applied for and received a grant to construct additional science lab classrooms in this amount. The Science Laboratory Grant Program, a competitive grant administered by the Texas Education Agency, was awarded to the District.

Economic Factors and Next Year's Budget and Rates

Many economic factors were considered in developing the budget and setting the tax rate for the 2009-2010 school year—increasing property values, rapid student growth, investment income, teacher shortages and retainage, and the economy are all factored into the decision making process.

Student enrollment, with an average increase of 4 percent over the last several years, has occurred in the Horizon area. Providing facilities to accommodate growth and improvement of other facilities is imperative. The District has also experienced very slight growth in the Clint area. The community supported a \$90 million dollar bond election, which included new schools and facility improvements, to meet the growing needs of the District. As one of the most poverty poor Districts in the State, the District has met bond obligations through maximizing funding, and receiving State assistance through the Instructional Facilities Allotment and the Existing Debt Allotment programs. The Board of Trustees of the Clint Independent School District is committed to maximizing funding and maintaining a tax rate that meets debt obligations and budget requirements, while not overburdening the tax payers. With an increasing tax base and sound balanced budget practices, the District has been able to set tax rates far less than originally communicated to the public.

The District's financial position will continue to be a priority and includes consideration of employee compensation and benefits. The District currently has the highest paying teacher salary schedule in the Region and is among the highest in the State. This allows the District to attract needed and qualified teachers to meet the instructional needs of the students.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's business office, at the Clint Independent School District, 14521 Horizon Blvd., El Paso, Texas.

BASIC FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2010

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 75,909,984
1220 Property Taxes Receivable (Delinquent)	3,964,813
1230 Allowance for Uncollectible Taxes	(3,095,692)
1240 Due from Other Governments	3,415,172
1290 Other Receivables, net	462,397
1300 Inventories	397,709
1420 Capitalized Bond and Other Debt Issuance Costs	2,485,904
Capital Assets:	
1510 Land	6,849,790
1520 Buildings, Net	123,080,440
1530 Furniture and Equipment, Net	5,348,230
1580 Construction in Progress	7,972,646
1801 Restricted Assets-Cash	5,817
1000 Total Assets	226,797,210
LIABILITIES	
2110 Accounts Payable	146,312
2140 Interest Payable	269,611
2150 Payroll Deductions & Withholdings	595
2160 Accrued Wages Payable	2,411,352
2177 Due to Fiduciary Funds	198,455
2180 Due to Other Governments	2,142,575
2200 Accrued Expenses	1,263,790
2300 Deferred Revenues	16,190
Noncurrent Liabilities	
2501 Due Within One Year	5,025,000
2502 Due in More Than One Year	144,323,345
2000 Total Liabilities	155,797,225
NET ASSETS	
3200 Invested in Capital Assets, Net of Related Debt	51,111,940
3820 Restricted for Federal and State Programs	2,426,038
3850 Restricted for Debt Service	2,863,212
3870 Restricted for Campus Activities	124,516
3881 Restricted for Scholarships-Nonexpendable	5,000
3882 Restricted for Scholarships-Expendable	817
3890 Restricted for Other Purposes	148
3900 Unrestricted Net Assets	14,468,314
3000 Total Net Assets	\$ 70,999,985

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

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2010

EXHIBIT B-1

Data		Program Revenues		Net (Expense)
Control	1	3	4	Revenue and
Codes		Charges for	Operating	Changes in Net
	Expenses	Services	Grants and	Assets
			Contributions	Primary Gov.
				Governmental
				Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 56,890,811	\$ 278,238	\$ 14,923,878	\$ (41,688,695)
12 Instructional Resources and Media Services	1,379,383	-	456,525	(922,858)
13 Curriculum and Staff Development	1,086,214	-	998,298	(87,916)
21 Instructional Leadership	2,321,142	-	1,008,502	(1,312,640)
23 School Leadership	5,843,034	-	574,538	(5,268,496)
31 Guidance, Counseling and Evaluation Services	2,454,754	-	723,088	(1,731,666)
32 Social Work Services	197,304	-	10,227	(187,077)
33 Health Services	830,687	-	247,566	(583,121)
34 Student (Pupil) Transportation	3,353,755	-	296,796	(3,056,959)
35 Food Services	6,346,744	205,587	7,801,571	1,660,414
36 Extracurricular Activities	2,559,485	51,724	72,925	(2,434,836)
41 General Administration	3,077,906	80,464	364,398	(2,633,044)
51 Plant Maintenance and Operations	8,748,200	24,704	911,420	(7,812,076)
52 Security and Monitoring Services	2,109,608	-	95,005	(2,014,603)
53 Data Processing Services	1,391,382	-	43,459	(1,347,923)
61 Community Services	301,472	-	194,959	(106,513)
72 Debt Service - Interest on Long Term Debt	7,045,985	-	8,697,428	1,651,443
73 Debt Service - Bond Issuance Cost and Fees	5,415	-	-	(5,415)
81 Capital Outlay	402,846	-	11,721	(391,125)
99 Other Intergovernmental Charges	199,803	-	-	(199,803)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 106,545,930	\$ 640,717	\$ 37,432,304	(68,472,909)

Data		
Control		
Codes		
	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	9,611,699
DT	Property Taxes, Levied for Debt Service	2,742,504
SF	State Aid - Formula Grants	58,333,459
IE	Investment Earnings	188,449
MI	Miscellaneous Local and Intermediate Revenue	140,915
S1	Special Item - E-rate	544,196
S2	Special Item - Loss on disposal	(126,963)
TR	Total General Revenues and Special Items	71,434,259
CN	Change in Net Assets	2,961,350
NB	Net Assets--Beginning	67,766,697
PA	Prior Period Adjustment	271,938
NE	Net Assets--Ending	\$ 70,999,985

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 21,308,293	\$ 2,425,412	\$ 51,904,022
1220 Property Taxes - Delinquent	3,153,881	810,932	-
1230 Allowance for Uncollectible Taxes (Credit)	(2,458,117)	(637,575)	-
1240 Receivables from Other Governments	2,837,541	35,644	-
1260 Due from Other Funds	2,727,506	457,210	-
1290 Other Receivables	456,149	-	-
1300 Inventories	397,709	-	-
1800 Restricted Assets-Cash	-	-	-
1000 Total Assets	<u>\$ 28,422,962</u>	<u>\$ 3,091,623</u>	<u>\$ 51,904,022</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
2110 Accounts Payable	\$ 146,053	\$ -	\$ -
2150 Payroll Deductions and Withholdings Payable	595	-	-
2160 Accrued Wages Payable	2,256,757	-	-
2170 Due to Other Funds	2,105,779	92,912	733,861
2180 Due to Other Governments	2,140,929	1,646	-
2200 Accrued Expenditures	-	-	1,263,790
2300 Deferred Revenues	572,679	133,853	-
2000 Total Liabilities	<u>7,222,792</u>	<u>228,411</u>	<u>1,997,651</u>
Fund Balances:			
Reserved For:			
3410 Investments in Inventory	64,493	-	-
3420 Retirement of Long Term Debt	-	2,863,212	-
3445 Other Non-Spendable Fund Balance	-	-	-
3450 Food Service/Federal or State Funds	2,420,649	-	-
3470 Capital Acquisition	-	-	49,906,371
3490 Other Reserved/Restricted Fund Balance	-	-	-
Unreserved Designated For:			
3510 Construction	3,240,000	-	-
3530 Capital Expenditures for Equipment	500,000	-	-
Unreserved and Undesignated:			
3600 Reported in the General Fund	14,975,028	-	-
3000 Total Fund Balances	<u>21,200,170</u>	<u>2,863,212</u>	<u>49,906,371</u>
4000 Total Liabilities and Fund Balances	<u>\$ 28,422,962</u>	<u>\$ 3,091,623</u>	<u>\$ 51,904,022</u>

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

Other Funds	Total Governmental Funds
\$ 272,257	\$ 75,909,984
-	3,964,813
-	(3,095,692)
541,987	3,415,172
48,362	3,233,078
6,248	462,397
-	397,709
5,817	5,817
<u>\$ 874,671</u>	<u>\$ 84,293,278</u>
\$ 259	\$ 146,312
-	595
154,595	2,411,352
583,947	3,516,499
-	2,142,575
-	1,263,790
-	706,532
<u>738,801</u>	<u>10,187,655</u>
-	64,493
-	2,863,212
5,000	5,000
5,389	2,426,038
-	49,906,371
125,481	125,481
-	3,240,000
-	500,000
-	14,975,028
<u>135,870</u>	<u>74,105,623</u>
<u>\$ 874,671</u>	<u>\$ 84,293,278</u>

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CLINT INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
AUGUST 31, 2010

Total Fund Balances - Governmental Funds	\$	74,105,623
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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 assets. The net effect of this consolidation is to increase net assets.		84,966
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$176,274,180 and the accumulated depreciation was \$44,482,463. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to decrease net assets.		(19,976,451)
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2010 capital outlays and debt principal payments is to increase net assets.		19,978,737
4 The 2010 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net assets.		(4,155,170)
5 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclassifying the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net assets.		690,342
6 Prior period adjustment related to unknown escrow account for 2002 lease purchase transaction. The net effect of the prior period adjustment is to increase net assets.		271,938
19 Net Assets of Governmental Activities	<u>\$</u>	<u>70,999,985</u>

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

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 10,490,652	\$ 2,766,213	\$ 133,649
5800 State Program Revenues	61,771,917	8,697,428	-
5900 Federal Program Revenues	8,582,336	-	-
5020 Total Revenues	<u>80,844,905</u>	<u>11,463,641</u>	<u>133,649</u>
EXPENDITURES:			
Current:			
0011 Instruction	42,386,723	-	79,050
0012 Instructional Resources and Media Services	940,266	-	-
0013 Curriculum and Instructional Staff Development	69,220	-	-
0021 Instructional Leadership	1,299,147	-	-
0023 School Leadership	5,342,506	-	-
0031 Guidance, Counseling and Evaluation Services	1,735,988	-	-
0032 Social Work Services	189,957	-	-
0033 Health Services	788,404	-	-
0034 Student (Pupil) Transportation	2,990,611	-	-
0035 Food Services	6,696,112	-	-
0036 Extracurricular Activities	2,377,982	-	341,878
0041 General Administration	2,991,782	-	-
0051 Facilities Maintenance and Operations	7,920,378	-	190,050
0052 Security and Monitoring Services	1,964,922	-	-
0053 Data Processing Services	1,404,030	-	-
0061 Community Services	106,597	-	-
Debt Service:			
0071 Debt Service - Principal on Long Term Debt	-	4,471,674	-
0072 Debt Service - Interest on Long Term Debt	-	6,939,938	-
0073 Debt Service - Bond Issuance Cost and Fees	-	60,558	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	1,956,301	-	12,497,742
Intergovernmental:			
0099 Other Intergovernmental Charges	199,803	-	-
6030 Total Expenditures	<u>81,360,729</u>	<u>11,472,170</u>	<u>13,108,720</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(515,824)</u>	<u>(8,529)</u>	<u>(12,975,071)</u>
OTHER FINANCING SOURCES (USES):			
7901 Refunding Bonds Issued	-	231,377	-
7916 Premium or Discount on Issuance of Bonds	-	3,192,145	-
7949 Other Resources	544,196	-	-
8949 Other (Uses)	-	(3,366,930)	-
7080 Total Other Financing Sources (Uses)	<u>544,196</u>	<u>56,592</u>	<u>-</u>
1200 Net Change in Fund Balances	28,372	48,063	(12,975,071)
0100 Fund Balance - September 1 (Beginning)	<u>21,171,798</u>	<u>2,815,149</u>	<u>62,881,442</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 21,200,170</u>	<u>\$ 2,863,212</u>	<u>\$ 49,906,371</u>

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

Other Funds	Total Governmental Funds
\$ 279,373	\$ 13,669,887
1,030,974	71,500,319
<u>15,405,287</u>	<u>23,987,623</u>
16,715,634	109,157,829
12,561,960	55,027,733
405,842	1,346,108
1,001,518	1,070,738
947,572	2,246,719
301,779	5,644,285
628,778	2,364,766
-	189,957
12,275	800,679
-	2,990,611
165,954	6,862,066
-	2,719,860
9,206	3,000,988
471,261	8,581,689
-	1,964,922
-	1,404,030
190,254	296,851
-	4,471,674
-	6,939,938
-	60,558
-	14,454,043
-	<u>199,803</u>
<u>16,696,399</u>	<u>122,638,018</u>
<u>19,235</u>	<u>(13,480,189)</u>
-	231,377
-	3,192,145
-	544,196
-	<u>(3,366,930)</u>
-	<u>600,788</u>
19,235	(12,879,401)
<u>116,635</u>	<u>86,985,024</u>
<u>\$ 135,870</u>	<u>\$ 74,105,623</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED AUGUST 31, 2010

Total Net Change in Fund Balances - Governmental Funds	\$	(12,879,401)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net assets.		84,966
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2010 capital outlays and debt principal payments is to increase net assets.		19,978,737
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net assets.		(4,155,170)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to decrease net assets.		(67,782)
Change in Net Assets of Governmental Activities	\$	2,961,350

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

PROPRIETARY FUND FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 AUGUST 31, 2010

	Governmental Activities -
	Internal Service Fund
ASSETS	
Current Assets:	
Due from Other Funds	\$ 84,966
Total Assets	<u>84,966</u>
NET ASSETS	
Unrestricted Net Assets	<u>84,966</u>
Total Net Assets	<u><u>\$ 84,966</u></u>

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

CLINT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 630,228
Total Operating Revenues	630,228
OPERATING EXPENSES:	
Professional and Contracted Services	545,262
Total Operating Expenses	545,262
Operating Income	84,966
Total Net Assets - September 1 (Beginning)	-
Total Net Assets - August 31 (Ending)	\$ 84,966

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

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2010

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Assessments - Other Funds	\$ 545,262
Cash Payments for Insurance Claims	(545,262)
Net Cash Provided by Operating Activities	-
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents at Beginning of the Year:	-
Cash and Cash Equivalents at the End of the Year:	\$ -
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income:	\$ 84,966
Effect of Increases and Decreases in Current Assets and Liabilities:	
Increase in Due From Other Funds	(84,966)
Net Cash Provided by Operating Activities	\$ -

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

FIDUCIARY FUND FINANCIAL STATEMENTS

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AUGUST 31, 2010

	Private Purpose Trust Fund	Agency Funds
ASSETS		
Due from Other Funds	\$ 1,500	\$ 196,955
Total Assets	<u>1,500</u>	<u>\$ 196,955</u>
LIABILITIES		
Accounts Payable	-	\$ 5,401
Due to Student Groups	-	191,554
Total Liabilities	<u>-</u>	<u>\$ 196,955</u>
NET ASSETS		
Unrestricted Net Assets	<u>1,500</u>	
Total Net Assets	<u>\$ 1,500</u>	

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

CLINT INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY FUND NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	Private Purpose Trust Fund
ADDITIONS:	
Local and Intermediate Sources	\$ 1,500
Total Additions	<u>1,500</u>
Change in Net Assets	1,500
Total Net Assets - September 1 (Beginning)	<u>-</u>
Total Net Assets - August 31 (Ending)	<u><u>\$ 1,500</u></u>

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

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CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund activities between governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Assets and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Assets. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Assets as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities.

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

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

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

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

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept, that is, when they are both measurable and available. The District considers them “available” if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

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

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

D. FUND ACCOUNTING

The District accounts for its activities in three types of funds--Governmental, Proprietary, and Fiduciary and two account groups. It uses the fund and account group codes specified in the Resource Guide.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District reports the following major governmental funds:

1. The General Fund – The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund. Starting in fiscal year 2007, the child nutrition program was accounted for in the general fund.
2. Debt Service Funds – The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in a debt service fund.
3. Capital Projects Funds – The proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisitions are accounted for in a capital projects fund.

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

Governmental Funds:

1. Special Revenue Funds – The District accounts for resources restricted to, or designated for, specific purposes by a grantor in a special revenue fund. Most Federal and State financial assistance is accounted for in a Special Revenue Fund, and sometimes unused balances must be returned to the grantor at the close of specified project periods.
2. Permanent Funds – The District accounts for donations for which the donor has stipulated that the principal may not be expended and where the income may only be used for purposes that support the District's programs. The District's permanent fund is the David Cramer Scholarship Fund.

Proprietary fund types include the following:

1. Enterprise Funds – The District's activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities are accounted for in an enterprise fund. The District has no enterprise funds.
2. Internal Service Funds – Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's internal service fund is the Workers' Compensation fund for worker's compensation.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary fund types include the following:

1. Private Purpose Trust Funds – The District accounts for donations for which the donor has stipulated that the principal and income may be used for purposes that benefit parties outside the District. The District Private Purpose Trust Fund is the Rio Valle Woman’s Club Scholarship Fund.
2. Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund and the Sunshine Fund.

E. OTHER ACCOUNTING POLICIES

1. For purposes of the statement of cash flows for proprietary and similar fund-types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.
2. Inventories of supplies on the balance sheet are stated at weighted average cost and they include consumable maintenance, instructional, office, athletic, and transportation items. Supplies are recorded as expenditures when they are consumed. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services (TDHS). Although commodities are received at no cost, their fair market value is supplied by the TDHS and should be recorded as inventory and deferred revenue when received. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged and revenue is recognized for an equal amount.
3. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

4. The District does not pay for accrued sick leave or vacation leave upon retirement or termination.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. The District's policy is to pay any accumulated compensated absences at June 30th. Management believes that the amount accrued from July 1st to August 31st is immaterial in relation to the financial statements taken as a whole and as such, has elected not to accrue a liability.
6. Capital assets, which include land, buildings and furniture and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	30-50
Building Improvements	15-20
Vehicles	8-10
Office Equipment	5-15
Furniture and Fixtures	5

7. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid "grossing up" the revenues and expenses of the District as a whole.
8. The District has a partially self funded Workers Compensation Fund.
9. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.
10. When the District incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide database for policy development and funding plans.
12. The District receives substantial amounts of funding from special revenue sources. The majority of this money is cost reimbursement to the District by the federal government or Texas Education Agency. The portion of revenue allowable for indirect cost is credited as revenue to the General Fund and as a reduction to revenue in the Special Revenue Fund, as appropriate. These indirect costs are then fully allocated to function 41, General Administration, on the Government-wide Statement of Activities.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

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

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

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

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert the modified accrual basis of accounting to accrual basis of accounting. This adjustment is the result of several items.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Food Service Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the Food Service Fund and the Debt Service Fund are in Exhibit J-4 and J-5.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.
5. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. There were no encumbrances at the end of the year.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits – State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk for Deposits – The District limits the risk that changes in exchange rates will adversely affect a deposit by not having any deposits denominated in a foreign currency.

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

At August 31, 2010, the carrying amount of the District's deposits (cash, interest-bearing savings accounts and certificates of deposit, included in temporary investments) was \$910,074 and the bank balance was \$4,704,041. The District's cash deposits at August 31, 2010 and during the year ended August 31, 2010 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

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

- a. Depository: **The First National Bank of Fabens**
- b. The market value of securities pledged as of the date of the highest combined balance on deposit was \$6,321,409.
- c. The highest combined balances of cash, savings, and time deposit accounts amounted to \$6,282,716 and occurred during the month of January 2010.
- d. Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

District Polices and Legal and Contractual Provisions Governing Deposits

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2010, the District has the following temporary investments:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Lone Star Investment Pool		
Liquidity Plus Fund:		
General Fund	\$ 20,792,350	\$ 20,792,350
Debt Service Fund	2,408,664	2,408,664
Capital Projects Fund	<u>51,804,713</u>	<u>51,804,713</u>
Total	<u>\$ 75,005,727</u>	<u>\$ 75,005,727</u>

The Lone Star Investment Pool is a member owned, member-governed public funds investment pool. It is managed by an eleven-member Board of Trustees and the Board is authorized to adopt and maintain bylaws. There is also an Advisory Board composed of participants that gathers and exchanges information from participants relating to the operation of the Pool. Although Lone Star Investment Pool (Lone Star) is not registered with the SEC as an investment company, it operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB Statement Number 31 allows 2a7-like pools to use amortized cost (which excludes unrealized gains and losses) rather than market value to report net assets to compute share price. The fair value of the District's position in Lone Star is the same as the value of Lone Star shares. Lone Star issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by calling Lone Star at 1-800-558-8875.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

On February 2, 2007, the District deposited a portion of the funds received from Phase II of bonds issued during fiscal year 2006-2007 to invest in the repurchase agreement with Hypo Public Finance which was later transferred to DEPFA Bank during fiscal year 2007-2008. The interest payments received from the repurchase agreement are redeposited. The agreement matured on October 1, 2009 and the District elected not to renew the agreement.

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

Credit Risk – To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in public funds investment pools to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2010, the District's investments in Lone Star Investment Pool were rated AAA by Standard & Poor's.

Custodial Credit Risk for Investments – To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. Investment pools are not categorized because they are not evidenced by securities that exist in physical or book-entry form.

Concentration of Credit Risk – To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District's policy states that the portfolio must be diversified. There is no concentration of credit risk since the purpose of Lone Star investment pool is to diversify the District's investment portfolio.

Interest Rate Risk – To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires investment portfolios to have maturities of less than one year on a weighted average maturity basis. The District's investment in the Lone Star Investment Pool qualifies as a 2a-7 like pool and is excluded from the interest rate risk disclosure requirement according to paragraph 15 of the GASB 40 Statement.

Foreign Currency Risk for Investments – The District is not exposed to the risk that changes in exchange rates will adversely affect the fair value of an investment since none of the investments are denominated in a foreign currency.

B. OTHER RECEIVABLES

Accounts receivable of \$462,397 in the governmental funds is shown at gross value. Management believes an allowance for doubtful accounts is not necessary for fair presentation.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. PROPERTY TAXES

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

D. DELINQUENT TAXES RECEIVABLE

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

E. INTERFUND BALANCES AND TRANSFERS

Interfund balances at August 31, 2010 consisted of the following individual fund balances:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund:		
General Fund	\$ 1,970,951	\$ 1,970,951
Debt Service Fund	92,912	-
Capital Projects Fund	276,651	-
Non-major Governmental Funds	386,992	48,362
Internal Service Fund	-	84,966
Fiduciary Fund	-	1,500
General Fund Total	<u>2,727,506</u>	<u>2,105,779</u>
Debt Service Fund:		
General Fund	-	92,912
Capital Projects Fund	457,210	-
Debt Service Fund Total	<u>457,210</u>	<u>92,912</u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Capital Projects Fund:		
General Fund	-	276,651
Debt Service Fund	-	457,210
	<hr/>	<hr/>
Capital Projects Fund Total	-	733,861
	<hr/>	<hr/>
Non-major Governmental Funds:		
General Fund	48,362	386,992
Fiduciary Fund	-	196,955
	<hr/>	<hr/>
Non-major Governmental Funds Total	48,362	583,947
	<hr/>	<hr/>
Internal Service Fund		
General Fund	84,966	-
	<hr/>	<hr/>
Internal Service Fund Total	84,966	-
	<hr/>	<hr/>
Fiduciary Fund:		
Non-major Governmental Funds	196,955	-
General Fund	1,500	-
	<hr/>	<hr/>
Fiduciary Fund Total	198,455	
	<hr/>	
Total	<u>\$ 3,516,499</u>	<u>\$ 3,516,499</u>

The District did not have any interfund transfers for the period ended August 31, 2010.

Interfund balances are a result of normal operations and are eliminated periodically. Management intends to pay out these balances within one year.

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the District for the year ended August 31, 2010 was as follows:

	<u>Primary Governments</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions and Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Land	\$ 6,630,063	\$ 219,727	\$ -	\$ 6,849,790
Buildings and improvements	134,238,940	7,505,701	21,238,076	162,982,717
Furniture and equipment	12,346,410	1,473,463	35,773	13,855,646
Construction in progress	23,058,767	6,542,631	(21,628,752)	7,972,646
	<hr/>	<hr/>	<hr/>	<hr/>
Totals at historic cost	176,274,180	15,741,522	(354,903)	191,660,799
	<hr/>	<hr/>	<hr/>	<hr/>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

	Primary Governments			Ending Balance
	Beginning Balance	Additions	Deletions and Reclassifications	
Less accumulated depreciation for:				
Buildings and improvements	36,944,358	2,973,154	(15,235)	39,902,277
Furniture and equipment	7,538,105	1,182,016	(212,705)	8,507,416
Total accumulated depreciation	44,482,463	4,155,170	(227,940)	48,409,693
Governmental activities capital assets, net	\$ 131,791,717	\$ 11,586,352	\$ (126,963)	\$ 143,251,106

Depreciation expense was charged to governmental functions as follows:

11 Instruction	\$ 1,980,355
12 Instruction resources and media services	34,251
13 Curriculum and instructional shop	15,930
21 Instruction leadership	81,820
23 School leadership	210,728
31 Guidance, counseling & evaluation services	92,627
32 Social work services	7,562
33 Health services	30,888
34 Student (pupil) transportation	555,269
35 Food services	230,628
36 Cocurricular/extracurricular activities	96,555
41 General administration	102,497
51 Plant maintenance and operations	304,206
52 Security and monitoring services	146,807
53 Data processing services	260,290
61 Community services	<u>4,757</u>
Total depreciation expense	<u>\$ 4,155,170</u>

G. CAPITAL LEASES

The District has no significant capital leases at August 31, 2010.

H. LEASE AGREEMENTS

In 2009, the District entered into a lease agreement with Project Vida Health Center, Inc. in which the District would lease a particular parcel of real property including improvements of three (3) modular buildings for the purpose of operating a medical clinic and facility to provide medical and health related services to the residents of the District and surrounding areas. The lease commenced on March 1, 2009 and terminates on January 31, 2014.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

I. CHANGES IN LONG-TERM LIABILITIES

Long-term activity for the year ended August 31, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 141,811,401	\$ 231,377	\$ 4,703,081	\$ 137,339,697	\$ 4,866,677
Accretion Payable	6,994,980	3,736,676	3,428,848	7,302,808	158,323
Unamortized Premium on Bonds	4,968,768		262,928	4,705,840	-
Total Governmental Long-term Liabilities	\$ 153,775,149	\$ 3,968,053	\$ 8,394,857	\$ 149,348,345	\$ 5,025,000

J. GENERAL LONG-TERM DEBT

Many of the District's bonds are variable-rate debt. Interest rates for the variable-rate debt change based on pre-determined payment maturity schedules.

A summary of changes in general long-term debt for the year ended August 31, 2010 is as follows:

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amount Outstanding 8/31/09	Issued	Retired	Outstanding 8/31/10
Unlimited Tax Refunding Bonds - Series 1991 Capital appreciation bonds	7.375%	231,407	-	231,407	-	231,407	-
Unlimited Tax Refunding Bonds Series - 1998 Capital appreciation bonds	4.65% - 4.95%	58,385	-	35,031	-	11,677	23,354
Unlimited Tax School Bldg. and Refunding Bond - Series 2002:							
Current interest bonds	4.00% - 6.00%	29,050,000	876,433	16,105,000	-	1,635,000	14,470,000
Capital appreciation bonds	5.76% - 5.91%	644,984	-	644,984	-	-	644,984
Unlimited Tax School Bldg. and Refunding Bond - Series 2003	2.50% to 5.00%	20,905,000	231,275	4,865,000	-	670,000	4,195,000
Unlimited Tax School Bldg. Bond - Series 2003A	2.0% to 5.125%	19,130,000	397,335	9,750,000	-	545,000	9,205,000

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Description	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Payable Amount Outstanding 8/31/09	Issued	Retired	Outstanding 8/31/10
Unlimited Tax School Bldg. Bond Series 2006	4.0% to 5.0%	33,880,000	1,489,790	30,925,000	-	845,000	30,080,000
Unlimited Tax Refunding Bldg. Bond - Series 2007:							
Current interest bonds	4.00% - 4.37%	20,720,000	806,853	19,635,000	-	240,000	19,395,000
Capital appreciation bonds	3.87% - 4.00%	554,982	-	554,982	-	-	554,982
Unlimited Tax School Bldg. Bond Series 2007A	4.5% - 5.0%	24,875,000	1,166,038	23,495,000	-	-	23,495,000
Unlimited Tax School Building Bonds - Series 2008	3.5% to 5.0%	29,935,000	1,418,625	28,660,000	-	-	28,660,000
Unlimited Tax Refunding Bonds - Series 2009:	3.0% to 4.5%						
Current Interest bonds		6,385,000	271,988	6,385,000	-	-	6,385,000
Capital Appreciation bonds		524,997	-	524,997	-	524,997	-
Unlimited Tax Refunding Bonds - Series 2010	2.8% to 3.85%						
Capital appreciation bonds		231,377	-	-	231,377	-	231,377
		<u>187,126,132</u>	<u>6,658,337</u>	<u>141,811,401</u>	<u>\$ 231,377</u>	<u>4,703,081</u>	<u>137,339,697</u>

Tax Refunding Bonds 1998 series, part of 2002 series, part of 2007 series and 2010 series are capital appreciation bonds that require interest to be paid when the principal on the bonds is due. These capital appreciation bonds will mature in 2008 through 2024.

Accretion Payable for the year ended August 31, 2010, is as follows:

Description	Accretion Outstanding 8/31/2009	Issued	Accrual of Accretion	Accretion Retired	Accretion Outstanding 8/31/2010
Tax Refunding Bond Series 1991	\$ 2,901,158	-	\$ 234,364	\$ (3,135,522)	\$ 0
Tax Refunding Bond Series 1998	439,476	-	19,404	(158,323)	300,557
Tax Refunding Bond Series 2002	1,141,721	-	105,873	-	1,247,594
Tax Refunding Bond Series 2007	2,377,622	-	116,417	-	2,494,039
Tax Refunding Bond Series 2009	135,003	-	-	(135,003)	-
Tax Refunding Bond Series 2010	-	3,192,145	68,473	-	3,260,618
	<u>\$ 6,994,980</u>	<u>\$ 3,192,145</u>	<u>\$ 544,531</u>	<u>\$ (3,428,848)</u>	<u>\$ 7,302,808</u>

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Debt service requirements are as follows:

Year Ended August 31,	General Obligations		
	Principal	Interest	Total Requirements
2011	\$ 4,866,677	\$ 6,565,384	\$ 11,432,061
2012	5,076,676	6,356,121	11,432,797
2013	4,456,886	6,969,905	11,426,791
2014	4,288,543	6,757,678	11,046,221
2015	4,709,554	6,624,566	11,334,120
2016 - 2020	28,030,550	29,189,278	57,219,828
2021 - 2025	32,800,811	20,051,303	52,852,114
2026 - 2030	37,095,000	9,303,443	46,398,443
2031 - 2034	16,015,000	1,345,250	17,360,250
Total	\$ 137,339,697	\$ 93,162,928	\$ 230,502,625

On June 16, 2010, the District issued Unlimited Tax Refunding Bonds, Series 2010 in the amount of \$231,377 which was used to refund \$231,407 of Unlimited Tax Refunding Bonds, Series 1991. The bonds are payable February 15 of each year, commencing February 15, 2016 and ending upon maturity on February 15, 2021. The bonds are not subject to optional redemption. The issuance of the refunding bonds was undertaken to reduce total debt service payments over six years by \$1,400,000 and resulted in an economic present value gain of \$1,023,700 after allocation of all costs of issuance of the bonds. The 1991 refunded bonds were redeemed on September 1, 2010. At August 31, 2010, the monies used to defease the 1991 refunded bonds were invested in US State and Local Government Securities in the amount of \$3,366,929. The 1991 refunded bonds are considered defeased and no longer outstanding at August 31, 2010.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of August 31, 2010, \$2,950,000 of the defeased 2002 bonds, \$11,900,000 of the defeased 2003 bonds and \$6,425,000 of the defeased 2003A bonds were still unpaid. The market value of the funds in escrow for the payments for these defeased bonds was \$21,655,134 as of August 31, 2010.

The district has a number of capital appreciation bonds outstanding that were issued at deep discounts. These discounts are being accreted over the life of the bonds. As of August 31, 2010, interest had been accreted in the amount of \$7,302,808 and is presented as part of long-term liabilities.

There are a number of limitation and restrictions contained in the general obligation bond indenture. The District's management has indicated that the District is in compliance with all significant limitations and restrictions, including arbitrage, at August 31, 2010.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

K. DEFINED BENEFIT PENSION PLAN

Plan Description: Clint Independent School District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. It is a cost-sharing PERS with one exception-all risks and costs are not shared by the District, but are the liability of the State of Texas. The payments made by the State on behalf of the District are reflected in the accompanying financial statements as both revenue and expenditures/expenses. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8 Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy: State law provides for a member contribution rate of 6.4% for fiscal years 2008 and 2009 and through December 2009 and a new rate of 6.644% beginning January 2010. State law also provides a state contribution rate of 6.58% for fiscal years 2008, 2009 and 2010. In certain instances the reporting district (I.S.D., college, university, or state agency) is required to make all or a portion of the state's 6.58% contribution for fiscal years 2010, 2009 and 2008. 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 not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system during that fiscal year; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Contributions: Staff members of the District are required to pay 6.4% (through December 2009) and 6.644% (beginning January 2010) of their eligible gross earnings to the TRS pension plan. The State of Texas contributes 6.58% of all employees' eligible gross earnings, except for those staff members subject to statutory minimum requirements and those staff members being paid from and participating in federally funded programs. State statutes establish these rates. The statutory minimum requirements are based on the State of Texas teacher schedule adjusted based on local tax rates. For staff members funded by federal programs, the federal programs are required to contribute 6.58%. State contributions to TRS made on behalf of the District's employees for the years ended August 31, 2010, 2009, and 2008, were as follows:

Year Ended	State TRS Contributions Made on Behalf of the District	(State/Federal) District Required Contributions to TRS	Staff Members' Contributions to TRS
2010	\$ 4,066,141	\$ 1,347,450	\$ 3,916,813
2009	3,827,241	1,311,493	3,722,543
2008	3,681,717	1,202,575	3,581,000

The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

L. Retiree Health Plan

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Funding Policy: Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2010, 2009, and 2008. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff members funded by federal programs, the federal programs are required to contribute 1.0%.

Contributions made by the State, District, and staff members, for the years ended August 31, 2010, 2009, and 2008, which equaled the required contributions each year are as follows:

Year Ended	(1%) State TRS Care Contributions Made on Behalf of the District	(.55% and 1% for Federal) District Required Contributions to TRS Care	(.65%) Staff Members' Contributions to TRS Care
2010	\$ 612,002	\$ 433,308	\$ 397,801
2009	581,648	402,277	378,073
2008	559,532	380,282	363,696

The contributions made by the State on behalf of the District have been recorded in the governmental funds financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

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 provision of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Medicare Part D contributions made on behalf of the District's employees for the years ended August 31, 2008, 2009, and 2010 were \$126,028, \$131,381, and \$151,511, respectively.

M. HEALTH CARE COVERAGE

The District sponsored a modified self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan were accounted for in the Health Insurance Fund (the "Fund"), an internal service fund of the District. Partial staff member contributions are required for personal coverage and total staff member contributions are required for coverage of dependents. The District obtained excess loss insurance, which limited annual claims paid from the Fund for the year ended August 31, 2010, to \$125,000 for any individual participant and an aggregate limit to \$1,000,000 million.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

As of January 1, 2009 the District switched to TRS-Active Care, a statewide health coverage program for public employees established by the 77th Texas Legislature. The plan is administered by the State of Texas and managed by Blue Cross Blue Shield of Texas. The District closed the self-insurance health fund by transferring any remaining assets to the General Fund. Management believes there are no outstanding liabilities related to the self funded plan.

N. WORKER'S COMPENSATION PROGRAM

As required by law the District has acquired adequate workers' compensation insurance coverage contracted through Claims Administrative Services, Inc. since September 1, 2001. The District has chosen to participate in a political subdivision risk pool, which means that the District shares its exposure with other school districts and public entities with similar employee populations. Currently, the District employs more than 1,300 full-time and part-time employees, and pays about \$540,000 in worker's compensation premium annually. This premium is considered sufficient by Claims Administrative Services, Inc. and no contingent liability is required to be reported. This total amount paid for worker's compensation costs is less than 1% of annual payroll, which illustrates that the District is managing and operating its workers' compensation program with comfortable success.

O. DEFERRED REVENUE

Deferred revenue at year end consisted of the following:

	General Fund	Debt Service Fund	Total
Net Tax Revenue	\$ 556,489	\$ 133,853	\$ 690,342
Commodities	16,190	-	16,190
Total Deferred Revenue	<u>\$ 572,679</u>	<u>\$ 133,853</u>	<u>\$ 706,532</u>

P. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of August 31, 2010, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Fund	State and Local Entitlements	Federal Grants	Total
General	\$ 2,591,499	\$ 246,042	\$ 2,837,541
Special Revenue	54,376	487,611	541,987
Debt Service	35,644	-	35,644
Total	\$ 2,681,519	\$ 733,653	\$ 3,415,172

Q. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Internal Service Fund	Permanent Fund	Private Purpose Trust Fund	Total
Property taxes	9,688,126	-	2,673,088	-	-	-	-	12,361,214
Penalties, interest and other tax revenues	395,161	-	80,706	-	-	-	-	475,867
Investment income	42,381	-	12,419	133,649	-	57	-	188,506
Rent income	24,704	-	-	-	-	-	-	24,704
Donations	4,000	-	-	-	-	-	1,500	5,500
Food sales	78,483	1,495	-	-	-	-	-	79,978
Athletic activities	51,724	-	-	-	-	-	-	51,724
Interfund services	-	-	-	-	630,228	-	-	630,228
Enterprising services	-	277,821	-	-	-	-	-	277,821
Other	206,073	-	-	-	-	-	-	206,073
Total	10,490,652	279,316	2,766,213	133,649	630,228	57	1,500	14,301,615

R. DISAGGREGATION OF RECEIVABLES

Other Receivables as of August 31, 2010, consisted of the following:

	General Fund	Special Revenue	Total
E-Rate	\$ 451,539	\$ -	\$ 451,539
Other	4,610	6,248	10,858
Total	\$ 456,149	\$ 6,248	\$ 462,397

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

S. DUE TO OTHER GOVERNMENTS

The Texas Education Agency (TEA) funds the District based on estimated average daily attendance (ADA), which is updated throughout the year. After final attendance information is available TEA provides a Near-Final Summary of Finances which reports its calculation of the District's actual Foundation School Program Allotment, and presents any balance due from or owed to the District. For the year ended August 31, 2010, TEA indicates that it overpaid the District by \$2,140,929. TEA has recouped this amount by reducing its payments to the District for fiscal year 2011. The balance in due to other governments as of August 31, 2010 consisted of the following:

	General Fund	Debt Service	Total
Foundation School Program	\$ 2,140,929	\$ -	\$ 2,140,929
Existing Debt Allotment	-	1,646	1,646
Total	<u>\$ 2,140,929</u>	<u>\$ 1,646</u>	<u>\$ 2,142,575</u>

T. E-RATE PROGRAM FOR SCHOOLS AND LIBRARIES

The E-Rate, (the Schools and Libraries Universal Service Support Mechanism), provides discounts to assist most schools and libraries in the United States to obtain affordable telecommunications and Internet access. Three service categories are funded: Telecommunications Services, Internet Access, and Internal Connections. Discounts range from 20% to 90% of the costs of eligible services. The District applied for three service categories: Telecommunications Services, Internet Access and Internal Connections (Eligible Basic Maintenance services). These services were funded by 89% discount during school year 2009-2010. In addition, e-rate monies received are reported as a special item on the statement of activities in the amount of \$544,196.

U. LITIGATION

During the normal course of business, the District is subject to various legal claims. As of August 31, 2010, management was not aware of any such claim which would have a material adverse effect on the financial statements.

V. OTHER SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Construction Commitments - The District has active construction projects as of August 31, 2010 including renovations and site improvements. All accumulated resources for capital projects are reserved for construction commitments. Construction commitments as of August 31, 2010 are as follows:

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

<u>Project Name</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
Facility Upgrades	\$ 2,147,308	\$ 509,432
New Middle School	18,606,269	1,039,554
New High School	4,311,947	39,956,643
	<u>\$ 25,065,524</u>	<u>\$ 41,505,629</u>

Federal and State Funding

The District participates in numerous programs that are subject to audit by the Texas Education Agency and various Federal audit agencies. These programs have complex compliance requirements, and should State or Federal auditors discover areas of material noncompliance, those District funds may be subject to refund if so determined by administrative audit review.

W. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, dishonesty, errors and omissions, boiler and machinery, personal property, general liability, and athletic insurance. There have been no reductions in insurance coverage from prior years and settlements have not exceeded insurance coverage.

X. PROPERTY INSURANCE AND PERSONNEL BONDS

For the year ended August 31, 2010, Clint Independent School District carried insurance for building and contents in the amount of \$206,145,822 limited to \$1,000,000 per occurrence with a deductible of \$10,000 per occurrence. Automobile liability is limited to \$1,000,000 per occurrence with no deductible per occurrence.

In addition, the district carries educator's liability limited to \$1,000,000 per claim with \$25,000 deductible per claim, which includes the defense cost.

Y. RELATED PARTY TRANSACTIONS

Management is not aware of any significant related party transactions during the 2009-2010 fiscal year.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2010

IV. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Z. TOP TEN TAXPAYERS

The following businesses and individuals are the top ten taxpayers for the District:

<u>Name of Taxpayer</u>	<u>2009-2010 Taxable Value</u>
El Paso Natural Gas Co.	\$ 9,607,504
Southwestern Bell Telephone Co.	7,905,792
El Paso Electric Co.	5,579,314
Hart & Cooley	5,426,989
Lettunich Development Group LT	5,246,627
Hunt Communities Holding LP	4,572,433
PMI Services North America Inc.	4,076,430
Longhorn LLP	4,012,340
Ranchos Real Land Holdings LLC	3,600,000
Jobe Materials LP	3,499,322
	<u>\$ 53,526,751</u>

AA. DESIGNATED FUND BALANCE

The District's Board of Trustees has designated \$3,240,000 of its unreserved fund balance for construction and \$500,000 for capital expenditures for equipment.

AB. BUDGET VARIANCE-DEBT SERVICE FUND

The District refunded a portion of their debt and issued new debt. Since, this did not require the use of operating funds, the Board did not amend the budget to reflect the bond proceeds and related cost of issuance. All transactions were approved by the Board; however, the budget was not officially amended and thus the budget is presented with a negative variance of \$3,366,930 and \$56,558 related to the accounting entry.

AC. SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through January 7, 2011, the date the financial statements were issued.

On September 15, 2010, the board approved 2010A Series refunding bonds to refund older debt to take advantage of low interest rates. The refunding bonds were issued on November 23, 2010 in the amount of \$12,305,000.

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REQUIRED SUPPLEMENTARY INFORMATION

CLINT INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 11,226,836	\$ 11,220,639	\$ 10,490,652	\$ (729,987)
5800 State Program Revenues	61,297,211	61,297,211	61,771,917	474,706
5900 Federal Program Revenues	7,034,659	7,898,636	8,582,336	683,700
5020 Total Revenues	79,558,706	80,416,487	80,844,905	428,418
EXPENDITURES:				
Current:				
0011 Instruction	43,800,695	43,887,908	42,386,723	1,501,185
0012 Instructional Resources and Media Services	997,305	985,932	940,266	45,666
0013 Curriculum and Instructional Staff Development	103,263	72,279	69,220	3,059
0021 Instructional Leadership	1,357,590	1,338,190	1,299,147	39,043
0023 School Leadership	5,429,358	5,465,497	5,342,506	122,991
0031 Guidance, Counseling and Evaluation Services	1,803,609	1,791,597	1,735,988	55,609
0032 Social Work Services	194,626	194,626	189,957	4,669
0033 Health Services	817,715	817,450	788,404	29,046
0034 Student (Pupil) Transportation	3,013,222	3,013,054	2,990,611	22,443
0035 Food Services	6,174,917	7,056,595	6,696,112	360,483
0036 Extracurricular Activities	2,511,204	2,473,927	2,377,982	95,945
0041 General Administration	3,042,455	3,032,473	2,991,782	40,691
0051 Facilities Maintenance and Operations	8,676,718	8,724,697	7,920,378	804,319
0052 Security and Monitoring Services	2,016,698	2,016,698	1,964,922	51,776
0053 Data Processing Services	1,719,859	1,686,215	1,404,030	282,185
0061 Community Services	136,793	136,731	106,597	30,134
Capital Outlay:				
0081 Facilities Acquisition and Construction	644,701	2,017,176	1,956,301	60,875
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	30,000	30,000	-	30,000
0099 Other Intergovernmental Charges	200,000	200,000	199,803	197
6030 Total Expenditures	82,670,728	84,941,045	81,360,729	3,580,316
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,112,022)	(4,524,558)	(515,824)	4,008,734
OTHER FINANCING SOURCES (USES):				
7949 Other Resources	-	-	544,196	544,196
7080 Total Other Financing Sources (Uses)	-	-	544,196	544,196
1200 Net Change in Fund Balances	(3,112,022)	(4,524,558)	28,372	4,552,930
0100 Fund Balance - September 1 (Beginning)	21,171,798	21,171,798	21,171,798	-
3000 Fund Balance - August 31 (Ending)	\$ 18,059,776	\$ 16,647,240	\$ 21,200,170	\$ 4,552,930

OTHER SUPPLEMENTARY INFORMATION

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	966	154,595	10,110	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1800	Restricted Assets-Cash	-	-	-	-
1000	Total Assets	<u>\$ 966</u>	<u>\$ 154,595</u>	<u>\$ 10,110</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	154,595	-	-
2170	Due to Other Funds	966	-	10,110	-
2000	Total Liabilities	<u>966</u>	<u>154,595</u>	<u>10,110</u>	<u>-</u>
Fund Balances:					
Reserved For:					
3445	Other Non-Spendable Fund Balance	-	-	-	-
3450	Food Service/Federal or State Funds Restriction	-	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 966</u>	<u>\$ 154,595</u>	<u>\$ 10,110</u>	<u>\$ -</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	4,731	-	-	16,463	8,770	11,085	11,024
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,463</u>	<u>\$ 8,770</u>	<u>\$ 11,085</u>	<u>\$ 11,024</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	4,731	-	-	16,463	8,770	11,085	11,024
<u>-</u>	<u>4,731</u>	<u>-</u>	<u>-</u>	<u>16,463</u>	<u>8,770</u>	<u>11,085</u>	<u>11,024</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,463</u>	<u>\$ 8,770</u>	<u>\$ 11,085</u>	<u>\$ 11,024</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	266 Title XIV ARRA State Stabilization	274 GEAR UP	279 Title II, D ARRA - Ed. Technology	283 IDEA, Pt. B ARRA Formula
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Receivables from Other Governments	236,628	-	15,311
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1800	Restricted Assets-Cash	-	-	-
1000	Total Assets	<u>\$ 236,628</u>	<u>\$ -</u>	<u>\$ 15,311</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110	Accounts Payable	\$ -	\$ -	\$ 259
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	236,628	-	15,052
2000	Total Liabilities	<u>236,628</u>	<u>-</u>	<u>15,311</u>
Fund Balances:				
Reserved For:				
3445	Other Non-Spendable Fund Balance	-	-	-
3450	Food Service/Federal or State Funds Restriction	-	-	-
3490	Other Reserved/Restricted Fund Balance	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 236,628</u>	<u>\$ -</u>	<u>\$ 15,311</u>

284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program	381 Adult Basic Education State	390 (LEP) Early Childhood Summer Prog.	397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	411 Technology Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	17,928	-	17,648	-	5,171	25,891	-
-	-	-	-	961	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 17,928</u>	<u>\$ -</u>	<u>\$ 17,648</u>	<u>\$ 961</u>	<u>\$ 5,171</u>	<u>\$ 25,891</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	17,928	-	17,648	-	5,171	25,891	-
<u>-</u>	<u>17,928</u>	<u>-</u>	<u>17,648</u>	<u>-</u>	<u>5,171</u>	<u>25,891</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	961	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 17,928</u>	<u>\$ -</u>	<u>\$ 17,648</u>	<u>\$ 961</u>	<u>\$ 5,171</u>	<u>\$ 25,891</u>	<u>\$ -</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2010

Data Control Codes	415 Kindergarten and Pre-K Grants	422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds	461 Campus Activity Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 272,257
1240 Receivables from Other Governments	129	-	5,537	-
1260 Due from Other Funds	-	4,232	55	42,966
1290 Other Receivables	-	-	-	6,248
1800 Restricted Assets-Cash	-	-	-	-
1000 Total Assets	<u>\$ 129</u>	<u>\$ 4,232</u>	<u>\$ 5,592</u>	<u>\$ 321,471</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	129	-	5,396	196,955
2000 Total Liabilities	<u>129</u>	<u>-</u>	<u>5,396</u>	<u>196,955</u>
Fund Balances:				
Reserved For:				
3445 Other Non-Spendable Fund Balance	-	-	-	-
3450 Food Service/Federal or State Funds Restriction	-	4,232	196	-
3490 Other Reserved/Restricted Fund Balance	-	-	-	124,516
3000 Total Fund Balances	<u>-</u>	<u>4,232</u>	<u>196</u>	<u>124,516</u>
4000 Total Liabilities and Fund Balances	<u>\$ 129</u>	<u>\$ 4,232</u>	<u>\$ 5,592</u>	<u>\$ 321,471</u>

494	Total Nonmajor Special Revenue Funds	807	Total Nonmajor Governmental Funds
\$ -	\$ 272,257	\$ -	\$ 272,257
-	541,987	-	541,987
148	48,362	-	48,362
-	6,248	-	6,248
-	-	5,817	5,817
<u>\$ 148</u>	<u>\$ 868,854</u>	<u>\$ 5,817</u>	<u>\$ 874,671</u>
\$ -	\$ 259	\$ -	\$ 259
-	154,595	-	154,595
-	583,947	-	583,947
<u>-</u>	<u>738,801</u>	<u>-</u>	<u>738,801</u>
-	-	5,000	5,000
-	5,389	-	5,389
148	124,664	817	125,481
<u>148</u>	<u>130,053</u>	<u>5,817</u>	<u>135,870</u>
<u>\$ 148</u>	<u>\$ 868,854</u>	<u>\$ 5,817</u>	<u>\$ 874,671</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	204 ESEA Title IV Safe & Drug Free Schools	211 ESEA I, A Improving Basic Program	212 ESEA Title I Part C Migrant	220 Adult Education Federal	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	47,883	4,386,860	115,511	58,870
5020	Total Revenues	<u>47,883</u>	<u>4,386,860</u>	<u>115,511</u>	<u>58,870</u>
EXPENDITURES:					
Current:					
0011	Instruction	36,027	3,617,854	25,976	44,821
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	30,376	-	-
0021	Instructional Leadership	-	583,990	86,291	-
0023	School Leadership	-	90,705	-	-
0031	Guidance, Counseling and Evaluation Services	10,411	-	-	-
0033	Health Services	-	12,275	-	-
0035	Food Services	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	2,659	296	-
0061	Community Services	1,445	49,001	2,948	14,049
6030	Total Expenditures	<u>47,883</u>	<u>4,386,860</u>	<u>115,511</u>	<u>58,870</u>
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

224 IDEA - Part B Formula	225 IDEA - Part B Preschool	242 Summer Feeding Program	243 Career and Technical - Preparation	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	262 Title II, D Education Technology	263 Title III, A English Lang. Acquisition
\$ -	\$ -	\$ 1,495	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,818,455	17,370	164,459	2,454	166,885	458,601	37,037	420,654
<u>1,818,455</u>	<u>17,370</u>	<u>165,954</u>	<u>2,454</u>	<u>166,885</u>	<u>458,601</u>	<u>37,037</u>	<u>420,654</u>
979,722	17,370	-	2,454	146,626	387,942	16,518	404,085
-	-	-	-	-	-	2,158	-
-	-	-	-	20,259	40,374	18,361	16,569
220,464	-	-	-	-	-	-	-
-	-	-	-	-	21,079	-	-
618,269	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	165,954	-	-	-	-	-
-	-	-	-	-	9,206	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,818,455</u>	<u>17,370</u>	<u>165,954</u>	<u>2,454</u>	<u>166,885</u>	<u>458,601</u>	<u>37,037</u>	<u>420,654</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	266 Title XIV ARRA State Stabilization	274 GEAR UP	279 Title II, D ARRA - Ed. Technology	283 IDEA, Pt. B ARRA Formula	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	5,125,325	39,154	97,954	910,591
5020	Total Revenues	<u>5,125,325</u>	<u>39,154</u>	<u>97,954</u>	<u>910,591</u>
EXPENDITURES:					
Current:					
0011	Instruction	3,290,472	26,167	71,095	818,894
0012	Instructional Resources and Media Services	403,684	-	-	-
0013	Curriculum and Instructional Staff Development	661,272	10,263	25,446	86,634
0021	Instructional Leadership	15,018	-	1,413	4,267
0023	School Leadership	186,475	2,724	-	796
0031	Guidance, Counseling and Evaluation Services	98	-	-	-
0033	Health Services	-	-	-	-
0035	Food Services	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	468,306	-	-	-
0061	Community Services	100,000	-	-	-
6030	Total Expenditures	<u>5,125,325</u>	<u>39,154</u>	<u>97,954</u>	<u>910,591</u>
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
3000	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

284 IDEA, Pt. B ARRA Preschool	285 ESEA I,A Improving Basic Program	381 Adult Basic Education State	390 (LEP) Early Childhood Summer Prog.	397 Advanced Placement Incentives	401 Optional Extended Year Program	404 Student Success Initiative	411 Technology Allotment
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	9,315	17,648	-	51,706	120,334	308,252
<u>10,580</u>	<u>1,526,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,580</u>	<u>1,526,644</u>	<u>9,315</u>	<u>17,648</u>	<u>-</u>	<u>51,706</u>	<u>120,334</u>	<u>308,252</u>
10,580	1,437,709	9,315	17,648	-	51,706	103,840	303,216
-	-	-	-	-	-	-	-
-	66,124	-	-	4,310	-	16,494	5,036
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	22,811	-	-	-	-	-	-
<u>10,580</u>	<u>1,526,644</u>	<u>9,315</u>	<u>17,648</u>	<u>4,310</u>	<u>51,706</u>	<u>120,334</u>	<u>308,252</u>
-	-	-	-	(4,310)	-	-	-
-	-	-	-	5,271	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	415 Kindergarten and Pre-K Grants	422 Matching Fund for Library Purchases	429 Other State Special Revenue Funds	461 Campus Activity Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ 277,821
5800 State Program Revenues	491,822	4,232	27,665	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>491,822</u>	<u>4,232</u>	<u>27,665</u>	<u>277,821</u>
EXPENDITURES:				
Current:				
0011 Instruction	455,693	-	27,579	258,651
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	-	-
0021 Instructional Leadership	36,129	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling and Evaluation Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0061 Community Services	-	-	-	-
6030 Total Expenditures	<u>491,822</u>	<u>-</u>	<u>27,579</u>	<u>258,651</u>
1200 Net Change in Fund Balance	-	4,232	86	19,170
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>110</u>	<u>105,346</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 4,232</u>	<u>\$ 196</u>	<u>\$ 124,516</u>

494	Total Nonmajor Special Revenue Funds	807	Total Nonmajor Governmental Funds
\$ -	\$ 279,316	\$ 57	\$ 279,373
-	1,030,974	-	1,030,974
-	15,405,287	-	15,405,287
-	<u>16,715,577</u>	<u>57</u>	<u>16,715,634</u>
-	12,561,960	-	12,561,960
-	405,842	-	405,842
-	1,001,518	-	1,001,518
-	947,572	-	947,572
-	301,779	-	301,779
-	628,778	-	628,778
-	12,275	-	12,275
-	165,954	-	165,954
-	9,206	-	9,206
-	471,261	-	471,261
-	190,254	-	190,254
-	<u>16,696,399</u>	<u>-</u>	<u>16,696,399</u>
-	19,178	57	19,235
<u>148</u>	<u>110,875</u>	<u>5,760</u>	<u>116,635</u>
<u>\$ 148</u>	<u>\$ 130,053</u>	<u>\$ 5,817</u>	<u>\$ 135,870</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2010

	BALANCE SEPTEMBER 1 2009	ADDITIONS	DEDUCTIONS	BALANCE AUGUST 31 2010
STUDENT ACTIVITY ACCOUNT				
Assets:				
Due From Other Funds	\$ 205,913	\$ 483,642	\$ 498,001	\$ 191,554
Liabilities:				
Due to Student Groups	\$ 205,913	\$ 483,642	\$ 498,001	\$ 191,554
SUNSHINE FUND				
Assets:				
Due From Other Funds	\$ -	\$ 5,696	\$ 295	\$ 5,401
Liabilities:				
Payable from Restricted Assets	\$ -	\$ 5,696	\$ 295	\$ 5,401
TOTAL AGENCY FUNDS				
Assets:				
Due From Other Funds	\$ 205,913	\$ 489,338	\$ 498,296	\$ 196,955
Liabilities:				
Due to Student Groups	\$ 205,913	\$ 483,642	\$ 498,001	\$ 191,554
ayable from Restricted Assets	-	5,696	295	5,401
Total Liabilities	\$ 205,913	\$ 489,338	\$ 498,296	\$ 196,955

REQUIRED TEA SCHEDULES

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2010

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2001 and prior years	Various	Various	\$ 3,075,940,393
2002	1.500000	0.214800	400,310,124
2003	1.500000	0.294000	411,746,934
2004	1.500000	0.225500	428,550,004
2005	1.500000	0.210000	461,949,240
2006	1.500000	0.210000	529,494,035
2007	1.370100	0.315000	643,781,884
2008	1.040050	0.295000	792,627,468
2009	1.040050	0.295000	888,716,321
2010 (School year under audit)	1.040050	0.295000	922,847,582
1000 TOTALS			

(10) Beginning Balance 9/1/2009	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2010
\$ 1,088,443	\$ -	\$ 17,726	\$ 7,329	\$ (39,322)	\$ 1,024,066
209,393	-	6,887	986	-	201,520
224,137	-	8,946	1,753	-	213,438
249,781	-	15,919	2,393	1,468	232,937
250,652	-	10,575	1,481	(6,917)	231,679
278,001	-	27,313	3,824	5,956	252,820
348,924	-	51,408	11,819	2,527	288,224
500,096	-	157,039	36,105	4,336	311,288
976,525	-	424,798	63,850	(27,679)	460,198
-	12,320,477	9,014,858	2,556,976	-	748,643
<u>\$ 4,125,952</u>	<u>\$ 12,320,477</u>	<u>\$ 9,735,469</u>	<u>\$ 2,686,516</u>	<u>\$ (59,631)</u>	<u>\$ 3,964,813</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES FOR COMPUTATIONS OF INDIRECT COST FOR 2011-2012
 GENERAL AND SPECIAL REVENUE FUNDS
 AUGUST 31, 2010

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION, 99 - APPRAISAL DISTRICT COST

Account Number	Account Name	1	2	3	4	5	6	7
		(702) School Board	(703) Tax Collections	(701) Supt's Office	(750) Indirect Cost	(720) Direct Cost	(other) Miscellaneous	Total
611X-6146	PAYROLL COSTS	\$ -	\$ -	\$ 350,466	\$ 1,940,851	\$ -	\$ -	\$ 2,291,317
6149	Leave for Separating Employees in Fn 41 & 53	-	-	-	1,312	-	-	1,312
6149	Leave - Separating Employees not in 41 & 53	-	-	-	-	-	-	-
6211	Legal Services	191,230	-	-	-	-	-	191,230
6212	Audit Services	-	-	-	77,650	-	-	77,650
6213	Tax Appraisal/Collection - Appraisal in Fn 99	-	199,803	-	-	-	-	199,803
621X	Other Professional Services	1,279	-	11,645	36,700	-	-	49,624
6220	Tuition and Transfer Payments	-	-	-	-	-	-	-
6230	Education Service Centers	2,000	-	-	840	-	-	2,840
6240	Contr. Maint. and Repair	-	-	-	-	9,043	-	9,043
6250	Utilities	-	-	-	-	-	-	-
6260	Rentals	-	-	2,520	10,536	-	-	13,056
6290	Miscellaneous Contr.	2,950	-	4,630	22,443	-	-	30,023
6320	Textbooks and Reading	-	-	-	1,335	-	-	1,335
6330	Testing Materials	-	-	-	-	-	-	-
63XX	Other Supplies Materials	1,089	-	13,884	156,335	-	1,553	172,861
6410	Travel, Subsistence, Stipends	19,288	-	8,949	41,517	-	4,516	74,270
6420	Ins. and Bonding Costs	-	-	-	45,356	-	-	45,356
6430	Election Costs	-	-	-	-	-	-	-
6490	Miscellaneous Operating	3,014	-	9,384	22,618	-	3,137	38,153
6500	Debt Service	-	-	-	-	-	-	-
6600	Capital Outlay	-	-	-	-	-	23,000	23,000
6000	TOTAL	\$ 220,850	\$ 199,803	\$ 401,478	\$ 2,357,493	\$ 9,043	\$ 32,206	\$ 3,220,873

Total expenditures/expenses for General and Special Revenue Funds: (9) \$ 98,057,149

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)	(10)	\$ 3,136,505
Total Debt & Lease(6500)	(11)	-
Plant Maintenance (Function 51, 6100-6400)	(12)	8,259,524
Food (Function 35, 6341 and 6499)	(13)	2,701,517
Stipends (6413)	(14)	-
Column 4 (above) - Total Indirect Cost		<u>2,357,493</u>

SubTotal: 16,455,039

Net Allowed Direct Cost \$ 81,602,111

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)	(15)	\$ 162,982,716
Historical Cost of Building over 50 years old	(16)	\$ 3,947,625
Amount of Federal Money in Building Cost (Net of #16)	(17)	\$ -
Total Cost of Furniture & Equipment before Depreciation (1530 & 1540)	(18)	\$ 13,855,646
Historical Cost of Furniture & Equipment over 16 years old	(19)	\$ 830,709
Amount of Federal Money in Furniture & Equipment (Net of #19)	(20)	\$ 1,463,346

(8) NOTE A: \$20,082 in Function 53 expenditures are included in this report on administrative costs.
 \$199,803 in Function 99 expenditures for appraisal district costs are included in this report on administrative costs.

CLINT INDEPENDENT SCHOOL DISTRICT
 FUNDBALANCE AND CASHFLOW CALCULATION WORKSHEET
 GENERAL FUND AS OF AUGUST 31, 2010

UNAUDITED

1	Total General Fund Balance as of 8/31/10 (Exhibit C-1 object 3000 for the General Fund Only)		\$	21,200,170
2	Total Reserved Fund Balance (from Exhibit C-1 - total of object 3400s for the General Fund Only)	\$		2,485,142
3	Total Designated Fund Balance (from Exhibit C-1 - total of object 3500s for the General Fund Only)			3,740,000
4	Estimated amount needed to cover fall cash flow deficits in the General Fund (Net of borrowed funds and funds representing deferred revenues.)			3,500,000
5	Estimate of two month's average cash disbursements during the fiscal year.			7,707,892
6	Estimate of delayed payments from state sources (58xx).			6,000,000
7	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.			-
8	Estimate of delayed payments from federal sources (59xx)			1,500,000
9	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)			-
10	Adjustment to meet Board Policy			-
11	Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10)			<u>24,933,034</u>
12	Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 11)		\$	<u>(3,732,864)</u>

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 169,672	\$ 180,672	\$ 211,376	\$ 30,704
5800 State Program Revenues	43,072	43,072	43,072	-
5900 Federal Program Revenues	6,333,421	7,197,398	7,779,076	581,678
5020 Total Revenues	6,546,165	7,421,142	8,033,524	612,382
EXPENDITURES:				
0035 Food Services	6,174,917	7,056,595	6,696,112	360,483
0041 General Administration	20,000	20,000	-	20,000
0051 Facilities Maintenance and Operations	254,527	247,826	162,237	85,589
6030 Total Expenditures	6,449,444	7,324,421	6,858,349	466,072
1200 Net Change in Fund Balances	96,721	96,721	1,175,175	1,078,454
0100 Fund Balance - September 1 (Beginning)	1,245,474	1,245,474	1,245,474	-
3000 Fund Balance - August 31 (Ending)	\$ 1,342,195	\$ 1,342,195	\$ 2,420,649	\$ 1,078,454

CLINT INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED AUGUST 31, 2010

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 2,897,540	\$ 2,897,540	\$ 2,766,213	\$ (131,327)
5800 State Program Revenues	8,727,690	8,727,690	8,697,428	(30,262)
5020 Total Revenues	11,625,230	11,625,230	11,463,641	(161,589)
EXPENDITURES:				
Debt Service:				
0071 Debt Service - Principal on Long Term Debt	4,471,670	4,471,670	4,471,674	(4)
0072 Debt Service - Interest on Long Term Debt	6,951,660	6,951,660	6,939,938	11,722
0073 Debt Service - Bond Issuance Cost and Fees	4,000	4,000	60,558	(56,558)
6030 Total Expenditures	11,427,330	11,427,330	11,472,170	(44,840)
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	197,900	197,900	(8,529)	(206,429)
OTHER FINANCING SOURCES (USES):				
7901 Refunding Bonds Issued	-	-	231,377	231,377
7916 Premium or Discount on Issuance of Bonds	-	-	3,192,145	3,192,145
8949 Other (Uses)	-	-	(3,366,930)	(3,366,930)
7080 Total Other Financing Sources (Uses)	-	-	56,592	56,592
1200 Net Change in Fund Balances	197,900	197,900	48,063	(149,837)
0100 Fund Balance - September 1 (Beginning)	2,815,149	2,815,149	2,815,149	-
3000 Fund Balance - August 31 (Ending)	\$ 3,013,049	\$ 3,013,049	\$ 2,863,212	\$ (149,837)

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FEDERAL AWARDS SECTION

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

To the Board of Trustees
Clint Independent School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clint Independent School District (the District) as of and for the year ended August 31, 2010, which collectively comprise Clint Independent School District's basic financial statements and have issued our report thereon dated January 7, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clint Independent School District's internal control over financial reporting as a basis for designing our auditing procedure for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Clint Independent School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Clint Independent School District's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Clint Independent School District, in a separate letter dated January 7, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, the administration, Texas Education Agency, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Charles R. L. Patten, LLC". The signature is written in a cursive, flowing style.

El Paso, Texas
January 7, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Trustees
Clint Independent School District

Compliance

We have audited Clint Independent School District's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Clint Independent School District's major federal programs for the year ended August 31, 2010. Clint 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Clint Independent School District's management. Our responsibility is to express an opinion on Clint Independent School District's compliance based on our audit.

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 Clint 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. Our audit does not provide a legal determination on Clint Independent School District's compliance with those requirements.

In our opinion, Clint Independent School District, complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 1-01.

Internal Control Over Compliance

Management of Clint Independent School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Clint Independent School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 of the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clint Independent School District's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 10-01. *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 to those charged with governance.

Clint Independent School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Clint Independent School District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, the administration, Texas Education Agency, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "C. Ruddock". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

El Paso, Texas
January 7, 2011

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2010

Schedule Reference Number	PROGRAM	DESCRIPTION
	<u>SUMMARY OF AUDITOR'S RESULTS</u>	
	<u>Financial Statements</u>	
	Type of Auditor's Report issued:	Unqualified
	Internal control over financial reporting:	
	Material weaknesses identified?	No
	Significant deficiencies identified that are not considered to be material weaknesses?	No
	Noncompliance material to the financial statements:	No
	<u>Federal Awards</u>	
	Internal control over major programs:	
	Material weaknesses identified?	No
	Significant deficiencies identified that are not considered to be material weaknesses?	Yes
	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
	Major Federal Programs:	CFDA 84.010A & 84.389A-Title I, Part A Cluster, includes ARRA CFDA 84.027A, 84.173A, 84.391A & 84.392A-IDEA Part B Cluster, includes ARRA CFDA 84.394A-ARRA-State Fiscal Stabilization CFDA 84.318X & 84.386A-Title II, Part D Cluster, includes ARRA CFDA 10.579-ARRA Equipment Assistance Grant
	Dollar threshold used to distinguish between type A and type B programs:	\$713,777
	Auditee qualified as low-risk auditee?	Yes

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2010

Schedule Reference Number	PROGRAM	DESCRIPTION
<u>FINANCIAL STATEMENT FINDINGS</u>		
There are no current year findings.		
<u>FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</u>		
10-01	ESEA, Title I, Part A (CFDA 84.010A) & ARRA-Title I, Part A (CFDA 84.389A) Cluster Program	Eligibility
	Criteria:	Government regulations, specifically 34 CFR 200.78, require that the District allocate funds and serve each participating school in rank order, on the basis of the total number of children from low-income families residing in the area or attending the school.
	Condition Found:	The District attempted to concentrate the funding on the elementary campuses and, as such, did not allocate funds and serve participating schools in rank order based on the total number of children from low-income families residing in the area or attending the school.
	Questioned Costs:	The difference between actual allocations and recalculated allocations based on overall rank order indicates an over allocation to certain campuses in the amount of \$296,726.
	Instances/Universe:	N/A
	Effect:	The District allocated funds and served schools out of rank order based on campus need and not on the total number of children from low-income families residing in the area or attending the school on a District-wide basis.

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2010

Schedule Reference Number	PROGRAM	DESCRIPTION
	Cause:	The District was relying on a different interpretation of the program's compliance requirements. The program had previously been audited by other governmental agencies, and those audits resulted in no findings related to the District's allocation method. For this reason, the District believed it's allocation method to be appropriate.
	Recommendations:	We recommend the District revise their procedures to ensure that they allocate funds and serve schools in rank order based on low-income percentage calculations.
	Management Response:	See Corrective Action Plan

CLINT INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF STATUS OF PRIOR FINDINGS

FOR THE YEAR ENDED AUGUST 31, 2010

Schedule Reference Number	PROGRAM	STATUS OF PRIOR YEAR'S FINDINGS/NONCOMPLIANCE
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FINANCIAL STATEMENT FINDINGS

There were no prior year findings.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year findings.

CLINT INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED AUGUST 31, 2010

Schedule Reference Number	PROGRAM	CORRECTIVE ACTION PLAN
10-01	ESEA, Title I, Part A (CFDA 84.010A) & ARRA-Title I, Part A (CFDA 84.389A) Cluster Program	
	Corrective Action:	<p>Clint I.S.D will implement the following procedures for allocating Title I funding to all eligible campuses. The district will ensure all campuses receive funding based on the low-income percentages required based on these procedures:</p> <ul style="list-style-type: none">• Verify all low-income percentages with the PEIMS staff to ensure data has been reported for all campuses.• Rank the campuses based on the low-income percentages and ensure campuses are ranked above 75% to receive appropriate funding.• Review the Title I grant application and verify the ranking is accurate.• Continue to meet with appropriate personnel on a monthly basis to review all Title I expenditures and budgeted amounts are used appropriately and according to the guidelines.• Continue to verify Title I requirements through staff development.• Continue to attend relevant conferences such as ACET and TASBO.• Continue to communicate with TEA and district staff on questions pertaining to Title I.
	Responsible Party:	<p>Donna Cline, Executive Director of Business Services James Littlejohn, Assistant Superintendent of Instructional Services Ignacio Solis, Federal Programs Director</p>
	Anticipated Completion Date:	<p>November 2011</p>

CLINT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
<u>State Department of Transportation</u>			
Congestion Mitigation and Air Quality Program	20.205	0924-06-357	\$ 171,519
Total State Department of Transportation			\$ 171,519
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			\$ 171,519
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
NJROTC	12.000	N/A	\$ 204,467
Total Direct Programs			\$ 204,467
TOTAL DEPARTMENT OF DEFENSE			\$ 204,467
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through El Paso Community College</u>			
GEAR UP	84.334A	P334A060240	\$ 39,154
Total Passed Through El Paso Community College			\$ 39,154
<u>Passed Through Upper Rio Grande College Tech Prep.</u>			
Career and Technical - Preparation	84.243A	091207353801768742	\$ 2,454
Total Passed Through Upper Rio Grande College Tech Prep.			\$ 2,454
<u>Passed Through State Department of Education</u>			
Adult Education (ABE) - Federal	84.002	104100017110277	\$ 58,870
ESEA, Title I, Part A - Improving Basic Programs*	84.010A	10610101071901	4,386,860
ESEA, Title I, Pt A - Improving Basic Prog. (IDC)*	84.010A	10610101071901	35,364
Total CFDA Number 84.010A			4,422,224
ESEA, Title I, Part C - Migratory Children	84.011A	10615001071901	115,511
ESEA, Title I, Part C - Migratory Children (IDC)	84.011A	10615001071901	2,092
Total CFDA Number 84.011A			117,603
IDEA - Part B, Formula**	84.027A	106600010719016600	1,818,455
IDEA - Part B, Formula (IDC)**	84.027A	106600010719016600	26,527
Total CFDA Number 84.027A			1,844,982
Career and Technical - Basic Grant	84.048	10420000071901	166,885
Career and Technical - Basic Grant (IDC)	84.048	10420000071901	4,239
Total CFDA Number 84.048			171,124
IDEA - Part B, Preschool**	84.173A	106610010719016610	17,370
ESEA Title IV, Pt. A - Safe and Drug-Free Schools	84.186A	10691001071901	47,883
ESEA Title IV - Safe and Drug-Free Schools (IDC)	84.186A	10691001071901	966
Total CFDA Number 84.186A			48,849
Title II, Part D -Enhancing Ed. Through Tech.***	84.318X	10630001071901	37,037
Title II, Part D-Enhancing Ed. Thru Tech. (IDC)***	84.318X	10630001071901	469
Total CFDA Number 84.318X			37,506
Title III, Part A - English Language Acquisition	84.365A	10671001071901	420,654
Title III, Part A - English Language Acq. (IDC)	84.365A	10671001071901	11,024
Total CFDA Number 84.365A			431,678
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	10694501071901	458,601
ESEA, Title II, PtA, Teach/Prinl Train. (IDC)	84.367A	10694501071901	8,770
Total CFDA Number 84.367A			467,371

CLINT INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2010

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
ARRA - Title II D Enhancing Ed. Through Tech***	84.386A	10553001071901	\$ 97,954
ARRA - ESEA, Title I, A - Improving Basic Progr.*	84.389A	10551001071901	1,526,644
ARRA - IDEA, Part B, Formula**	84.391A	10554001071901	910,591
ARRA - IDEA, Part B, Preschool**	84.392A	10555001071901	10,580
ARRA - Title XIV, State Fiscal Stabilization Fund	84.394A	10557001071901	5,125,325
ARRA - Title XIV, State Fiscal Stab Fund (IDC)	84.394A	10557001071901	142,763
Total CFDA Number 84.394A			<u>5,268,088</u>
Total Passed Through State Department of Education			<u>\$ 15,431,434</u>
TOTAL DEPARTMENT OF EDUCATION			<u>\$ 15,473,042</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
School Breakfast Program****	10.553	71401001	\$ 2,337,868
National School Lunch Program-Cash Assistance****	10.555	71301001	4,378,010
Commodity Supplemental - Non-Cash Assistance****	10.555	071901	402,481
Total CFDA Number 10.555			<u>4,780,491</u>
Summer Feeding Program - Cash Assistance****	10.559	71401001/71301001	164,459
ARRA - Equipment Assistance Grant	10.579	6TX340332	660,717
Total Passed Through the State Department of Agriculture			<u>\$ 7,943,535</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 7,943,535</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 23,792,563</u>

*, **, *** and **** Clustered Programs as required by Compliance Supplement March, 2010

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2010

1. For all Federal programs, the District uses the fund types specified in Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types and Expendable Trust Funds are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in either the General Fund or in a Special Revenue Fund, a component of the Governmental Fund type. For specifics, see reconciliation at #4. Indirect costs were accounted for in the General Fund. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types, the Expendable Trust Funds, and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned. Due to the nature of the reporting process for the SHARS program, the District recognizes revenue upon receipt of the reimbursement notice from the granting agency.

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

(Continued)

CLINT INDEPENDENT SCHOOL DISTRICT

NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS

YEAR ENDED AUGUST 31, 2010

4. Of the federal expenditures presented in the schedule, the District accounted for certain funds in the General Fund as follows:

Program Title	Federal CFDA Number	Amount
NJROTC	12.000	\$ 204,467
Texas Dept. Of Transportation		171,519
Medicaid Assistance Program	93.778	-
USDA Commodities	10.550	402,481
National School Breakfast Program	10.553	2,337,868
National School Lunch Program	10.555	4,378,010
Equipment Assistance Grant - ARRA	10.579	660,717
Indirect Costs - Other	84.XXX	<u>232,214</u>
General Fund federal revenue reported in Schedule K-1		<u>8,387,276</u>
Federal revenue in General Fund not presented in Schedule K-1		<u>195,060</u>
Total General Fund federal revenue per C-3		<u><u>\$ 8,582,336</u></u>
Total federal revenue per K-1		<u>\$ 23,792,563</u>
Plus SHARS revenue not included in K-1		<u>195,060</u>
Total federal revenue per C-3		<u><u>\$ 23,987,623</u></u>